

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

Interim financial statements  
for the three-month and nine-month periods ended  
31 December 2017

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 subsidiary, and of Thai Carbon Black Public Company Limited, respectively, as at 31 December 2017; the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 31 December 2017, the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 31 December 2017; 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”.

(Orawan Chunhakitpaisan)  
Certified Public Accountant  
Registration No. 6105

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 February 2018

# Thai Carbon Black Public Company Limited and its Subsidiary

## Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
		31 December	31 March	31 December	31 March
Assets	Note	2017	2017	2017	2017
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
<b><i>Current assets</i></b>					
Cash and cash equivalents		3,637,140	495,381	3,636,964	495,348
Short-term deposits at financial institutions	4	-	2,633,000	-	2,633,000
Trade accounts receivable	3, 5	1,037,804	892,643	1,037,804	892,643
Other receivables	3	35,810	31,989	35,810	31,989
Inventories	6	1,715,281	766,860	1,715,281	766,860
Other current assets		67,598	158,587	67,456	158,485
<b>Total current assets</b>		<b>6,493,633</b>	<b>4,978,460</b>	<b>6,493,315</b>	<b>4,978,325</b>
<b><i>Non-current assets</i></b>					
Investments in equity-accounted investees	7	4,402,689	3,669,641	770,364	770,364
Investments in subsidiary	8	-	-	12,854	12,854
Other long-term investments	9	1,580,604	1,580,604	1,580,604	1,580,604
Long-term loan to related party	3	5,623,107	5,911,495	5,623,107	5,928,832
Long-term interest receivables	3	1,685,628	1,506,100	1,685,628	1,506,100
Property, plant and equipment	10	1,325,843	1,416,054	1,325,843	1,416,054
Intangible assets		17,025	20,673	17,025	20,673
Deferred tax assets	11	78,801	82,552	78,801	82,552
Other non-current assets		2,101	2,835	2,101	2,835
<b>Total non-current assets</b>		<b>14,715,798</b>	<b>14,189,954</b>	<b>11,096,327</b>	<b>11,320,868</b>
<b>Total assets</b>		<b>21,209,431</b>	<b>19,168,414</b>	<b>17,589,642</b>	<b>16,299,193</b>

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

# Thai Carbon Black Public Company Limited and its Subsidiary

## Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2017 (Unaudited)	31 March 2017	31 December 2017 (Unaudited)	31 March 2017
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade accounts payable	3	1,326,807	685,512	1,326,807	685,512
Other payables	3	362,622	195,276	362,197	195,276
Current portion of long-term borrowing from financial institutions	12	242,551	160,653	242,551	160,653
Current tax payable		62,864	112,337	62,864	112,337
Derivatives liabilities	18	51,172	107,888	51,172	107,888
<b>Total current liabilities</b>		<b>2,046,016</b>	<b>1,261,666</b>	<b>2,045,591</b>	<b>1,261,666</b>
<b>Non-current liabilities</b>					
Long-term borrowing from financial institutions	12	3,027,957	3,460,528	3,027,957	3,460,528
Non-current provisions for employee benefits	13	105,858	93,015	105,858	93,015
<b>Total non-current liabilities</b>		<b>3,133,815</b>	<b>3,553,543</b>	<b>3,133,815</b>	<b>3,553,543</b>
<b>Total liabilities</b>		<b>5,179,831</b>	<b>4,815,209</b>	<b>5,179,406</b>	<b>4,815,209</b>
<b>Equity</b>					
Share capital:					
Authorized share capital		300,000	300,000	300,000	300,000
Issued and paid-up share capital		300,000	300,000	300,000	300,000
Share premium:					
Share 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		16,063,861	14,392,257	11,150,236	10,223,984
Other components of equity		(1,294,261)	(1,299,052)	-	-
<b>Total equity</b>		<b>16,029,600</b>	<b>14,353,205</b>	<b>12,410,236</b>	<b>11,483,984</b>
<b>Total liabilities and equity</b>		<b>21,209,431</b>	<b>19,168,414</b>	<b>17,589,642</b>	<b>16,299,193</b>

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

## Thai Carbon Black Public Company Limited and its Subsidiary

### Statement of income (Unaudited)

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Three-month period ended 31 December		Three-month period ended 31 December	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenues from sales		1,843,029	1,320,388	1,843,029	1,320,388
Dividend income	3, 7	-	17,080	2,211	19,440
Interest income	3	97,573	94,066	97,573	94,066
Net foreign exchange gain		-	1,036	-	1,036
Other income		1,083	4,030	1,083	4,030
<b>Total revenues</b>		<b>1,941,685</b>	<b>1,436,600</b>	<b>1,943,896</b>	<b>1,438,960</b>
<b>Expenses</b>					
Cost of sales of goods	3	1,302,589	901,255	1,302,589	901,255
Distribution costs	3	40,789	33,594	40,789	33,594
Administrative expenses	3	97,194	92,164	97,190	92,160
Net foreign exchange loss		92,875	-	92,875	-
Finance costs		35,556	36,615	35,553	36,615
<b>Total expenses</b>		<b>1,569,003</b>	<b>1,063,628</b>	<b>1,568,996</b>	<b>1,063,624</b>
<b>Share of profit of equity-accounted investees</b>					
Associates		233,449	80,986	-	-
<b>Total</b>		<b>233,449</b>	<b>80,986</b>	<b>-</b>	<b>-</b>
<b>Profit before income tax expense</b>		<b>606,131</b>	<b>453,958</b>	<b>374,900</b>	<b>375,336</b>
Tax expense		54,927	51,084	54,927	51,084
<b>Profit for the period</b>		<b>551,204</b>	<b>402,874</b>	<b>319,973</b>	<b>324,252</b>
<b>Basic earnings per share (in Baht)</b>	16	<b>1.84</b>	<b>1.34</b>	<b>1.07</b>	<b>1.08</b>

