

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

Interim financial statements
for the three-month period ended
30 June 2016

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 30 June 2016; the consolidated and separate statements of income, comprehensive income, changes in equity and cash flows for the three-month period ended 30 June 2016; 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 Chuhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
13 August 2016

Thai Carbon Black Public Company Limited and its Subsidiary

Statement of financial position

| Assets | Note | Consolidated | | Separate | |
|---|------|---------------------------|-------------------|----------------------|-------------------|
| | | financial statements | | financial statements | |
| | | 30 June | 31 March | 30 June | 31 March |
| | | 2016 | 2016 | 2016 | 2016 |
| | | (Unaudited) | | (Unaudited) | |
| | | <i>(in thousand Baht)</i> | | | |
| Current assets | | | | | |
| Cash and cash equivalents | | 3,009,307 | 2,382,505 | 3,009,213 | 2,382,410 |
| Trade accounts receivable | 4 | 677,959 | 690,611 | 677,959 | 690,611 |
| Other receivables | 3 | 136,775 | 163,628 | 136,775 | 163,628 |
| Inventories | 5 | 922,738 | 573,892 | 922,738 | 573,892 |
| Current portion of long-term loan | | | | | |
| to related party | 3 | - | 5,153,827 | - | 6,065,197 |
| Current portion of long-term | | | | | |
| interest receivables | 3 | - | 1,218,205 | - | 1,218,205 |
| Other current assets | | 173,581 | 120,240 | 173,478 | 120,134 |
| Total current assets | | 4,920,360 | 10,302,908 | 4,920,163 | 11,214,077 |
| Non-current assets | | | | | |
| Investments in equity-accounted investees | 6 | 3,475,229 | 3,396,785 | 770,364 | 770,364 |
| Investments in subsidiary | 7 | - | - | 12,854 | 12,854 |
| Other long-term investments | 8 | 1,580,604 | 1,580,604 | 1,580,604 | 1,580,604 |
| Long-term loan to related party | 3 | 5,210,380 | - | 6,055,416 | - |
| Long-term interest receivables | 3 | 1,292,155 | - | 1,292,155 | - |
| Property, plant and equipment | 9 | 1,498,573 | 1,535,757 | 1,498,573 | 1,535,757 |
| Intangible assets | | 24,321 | 24,321 | 24,321 | 24,321 |
| Deferred tax assets | 10 | 134,516 | 134,834 | 134,516 | 134,834 |
| Other non-current assets | | 3,481 | 3,532 | 3,481 | 3,532 |
| Total non-current assets | | 13,219,259 | 6,675,833 | 11,372,284 | 4,062,266 |
| Total assets | | 18,139,619 | 16,978,741 | 16,292,447 | 15,276,343 |

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 | |
| | | 30 June | 31 March | 30 June | 31 March |
| | | 2016 | 2016 | 2016 | 2016 |
| | | (Unaudited) | | (Unaudited) | |
| | | <i>(in thousand Baht)</i> | | | |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Trade accounts payable | 3 | 898,087 | 186,399 | 898,087 | 186,399 |
| Other payables | 3 | 259,274 | 284,365 | 259,274 | 284,365 |
| Current portion of long-term loan from financial institutions | 11 | 163,976 | 65,980 | 163,976 | 65,980 |
| Income tax payable | | 66,780 | 25,304 | 66,780 | 25,304 |
| Other current liabilities | 12 | 432,299 | 437,583 | 432,299 | 437,583 |
| Total current liabilities | | 1,820,416 | 999,631 | 1,820,416 | 999,631 |
| Non-current liabilities | | | | | |
| Long-term loan from financial institutions | 11 | 3,606,976 | 3,704,357 | 3,606,976 | 3,704,357 |
| Employee benefit obligations | 13 | 95,659 | 93,162 | 95,659 | 93,162 |
| Total non-current liabilities | | 3,702,635 | 3,797,519 | 3,702,635 | 3,797,519 |
| Total liabilities | | 5,523,051 | 4,797,150 | 5,523,051 | 4,797,150 |
| Equity | | | | | |
| 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 | | 12,697,889 | 12,279,597 | 9,509,396 | 9,219,193 |
| Other components of equity | | (1,341,321) | (1,358,006) | - | - |
| Total equity | | 12,616,568 | 12,181,591 | 10,769,396 | 10,479,193 |
| Total liabilities and equity | | 18,139,619 | 16,978,741 | 16,292,447 | 15,276,343 |