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

## Thai Carbon Black Public Company Limited and its Subsidiary

### Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	31 December		31 December	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>551,204</b>	<b>402,874</b>	<b>319,973</b>	<b>324,252</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	18,458	(146,554)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>18,458</b>	<b>(146,554)</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Share of other comprehensive income of equity-accounted investees	2,518	-	-	-
Gain on remeasurements of defined benefit plans	-	-	-	-
Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>2,518</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income (expense) for the period, net of tax</b>	<b>20,976</b>	<b>(146,554)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>572,180</b>	<b>256,320</b>	<b>319,973</b>	<b>324,252</b>

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

# Thai Carbon Black Public Company Limited and its Subsidiary

## Statement of income (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Nine-month period ended 31 December		Nine-month period ended 31 December	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenues from sales		5,431,071	3,603,141	5,431,071	3,603,141
Dividend income	3, 7	48,577	17,080	76,279	44,931
Interest income	3	289,703	268,255	289,703	268,255
Net foreign exchange gain		-	32,286	-	32,286
Other income		3,026	7,622	3,026	7,622
<b>Total revenues</b>		<b>5,772,377</b>	<b>3,928,384</b>	<b>5,800,079</b>	<b>3,956,235</b>
<b>Expenses</b>					
Cost of sales of goods	3, 6	3,715,873	2,487,482	3,715,873	2,487,482
Distribution costs	3	114,342	107,266	114,342	107,266
Administrative expenses	3	288,675	277,262	288,434	277,216
Net foreign exchange loss		189,312	-	189,312	-
Finance costs		106,697	100,901	106,694	100,901
<b>Total expenses</b>		<b>4,414,899</b>	<b>2,972,911</b>	<b>4,414,655</b>	<b>2,972,865</b>
<b>Share of profit of equity-accounted investees</b>					
Associates	3, 7	775,799	366,396	-	-
<b>Total</b>		<b>775,799</b>	<b>366,396</b>	<b>-</b>	<b>-</b>
<b>Profit before income tax expense</b>		<b>2,133,277</b>	<b>1,321,869</b>	<b>1,385,424</b>	<b>983,370</b>
Tax expense	15	215,312	130,147	215,312	130,147
<b>Profit for the period</b>		<b>1,917,965</b>	<b>1,191,722</b>	<b>1,170,112</b>	<b>853,223</b>
<b>Basic earnings per share (in Baht)</b>	16	<b>6.39</b>	<b>3.97</b>	<b>3.90</b>	<b>2.84</b>

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



## Thai Carbon Black Public Company Limited and its Subsidiary

### Statement of comprehensive income (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended 31 December		Nine-month period ended 31 December	
Note	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>1,917,965</b>	<b>1,191,722</b>	<b>1,170,112</b>	<b>853,223</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating financial statements	4,791	(76,821)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>4,791</b>	<b>(76,821)</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Share of other comprehensive income of equity-accounted investees	7 (2,501)	-	-	-
Loss on remeasurements of defined benefit plans	13 (4,825)	-	(4,825)	-
Income tax relating to items that will not be reclassified to profit or loss	11 965	-	965	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>(6,361)</b>	<b>-</b>	<b>(3,860)</b>	<b>-</b>
<b>Other comprehensive income (expense) for the period, net of tax</b>	<b>(1,570)</b>	<b>(76,821)</b>	<b>(3,860)</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>1,916,395</b>	<b>1,114,901</b>	<b>1,166,252</b>	<b>853,223</b>

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

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

**Statement of changes in equity (Unaudited)**

		<b>Consolidated financial statements</b>						
		Retained earnings			Other components of equity			
<i>Note</i>	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Total other components of equity	Total equity	
<i>(in thousand Baht)</i>								
<b>Nine-month period ended 31 December 2016</b>								
	<b>Balance at 1 April 2016</b>	<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>12,279,597</b>	<b>(1,358,006)</b>	<b>(1,358,006)</b>	<b>12,181,591</b>
<b>Transactions with owners, recorded directly in equity</b>								
	Dividends to owners of the Company	-	-	-	(180,000)	-	-	(180,000)
<i>17</i>		-	-	-	(180,000)	-	-	(180,000)
	<b>Total transactions with owners, recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(180,000)</b>	<b>-</b>	<b>-</b>	<b>(180,000)</b>
<b>Comprehensive income for the period</b>								
	Profit	-	-	-	1,191,722	-	-	1,191,722
	Other comprehensive income	-	-	-	-	(76,821)	(76,821)	(76,821)
	<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,191,722</b>	<b>(76,821)</b>	<b>(76,821)</b>	<b>1,114,901</b>
	<b>Balance at 31 December 2016</b>	<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>13,291,319</b>	<b>(1,434,827)</b>	<b>(1,434,827)</b>	<b>13,116,492</b>

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

## Thai Carbon Black Public Company Limited and its Subsidiary

### Statement of changes in equity (Unaudited)

	Note	Consolidated financial statements						Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity		
				Legal reserve	Unappropriated	Translating foreign operations	Total other components of equity	
<i>(in thousand Baht)</i>								
<b>Nine-month period ended 31 December 2017</b>								
<b>Balance at 1 April 2017</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>14,392,257</b>	<b>(1,299,052)</b>	<b>(1,299,052)</b>	<b>14,353,205</b>
<b>Transactions with owners, recorded directly in equity</b>								
Dividends to owners of the Company	17	-	-	-	(240,000)	-	-	(240,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(240,000)</b>	<b>-</b>	<b>-</b>	<b>(240,000)</b>
<b>Comprehensive income for the period</b>								
Profit		-	-	-	1,917,965	-	-	1,917,965
Other comprehensive income		-	-	-	(6,361)	4,791	4,791	(1,570)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,911,604</b>	<b>4,791</b>	<b>4,791</b>	<b>1,916,395</b>
<b>Balance at 31 December 2017</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>16,063,861</b>	<b>(1,294,261)</b>	<b>(1,294,261)</b>	<b>16,029,600</b>

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

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Statement of changes in equity (Unaudited)**

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity
				Legal reserve	Retained earnings Unappropriated	
<i>(in thousand Baht)</i>						
<b>Nine-month period ended 31 December 2016</b>						
<b>Balance at 1 April 2016</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>9,219,193</b>	<b>10,479,193</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	17	-	-	-	(180,000)	(180,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(180,000)</b>	<b>(180,000)</b>
<b>Comprehensive income for the period</b>						
Profit		-	-	-	853,223	853,223
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>853,223</b>	<b>853,223</b>
<b>Balance at 31 December 2016</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>9,892,416</b>	<b>11,152,416</b>

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

## Thai Carbon Black Public Company Limited and its Subsidiary

### Statement of changes in equity (Unaudited)

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity
				Legal reserve	Retained earnings Unappropriated	
<i>(in thousand Baht)</i>						
<b>Nine-month period ended 31 December 2017</b>						
<b>Balance at 1 April 2017</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>10,223,984</b>	<b>11,483,984</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	17	-	-	-	(240,000)	(240,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(240,000)</b>	<b>(240,000)</b>
<b>Comprehensive income for the period</b>						
Profit		-	-	-	1,170,112	1,170,112
Other comprehensive income		-	-	-	(3,860)	(3,860)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,166,252</b>	<b>1,166,252</b>
<b>Balance at 31 December 2017</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>11,150,236</b> <sup>(1)</sup>	<b>12,410,236</b>

(1) To comply with the requirements of Foreign Business Act license, an amount of Baht 510 million is required to be maintained as a minimum amount of unappropriated retained earnings

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

# Thai Carbon Black Public Company Limited and its Subsidiary

## Statement of cash flows (Unaudited)

	Note	Consolidated financial statements		Separate financial statements	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
<b><i>Cash flows from operating activities</i></b>					
Profit for the period		1,917,965	1,191,722	1,170,112	853,223
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation and amortisation		139,389	146,404	139,389	146,404
Provision of loss on inventories deterioration	6	3,846	25,954	3,846	25,954
Dividend income	3, 7	(48,577)	(17,080)	(76,279)	(44,931)
Interest income		(289,703)	(268,255)	(289,703)	(268,255)
Finance costs		84,466	77,845	84,463	77,845
Amortisation of deferred transaction cost	12	22,231	23,056	22,231	23,056
Unrealised loss (gain) on exchange rate		190,246	(55,040)	190,246	(55,013)
Unrealised gain on derivatives		(56,716)	(163,256)	(56,716)	(163,256)
Gain on disposal of property, plant and equipment		(883)	-	(883)	-
Share of profit of equity-accounted investees, net of tax	3, 7	(775,799)	(366,396)	-	-
Provision for employee benefits		8,894	7,492	8,894	7,492
Tax expense	15	215,312	130,147	215,312	130,147
		<u>1,410,671</u>	<u>732,593</u>	<u>1,410,912</u>	<u>732,666</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(146,229)	(52,926)	(146,229)	(52,926)
Other receivables		(3,822)	32,452	(3,822)	32,452
Inventories		(952,267)	110,491	(952,267)	110,491
Other current assets		83,185	(6,374)	83,223	(6,383)
Other non-current assets		734	934	734	934
Trade accounts payable		655,829	322,841	655,829	322,841
Other payables		152,461	(4,736)	152,036	(4,736)
Net cash generated from operating		<u>1,200,562</u>	<u>1,135,275</u>	<u>1,200,416</u>	<u>1,135,339</u>
Employee benefit paid	13	(876)	-	(876)	-
Tax paid		<u>(260,070)</u>	<u>(53,580)</u>	<u>(260,070)</u>	<u>(53,580)</u>
<b>Net cash from operating activities</b>		<b><u>939,616</u></b>	<b><u>1,081,695</u></b>	<b><u>939,470</u></b>	<b><u>1,081,759</u></b>

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

## Thai Carbon Black Public Company Limited and its Subsidiary

### Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Nine-month period ended		Nine-month period ended	
	31 December		31 December	
Note	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Decrease in short-term deposits at financial institutions	2,633,000	-	2,633,000	-
Interest received	34,173	25,602	34,173	25,602
Dividend received	76,279	84,386	76,279	84,386
Purchase of property, plant and equipment	(30,651)	(68,375)	(30,651)	(68,375)
Proceeds from sale of property, plant and equipment	965	-	965	-
<b>Net cash from investing activities</b>	<b>2,713,766</b>	<b>41,613</b>	<b>2,713,766</b>	<b>41,613</b>
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(84,542)	(77,532)	(84,539)	(77,532)
Dividends paid	(240,000)	(180,063)	(240,000)	(180,063)
Repayment of borrowing	12 (187,081)	(98,656)	(187,081)	(98,656)
<b>Net cash used in financing activities</b>	<b>(511,623)</b>	<b>(356,251)</b>	<b>(511,620)</b>	<b>(356,251)</b>
<b>Net increase in cash and cash equivalents</b>	<b>3,141,759</b>	<b>767,057</b>	<b>3,141,616</b>	<b>767,121</b>
Cash and cash equivalents at 1 April	495,381	2,382,505	495,348	2,382,410
<b>Cash and cash equivalents at 31 December</b>	<b>3,637,140</b>	<b>3,149,562</b>	<b>3,636,964</b>	<b>3,149,531</b>
<b><i>Non-cash transactions</i></b>				
Payables for purchases of machinery and equipment	60,565	49,112	60,565	49,112
Accrued dividend	5,356	4,901	5,356	4,901