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 | |
|--|------|--------------------------------------|------------------|----------------------------------|------------------|
| | | Three-month period ended | | Three-month period ended | |
| | | 30 June | | 30 June | |
| | | 2016 | 2015 | 2016 | 2015 |
| <i>(in thousand Baht)</i> | | | | | |
| Income | | | | | |
| Revenue from sale of goods | | 1,077,783 | 1,213,905 | 1,077,783 | 1,213,905 |
| Dividend income | 3, 6 | - | - | 25,491 | 25,491 |
| Interest income | 3 | 85,983 | 67,683 | 85,983 | 67,683 |
| Net foreign exchange gain | | 24,649 | - | 24,649 | - |
| Other income | 15 | 2,699 | 83,719 | 2,699 | 83,719 |
| Total income | | 1,191,114 | 1,365,307 | 1,216,605 | 1,390,798 |
| Expenses | | | | | |
| Cost of sales of goods | 5 | 724,421 | 983,047 | 724,421 | 983,047 |
| Selling expenses | | 37,205 | 33,195 | 37,205 | 33,195 |
| Administrative expenses | 3 | 91,683 | 76,155 | 91,683 | 76,071 |
| Net foreign exchange loss | | - | 23,541 | - | 23,541 |
| Finance costs | | 31,300 | 25,512 | 31,300 | 25,512 |
| Total expenses | | 884,609 | 1,141,450 | 884,609 | 1,141,366 |
| Share of profit of equity-accounted investees | | | | | |
| Associates | | 153,580 | 130,182 | - | - |
| Total | | 153,580 | 130,182 | - | - |
| Profit before income tax expense | | 460,085 | 354,039 | 331,996 | 249,432 |
| Income tax expense | 16 | 41,793 | 30,769 | 41,793 | 30,769 |
| Profit for the period attributable to owners of the Company | | 418,292 | 323,270 | 290,203 | 218,663 |
| Basic earnings per share (in Baht) | 17 | 1.39 | 1.08 | 0.97 | 0.73 |

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 | |
| | 30 June | | 30 June | |
| <i>Note</i> | 2016 | 2015 | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | | | |
| Profit for the period | 418,292 | 323,270 | 290,203 | 218,663 |
| Other comprehensive income | | | | |
| <i>Items that are or may be reclassified to profit or loss</i> | | | | |
| Foreign currency translation differences for | | | | |
| foreign operations | 16,685 | 30,077 | - | - |
| Other comprehensive income for the period, | | | | |
| net of income tax | 16,685 | 30,077 | - | - |
| Total comprehensive income for the period | 434,977 | 353,347 | 290,203 | 218,663 |

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)

| | Consolidated financial statements | | | | | | |
|--|-----------------------------------|----------------|---------------|-------------------|----------------------------------|----------------------------------|--|
| | Retained earnings | | | | Other component of equity | | Total equity attributable to owners of the Company |
| | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated | Currency translation differences | Total other components of equity | |
| | | | | | | | |
| <i>(in thousand Baht)</i> | | | | | | | |
| Three-month period ended 30 June 2015 | | | | | | | |
| Balance at 1 April 2015 | 300,000 | 930,000 | 30,000 | 11,532,346 | (1,310,480) | (1,310,480) | 11,481,866 |
| Comprehensive income for the period | | | | | | | |
| Profit | - | - | - | 323,270 | - | - | 323,270 |
| Other comprehensive income | - | - | - | - | 30,077 | 30,077 | 30,077 |
| Total comprehensive income for the period | - | - | - | 323,270 | 30,077 | 30,077 | 353,347 |
| Balance at 30 June 2015 | 300,000 | 930,000 | 30,000 | 11,855,616 | (1,280,403) | (1,280,403) | 11,835,213 |