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

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the financial statements**  
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These notes form an integral part of the 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 authorised Directors on 14 February 2018.

## **1 General information**

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

Head office : 888/122 and 128, Mahatun Plaza Building, 16<sup>th</sup> Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok, 10330.

Factory : 44 Moo 1, Ayuthaya-Angthong Highway, Posa, Muang, Angthong, 14000.

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

The major shareholders of the Company during the financial period were SKI Carbon Black (Mauritius) Limited (32.24%), Thai Rayon Public Company Limited (24.98%), and Asian Opps I Limited (15.99%).

The principal activities of the Group are the manufacture and sale of carbon black. Details of the Company's subsidiary and associates as at 31 December 2017 and 31 March 2017 are given in notes 7 and 8.

## **2 Basis of preparation of the 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.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 March 2017. 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 March 2017.

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 2017 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.

In addition to the above new and revised TFRS, the Federation of Accounting Professions has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these interim financial statements.

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

**(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 judgments 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 March 2017.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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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 note 18 - *financial instruments*.

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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**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 subsidiary and associates are described in note 7 and 8. Relationships with key management and other related parties were as follows:

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
SKI Carbon Black (Mauritius) Limited	Mauritius	Major shareholder of the Company, 10% or more shareholding.
Thai Rayon Public Company Limited	Thailand	Major shareholder of the Company, 10% or more shareholding.
Asian Opps I Limited	Hong Kong	Major shareholder of the Company, 10% or more shareholding.
Thai Acrylic Fiber Co., Ltd.	Thailand	The Company has 10% or more shareholding, common directors.
Alexandria Fiber Co., S.A.E.	Egypt	The Company has 10% or more shareholding, common directors.
SKI Carbon Black (India) Pvt. Ltd.	India	Same ultimate parent company
Columbian Chemicals Company	U.S.A	Same ultimate parent company
Alexandria Carbon Black Company S.A.E.	Egypt	Same ultimate parent company
Aditya Birla Sciences Co., Ltd.	India	Same ultimate parent company
Columbian Chemicals Europa GmbH	German	Same ultimate parent company
Columbian Chemicals Korea Co., Ltd.	South Korea	Same ultimate parent company
Birla Carbon Brazil Ltda.	Brazil	Same ultimate parent company
Columbian International Chemicals Corporation	Georgia	Same ultimate parent company

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
Columbian Carbon Europa S.R.L.	Italy	Same ultimate parent company
Swiss Singapore Overseas Enterprises Pte. Ltd.	Singapore	Same ultimate parent company
Aditya Birla Management Corporation Pvt. Ltd.	India	Same ultimate parent company
Columbian Carbon Spain S.L.	Spain	Same ultimate parent company
Key management personnel	Indian/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 transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Purchase of goods	With reference to market price
Interest income	LIBOR+3.5% per annum
Dividend	According to the declaration
Share of production cost - steam and electric power	With reference to market price
Expenses charged to/by related parties	Actual price
Royalty expense	3% of net sale deduct by shipping costs
Rental expenses	By mutual agreement

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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Significant transactions for the three-month and nine-month periods ended 31 December 2017 and 2016 with related parties were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Three-month period ended 31 December</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
Interest income	90,102	83,748	90,102	83,748
Dividend income	-	-	2,211	2,360
Purchase of goods	107	-	107	-
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	<u>7,644</u>	<u>7,914</u>	<u>7,644</u>	<u>7,914</u>
<b>Total key management personnel compensation</b>	<b><u>7,644</u></b>	<b><u>7,914</u></b>	<b><u>7,644</u></b>	<b><u>7,914</u></b>
<b>Directors' remuneration</b>	<b><u>848</u></b>	<b><u>883</u></b>	<b><u>848</u></b>	<b><u>883</u></b>
<b>Other related parties</b>				
Dividend income	-	17,080	-	17,080
Share of production cost - steam and electric power	83,658	71,353	83,658	71,353
Expenses charged to related parties	8,442	9,021	8,442	9,021
Purchase of goods	705,851	25,982	705,851	25,982
Expenses charged by related parties	34,093	29,731	34,093	29,731
Royalty expense	16,505	-	16,505	-
Rental expenses	810	810	810	810

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Nine-month period ended 31 December</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
Interest income	263,337	237,947	263,337	237,947
Dividend income	-	-	27,702	27,851
Purchase of goods	107	44	107	44
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	<u>31,141</u>	<u>27,597</u>	<u>31,141</u>	<u>27,597</u>
<b>Total key management personnel compensation</b>	<b><u>31,141</u></b>	<b><u>27,597</u></b>	<b><u>31,141</u></b>	<b><u>27,597</u></b>
<b>Directors' remuneration</b>	<b><u>2,514</u></b>	<b><u>2,734</u></b>	<b><u>2,514</u></b>	<b><u>2,734</u></b>
<b>Other related parties</b>				
Dividend income	11,387	17,080	11,387	17,080
Share of production cost - steam and electric power	243,690	213,794	243,690	213,794
Expenses charged to related parties	55,004	32,065	55,004	32,065
Purchase of goods	1,256,390	48,929	1,256,390	48,929
Expenses charged by related parties	57,623	87,238	57,623	87,238
Royalty expense	52,210	-	52,210	-
Rental expenses	2,430	2,430	2,430	2,430

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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*Significant agreements with related parties*

As at 31 December 2017, the Group had the following significant agreements with related parties.

*Intercompany services agreement*

In April 2016, the Company entered into an intercompany services agreement with Columbian Chemicals Company, a related party, in which both parties agreed to provide certain management services including but not limited to executive support, finance, operation, human resources, sales and marketing, general administrative and project services support. Service fees will be mutually agreed.

*Royalty agreement*

In April 2017, the Company entered into a royalty agreement with Columbian International Chemicals Corporation, a related party, whereby Columbian International Chemicals Corporation agrees to support the Company with research and development program for new carbon black grades and improved carbon black production process by allowing the Company to use technical information and patent rights. The Company has agreed to pay royalty fee at the rate of 3% of net sale deducted by shipping costs. The term of this agreement is for 1 year being effective on the agreement date.

Balances as at 31 December 2017 and 31 March 2017 with related parties were as follows:

<i>Trade accounts receivable - related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Other related party	<u>56,519</u>	<u>46,645</u>	<u>56,519</u>	<u>46,645</u>
<b>Total</b>	<b><u>56,519</u></b>	<b><u>46,645</u></b>	<b><u>56,519</u></b>	<b><u>46,645</u></b>

<i>Other receivables - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Other related parties	<u>6,495</u>	<u>18,143</u>	<u>6,495</u>	<u>18,143</u>
<b>Total</b>	<b><u>6,495</u></b>	<b><u>18,143</u></b>	<b><u>6,495</u></b>	<b><u>18,143</u></b>



**Thai Carbon Black Public Company Limited and its Subsidiary**  
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<i>Interest receivables - related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Associate	<u>1,685,628</u>	<u>1,506,100</u>	<u>1,685,628</u>	<u>1,506,100</u>
<b>Total</b>	<b><u>1,685,628</u></b>	<b><u>1,506,100</u></b>	<b><u>1,685,628</u></b>	<b><u>1,506,100</u></b>

<i>Long-term loan to related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Associate	<u>5,623,107</u>	<u>5,911,495</u>	<u>5,623,107</u>	<u>5,928,832</u>
<b>Total</b>	<b><u>5,623,107</u></b>	<b><u>5,911,495</u></b>	<b><u>5,623,107</u></b>	<b><u>5,928,832</u></b>

Movements during the nine-month periods ended 31 December 2017 and 2016 of long-term loan to related party were as follows:

<i>Long-term loan to related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Associate</i>				
At 1 April	5,911,495	5,153,827	5,928,832	6,065,197
Unrealised gain (loss) on exchange	(305,725)	101,078	(305,725)	101,078
Share of net profit of an associate	17,337	-	-	-
Share of other comprehensive income of an associate	<u>-</u>	<u>40,980</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>	<b><u>5,623,107</u></b>	<b><u>5,295,885</u></b>	<b><u>5,623,107</u></b>	<b><u>6,166,275</u></b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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*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 173 million, with an interest rate at LIBOR+3.5% per annum. This loan was scheduled to be repaid in July 2016. On 5 July 2016, the Company entered into an amendment agreement to extend the repayment date to July 2021 without changing any other conditions. The interest shall be compounded at the end of the respective interest period and payable along with the final repayment of the loan.

<i>Trade accounts payable - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Other related parties	<u>205,009</u>	<u>93,716</u>	<u>205,009</u>	<u>93,716</u>
<b>Total</b>	<b><u>205,009</u></b>	<b><u>93,716</u></b>	<b><u>205,009</u></b>	<b><u>93,716</u></b>

<i>Other payables - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Other related parties	<u>110,746</u>	<u>17,277</u>	<u>110,746</u>	<u>17,277</u>
<b>Total</b>	<b><u>110,746</u></b>	<b><u>17,277</u></b>	<b><u>110,746</u></b>	<b><u>17,277</u></b>

**4 Short-term deposits at financial institutions**

As at 31 December 2017, the Company had no deposits at local financial institutions (*31 March 2017: Baht 2,633 million, which was bearing interest at the rate of 1.60 - 1.85% per annum*).



**Thai Carbon Black Public Company Limited and its Subsidiary**  
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	<b>Consolidated and separate financial statements</b>	
	31 December 2017	31 March 2017
<b>Other parties</b>		
Within credit terms	921,615	764,320
Overdue:		
Less than 3 months	<u>59,670</u>	<u>81,678</u>
	<b>981,285</b>	<b>845,998</b>
<i>Less</i> allowance for doubtful accounts	<u>-</u>	<u>-</u>
	<b>981,285</b>	<b>845,998</b>
<b>Net</b>	<b><u>1,037,804</u></b>	<b><u>892,643</u></b>