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)

| | Consolidated financial statements | | | | | | |
|--|-----------------------------------|----------------|---------------|-------------------|----------------------------------|----------------------------------|---------------------------------------|
| | | | | Retained earnings | Other component of equity | | Total equity |
| | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated | Currency translation differences | Total other components of equity | attributable to owners of the Company |
| <i>(in thousand Baht)</i> | | | | | | | |
| Three-month period ended 30 June 2016 | | | | | | | |
| Balance at 1 April 2016 | 300,000 | 930,000 | 30,000 | 12,279,597 | (1,358,006) | (1,358,006) | 12,181,591 |
| Comprehensive income for the period | | | | | | | |
| Profit | - | - | - | 418,292 | - | - | 418,292 |
| Other comprehensive income | - | - | - | - | 16,685 | 16,685 | 16,685 |
| Total comprehensive income for the period | - | - | - | 418,292 | 16,685 | 16,685 | 434,977 |
| Balance at 30 June 2016 | 300,000 | 930,000 | 30,000 | 12,697,889 | (1,341,321) | (1,341,321) | 12,616,568 |

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)

| | Issued and paid-up share capital | Share premium | Separate financial statements | | Total equity |
|--|--|----------------|-------------------------------|------------------|-------------------|
| | | | Legal reserve | Unappropriated | |
| | | | Retained earnings | | |
| | | | <i>(in thousand Baht)</i> | | |
| Three-month period ended 30 June 2015 | | | | | |
| Balance at 1 April 2015 | 300,000 | 930,000 | 30,000 | 8,603,074 | 9,863,074 |
| Comprehensive income for the period | | | | | |
| Profit | - | - | - | 218,663 | 218,663 |
| Total comprehensive income for the period | - | - | - | 218,663 | 218,663 |
| Balance at 30 June 2015 | 300,000 | 930,000 | 30,000 | 8,821,737 | 10,081,737 |

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)

| | Issued and paid-up share capital | Share premium | Separate financial statements | | Total equity |
|--|--|----------------|-------------------------------|---------------------------------|-------------------|
| | | | Legal reserve | Unappropriated | |
| | | | Retained earnings | | |
| | | | <i>(in thousand Baht)</i> | | |
| Three-month period ended 30 June 2016 | | | | | |
| Balance at 1 April 2016 | 300,000 | 930,000 | 30,000 | 9,219,193 | 10,479,193 |
| Comprehensive income for the period | | | | | |
| Profit | - | - | - | 290,203 | 290,203 |
| Total comprehensive income for the period | - | - | - | 290,203 | 290,203 |
| Balance at 30 June 2016 | 300,000 | 930,000 | 30,000 | 9,509,396 ⁽¹⁾ | 10,769,396 |

(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)