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

**6 Inventories**

	<b>Consolidated and separate financial statements</b>	
	31 December 2017	31 March 2017
	<i>(in thousand Baht)</i>	
Finished goods	376,049	279,733
Raw materials	1,072,064	301,351
Factory supplies and spare parts	130,627	149,812
Goods in transit	<u>167,974</u>	<u>63,551</u>
	1,746,714	794,447
<i>Less</i> allowance for inventories deterioration	<u>(31,433)</u>	<u>(27,587)</u>
<b>Net</b>	<b><u>1,715,281</u></b>	<b><u>766,860</u></b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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	<b>Consolidated and separate</b>	
	<b>financial statements</b>	
<i>Nine-month period ended 31 December</i>	2017	2016
	<i>(in thousand Baht)</i>	
Inventories recognised as an expense in ‘cost of sales of goods’:		
- Cost	3,712,027	2,461,528
- Provision of losses on inventories deterioration	<u>3,846</u>	<u>25,954</u>
<b>Total</b>	<b><u>3,715,873</u></b>	<b><u>2,487,482</u></b>

**7 Investments in equity-accounted investees**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Nine-month period ended 31 December</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
At 1 April	3,669,641	3,396,785	770,364	770,364
Share of net profits of equity- accounted investees	758,462	252,034	-	-
Share of other comprehensive income, net of tax	(2,501)	-	-	-
Dividend income	(27,702)	(27,851)	-	-
Currency translation differences	<u>4,789</u>	<u>(3,411)</u>	<u>-</u>	<u>-</u>
<b>At 31 December</b>	<b><u>4,402,689</u></b>	<b><u>3,617,557</u></b>	<b><u>770,364</u></b>	<b><u>770,364</u></b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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Investments in equity-accounted investees as at 31 December 2017 and 31 March 2017, and dividend income from those investments for the nine-month periods ended 31 December 2017 and 2016 were as follows:

<b>Consolidated financial statements</b>												
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month period ended		
		31 December 2017	31 March 2017	31 December 2017	31 March 2017	31 December 2017	31 March 2017	31 December 2017	31 March 2017	31 December 2017	31 December 2016	
(%)						(in thousand Baht)						
<b>Associates</b>												
P.T. Indo Liberty	Textiles											
Textiles	manufacturing	Indonesia	40.00	40.00	515,664	515,664	196,948	196,948	302,618	377,421	2,211	2,360
Aditya Birla Chemicals (Thailand) Limited	Chemical manufacturing	Thailand	29.99	29.99	1,700,000	1,700,000	509,820	509,820	3,612,877	3,292,220	25,491	25,491
Indigold Carbon (Mauritius) Limited	Investment holding	Mauritius	20.59	20.59	308,870	308,870	63,596	63,596	487,194	-	-	-
<b>Total</b>							<b>770,364</b>	<b>770,364</b>	<b>4,402,689</b>	<b>3,669,641</b>	<b>27,702</b>	<b>27,851</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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As at 31 December 2017, investment in Indigold Carbon (Mauritius) Limited (“Indigold”) includes a long-term loan for a notional amount of USD 173 million, equivalent to Baht 5,623 million (*31 March 2017: USD 173 million, equivalent to Baht 5,929 million*), and interest receivables of USD 52 million, equivalent to Baht 1,686 million (*31 March 2017: USD 44 million, equivalent to Baht 1,506 million*).

For the nine-month period ended 31 December 2017, the Group’s share in total comprehensive income of Indigold amounted to a gain of Baht 504 million (*31 December 2016: a gain of Baht 40 million*). Starting from the quarter that ended 30 September 2014, the Group’s share in accumulated total comprehensive loss of Indigold exceeded the carrying amount of the investment in shares. Since that quarter, the excess loss is adjusted to the loan investment in Indigold. Future reversals of losses are firstly be applied to the loan investment to the extent that such loss is previously applied against this loan investment and subsequently recognised in the investment in shares. In the separate financial statements of the Company, the investment in Indigold, in equity interest and loan receivable, is carried at cost.

During the nine-month period ended 31 December 2017, the excess loss previously adjusted to the loan investment in Indigold is fully reversed due to gain position in share of total cumulative comprehensive income. Therefore, the share of profits in amount of Baht 487 million is recognised in the investment in shares of Indigold.

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**Separate financial statements**

	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month period ended	
	31	31	31	31	31	31	31	31	31	31	31	31
	December	March	December	March	December	March	December	March	December	March	December	December
	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2016
	( <i>%</i> )				( <i>in thousand Baht</i> )							
<b>Associates</b>												
P.T. Indo Liberty Textiles	40.00	40.00	515,664	515,664	196,948	196,948	-	-	196,948	196,948	2,211	2,360
Aditya Birla Chemicals (Thailand) Limited	29.99	29.99	1,700,000	1,700,000	509,820	509,820	-	-	509,820	509,820	25,491	25,491
Indigold Carbon (Mauritius) Limited	20.59	20.59	308,870	308,870	63,596	63,596	-	-	63,596	63,596	-	-
<b>Total</b>					<b>770,364</b>	<b>770,364</b>	<b>-</b>	<b>-</b>	<b>770,364</b>	<b>770,364</b>	<b>27,702</b>	<b>27,851</b>



**Thai Carbon Black Public Company Limited and its Subsidiary**  
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**8 Investments in subsidiary**

Investments in subsidiary as at 31 December 2017 and 31 March 2017 and dividend income from the subsidiary for the nine-month periods ended 31 December 2017 and 2016 were as follows:

Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month period ended	
		31	31	31	31	31	31	31	31	31	31	31	31
		December	March	December	March	December	March	December	March	December	March	December	December
		2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2017	2016
		(%)				(in thousand Baht)							
<b>Direct subsidiary</b>													
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>-</u>	<u>-</u>	<u>12,854</u>	<u>12,854</u>	<u>-</u>	<u>-</u>
<b>Total</b>						<b><u>12,854</u></b>	<b><u>12,854</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>12,854</u></b>	<b><u>12,854</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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**9 Other long-term investments**

	<b>Consolidate</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Cost of investments	1,744,358	1,744,358	1,846,560	1,846,560
Allowance for impairment loss	<u>(163,754)</u>	<u>(163,754)</u>	<u>(265,956)</u>	<u>(265,956)</u>
<b>Carrying amount of investments</b>	<b><u>1,580,604</u></b>	<b><u>1,580,604</u></b>	<b><u>1,580,604</u></b>	<b><u>1,580,604</u></b>

**10 Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month periods ended 31 December 2017 and 2016 were as follows:

<i>Nine-month period ended 31 December</i>	<b>Consolidated and separate financial statements</b>			
	2017		2016	
	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>			
Machinery and equipment	20,646	-	91,091	-
Vehicles	2,694	(83)	-	-
Furniture and fixtures	200	-	500	-
Assets under construction	<u>36,051</u>	<u>(13,979)</u>	<u>38,486</u>	<u>(77,979)</u>
<b>Total</b>	<b><u>59,591</u></b>	<b><u>(14,062)</u></b>	<b><u>130,077</u></b>	<b><u>(77,979)</u></b>

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**11 Deferred tax**

Deferred tax assets and liabilities as at 31 December 2017 and 31 March 2017 were as follows:

	<b>Consolidated and separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	31 December	31 March	31 December	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Total	93,140	101,337	(14,339)	(18,785)
Set off of tax	<u>(14,339)</u>	<u>(18,785)</u>	<u>14,339</u>	<u>18,785</u>
<b>Net deferred tax assets</b>	<b><u>78,801</u></b>	<b><u>82,552</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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Movements in total deferred tax assets and liabilities during the nine-month periods ended 31 December 2017 and 2016 were as follows:

	<b>Consolidated and separate financial statements</b>			
	<b>(Charged) / Credited to:</b>			
	<b>At 1</b>		<b>other</b>	<b>At 31</b>
	<b>April</b>	<b>profit or</b>	<b>comprehensive</b>	<b>December</b>
	<b>2017</b>	<b>loss</b>	<b>income</b>	<b>2017</b>
	<i>(in thousand Baht)</i>			
<b><i>Deferred tax assets</i></b>				
Provision for impairment of other investments	53,191	-	-	53,191
Provision for employee benefits	18,219	1,988	965	21,172
Unrealised loss from derivatives	21,578	(11,343)	-	10,235
Provision for inventories deterioration	5,517	769	-	6,286
Others	2,832	(576)	-	2,256
<b>Total</b>	<b>101,337</b>	<b>(9,162)</b>	<b>965</b>	<b>93,140</b>
<b><i>Deferred tax liabilities</i></b>				
Deferred transaction cost	(18,785)	4,446	-	(14,339)
<b>Total</b>	<b>(18,785)</b>	<b>4,446</b>	<b>-</b>	<b>(14,339)</b>
<b>Net</b>	<b>82,552</b>	<b>(4,716)</b>	<b>965</b>	<b>78,801</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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	<b>Consolidated and separate financial statements</b>			
	<b>(Charged) / Credited to:</b>			
	<b>At 1</b>		<b>other</b>	<b>At 31</b>
	<b>April</b>	<b>profit or</b>	<b>comprehensive</b>	<b>December</b>
	<b>2016</b>	<b>loss</b>	<b>income</b>	<b>2016</b>
	<i>(in thousand Baht)</i>			
<b><i>Deferred tax assets</i></b>				
Provision for impairment of other				
long-term investment	53,191	-	-	53,191
Provision for employee benefits	18,632	1,498	-	20,130
Unrealised loss from derivatives	82,891	(32,651)	-	50,240
Provision for inventories deterioration	2,400	5,191	-	7,591
Others	2,615	(167)	-	2,448
<b>Total</b>	<b>159,729</b>	<b>(26,129)</b>	<b>-</b>	<b>133,600</b>
<b><i>Deferred tax liabilities</i></b>				
Deferred transaction cost	(24,895)	4,611	-	(20,284)
<b>Total</b>	<b>(24,895)</b>	<b>4,611</b>	<b>-</b>	<b>(20,284)</b>
<b>Net</b>	<b>134,834</b>	<b>(21,518)</b>	<b>-</b>	<b>113,316</b>

**12 Long-term borrowing from financial institutions**

	<b>Consolidated and separate</b>	
	<b>financial statements</b>	
	31 December	31 March
	2017	2017
	<i>(in thousand Baht)</i>	
<b><i>Current</i></b>		
Current portion of long-term borrowing from financial institutions	242,551	160,653
<b><i>Non-current</i></b>		
Long-term borrowing from financial institutions	3,027,957	3,460,528
	<b>3,270,508</b>	<b>3,621,181</b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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Movements during the nine-month periods ended 31 December 2017 and 2016 of long-term borrowing from financial institutions were as follows:

	<b>Consolidated and separate financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 April	3,621,181	3,770,337
Repayment during period	(187,081)	(98,656)
Amortized deferred transaction cost	22,231	23,056
Exchange rate adjustments	(185,823)	67,945
<b>At 31 December</b>	<b><u>3,270,508</u></b>	<b><u>3,762,682</u></b>

On 18 December 2015, the Company entered into a long-term facility agreement for US\$ 110 million with several banks (“the new facility agreement”) to replace the US\$ 175 million facility agreement the Company entered into on 1 June 2011 (“the old facility agreement”). The Company drew a new loan under the new facility agreement with interest at LIBOR+1.75% per annum while repaid the old loan under the old facility agreement. The principal of the new loan is repayable starting from December 2016 and every six months thereafter till 21 December 2020. During the year ended 31 March 2017, all the mortgages of land, buildings and machineries under the old facility agreement are released. However, under the new facility agreement, negative pledge is required over all current and fixed assets of the Company.

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**13 Non-current provisions for employee benefits**

Movements during the nine-month periods ended 31 December 2017 and 2016 of employee benefits obligations were as follows:

	<b>Consolidated and separate financial statements</b>	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 April	93,015	93,162
Current service cost	6,488	4,999
Interest on obligation	2,406	2,493
Actuarial losses recognised	4,825	-
Benefits paid during the period	(876)	-
<b>At 31 December</b>	<b><u>105,858</u></b>	<b><u>100,654</u></b>

Current service cost and interest on obligation is recognised in the administrative expenses in profit or loss.

**14 Segment information**

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

**15 Income tax expense**

*Income tax recognised in profit or loss*

	<i>Note</i>	<b>Consolidated and separate financial statements</b>	
		2017	2016
<i>Nine-month period ended 31 December</i>		<i>(in thousand Baht)</i>	
Current tax expense		210,596	108,629
Deferred income tax	<i>11</i>	4,716	21,518
<b>Total income tax expense</b>		<b><u>215,312</u></b>	<b><u>130,147</u></b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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*Income tax recognised in other comprehensive income*

<i>Nine-month period ended 31 December</i>	<b>Consolidated financial statements</b>					
	2017			2016		
	<i>(in thousand Baht)</i>					
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Currency translation differences	4,791	-	4,791	(76,821)	-	(76,821)
Defined benefit plan actuarial losses	<u>(7,952)</u>	<u>1,591</u>	<u>(6,361)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>(3,161)</u></b>	<b><u>1,591</u></b>	<b><u>(1,570)</u></b>	<b><u>(76,821)</u></b>	<b><u>-</u></b>	<b><u>(76,821)</u></b>

<i>Nine-month period ended 31 December</i>	<b>Separate financial statements</b>					
	2017			2016		
	<i>(in thousand Baht)</i>					
	Before tax	Tax (expense) income	Net of tax	Before tax	Tax (expense) income	Net of Tax
Defined benefit plan actuarial losses	<u>(4,825)</u>	<u>965</u>	<u>(3,860)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>(4,825)</u></b>	<b><u>965</u></b>	<b><u>(3,860)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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 unrealised loss on derivatives.



**Thai Carbon Black Public Company Limited and its Subsidiary**  
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**16 Earnings per share**

*Basic earnings per share*

The calculations of basic earnings per share for the nine-month periods ended 31 December 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</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Three-month period ended 31 December</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	<u>551,204</u>	<u>402,874</u>	<u>319,973</u>	<u>324,252</u>
Number of ordinary shares outstanding	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>1.84</u></b>	<b><u>1.34</u></b>	<b><u>1.07</u></b>	<b><u>1.08</u></b>

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Nine-month period ended 31 December</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	<u>1,917,965</u>	<u>1,191,722</u>	<u>1,170,112</u>	<u>853,223</u>
Number of ordinary shares outstanding	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<b>Earnings per share (basic) (in Baht)</b>	<b><u>6.39</u></b>	<b><u>3.97</u></b>	<b><u>3.90</u></b>	<b><u>2.84</u></b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
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**17 Dividends**

At the annual general meeting of the shareholders of the Company held on 19 July 2017, the shareholders approved the appropriation of dividends of Baht 0.80 per share, amounting to Baht 240 million. The dividends was paid to shareholders in August 2017.

At the annual general meeting of the shareholders of the Company held on 14 July 2016, the shareholders approved the appropriation of dividends of Baht 0.60 per share, amounting to Baht 180 million. The dividends was paid to shareholders in August 2016.

**18 Financial instruments**

*Carrying amounts 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 for financial instruments measured at fair value. 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.

	<b>Consolidated and separate financial statements</b>	
	Carrying amount	Fair value Level 2
	<i>(in thousand Baht)</i>	
<b>31 December 2017</b>		
<b>Financial liabilities measured at fair value</b>		
Derivatives liabilities	51,172	51,172
<b>31 March 2017</b>		
<b>Financial liabilities measured at fair value</b>		
Derivatives liabilities	107,888	107,888

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**Measurement of fair values**

The fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

**19 Commitments and contingent liabilities with non-related parties**

	<b>Consolidated and separate financial statements</b>	
	31 December 2017	31 March 2017
	<i>(in thousand Baht)</i>	
<b><i>Capital commitments</i></b>		
Machinery and equipment	19,707	51,491
<b>Total</b>	<b>19,707</b>	<b>51,491</b>
<b><i>Non-cancellable operating lease commitments</i></b>		
Within one year	2,554	2,131
After one year but within five years	4,860	87
<b>Total</b>	<b>7,414</b>	<b>2,218</b>
<b><i>Other commitments</i></b>		
Bank guarantees for electricity use <i>(for own performance)</i>	12,598	12,548
<b>Total</b>	<b>12,598</b>	<b>12,548</b>

***Operating lease agreements***

The Group has various operating lease agreements for office, office equipment and vehicle rental. The period of agreements is variable from 1-4 years.

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*Bank guarantee and letter of credit*

As at 31 December 2017, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 13 million (*31 March 2017: Baht 13 million*) and no outstanding letter of credit issued by the banks to guarantee payments to creditors (*31 March 2017: USD 12 million and JPY 3 million*).