| | Consolidated | | Separate | |
|---|-------------------------------------|-------------------------|-------------------------------------|-------------------------|
| | financial statements | | financial statements | |
| | Three-month period ended 30 June | | Three-month period ended 30 June | |
| | 2016 | 2015 | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit for the period | 418,292 | 323,270 | 290,203 | 218,663 |
| <i>Adjustments for</i> | | | | |
| Depreciation | 48,684 | 75,745 | 48,684 | 75,745 |
| Reversal of allowance for decline in value of inventories | (1,853) | (12,474) | (1,853) | (12,474) |
| Dividend income | - | - | (25,491) | (25,491) |
| Interest income | (85,983) | (67,683) | (85,983) | (67,683) |
| Finance costs | 23,667 | 20,319 | 23,667 | 20,319 |
| Amortisation of deferred transaction cost | 7,633 | 5,193 | 7,633 | 5,193 |
| Unrealised loss (gain) on exchange rate | 5,540 | (142,743) | 5,542 | (142,743) |
| Unrealised loss on derivatives | 404,593 | 193,786 | 404,593 | 193,786 |
| Share of profit of equity-accounted investees, net of income tax | (153,580) | (130,182) | - | - |
| Employee benefit obligations | 2,497 | 2,475 | 2,497 | 2,475 |
| Income tax expense | 41,793 | 30,769 | 41,793 | 30,769 |
| | <u>711,283</u> | <u>298,475</u> | <u>711,285</u> | <u>298,559</u> |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade accounts receivable | 11,907 | 118,169 | 11,907 | 118,169 |
| Other receivables | 26,853 | (26,001) | 26,853 | (26,001) |
| Inventories | (346,993) | (789,267) | (346,993) | (789,267) |
| Other current assets | (44,335) | (79,765) | (44,336) | (79,754) |
| Other non-current assets | 51 | 250 | 51 | 250 |
| Trade accounts payable | 711,648 | 66,309 | 711,648 | 66,309 |
| Other payables | (17,185) | 38,065 | (17,185) | 38,117 |
| Other current liabilities | (409,877) | (23,709) | (409,877) | (23,709) |
| Cash generated (used in) from operating activities | <u>643,352</u> | <u>(397,474)</u> | <u>643,353</u> | <u>(397,327)</u> |
| Income tax paid | - | - | - | - |
| Net cash from (used in) operating activities | <u>643,352</u> | <u>(397,474)</u> | <u>643,353</u> | <u>(397,327)</u> |

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 | |
| | Three-month period ended 30 June | | Three-month period ended 30 June | |
| | 2016 | 2015 | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Cash flows from investing activities</i> | | | | |
| Interest received | 1,032 | 4,032 | 1,032 | 4,032 |
| Dividend received | 25,491 | 25,491 | 25,491 | 25,491 |
| Purchase of property, plant and equipment | <u>(17,029)</u> | <u>(29,135)</u> | <u>(17,029)</u> | <u>(29,135)</u> |
| Net cash from investing activities | <u>9,494</u> | <u>388</u> | <u>9,494</u> | <u>388</u> |
| <i>Cash flows from financing activities</i> | | | | |
| Interest paid | (26,044) | (21,905) | (26,044) | (21,905) |
| Repayment of borrowings | <u>-</u> | <u>(532,477)</u> | <u>-</u> | <u>(532,477)</u> |
| Net cash used in financing activities | <u>(26,044)</u> | <u>(554,382)</u> | <u>(26,044)</u> | <u>(554,382)</u> |
| Net increase (decrease) in cash and cash equivalents | 626,802 | (951,468) | 626,803 | (951,321) |
| Cash and cash equivalents at 1 April | <u>2,382,505</u> | <u>1,062,823</u> | <u>2,382,410</u> | <u>1,062,482</u> |
| Cash and cash equivalents at 30 June | <u>3,009,307</u> | <u>111,355</u> | <u>3,009,213</u> | <u>111,161</u> |
| <i>Non-cash transactions</i> | | | | |
| Payables for purchases of machinery and equipment | 59,860 | 65,389 | 59,860 | 65,389 |

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

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2016 (Unaudited)

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Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2016 (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 authorised Directors on 13 August 2016.

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 and 128, Mahatun Plaza Building, 16th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok 10330.

Factory: 44 Moo1, 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 (32.13%), Thai Rayon Public Company Limited (24.98%), 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 subsidiary and associates as at 30 June 2016 and 31 March 2016 are given in notes 6 and 7.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

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

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 March 2016. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 31 March 2016.

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

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2016 (Unaudited)

(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 2016.

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 jointly 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 6 and 7. 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. |
| 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 |
| Columbian Chemicals Brazil Ltda. | Brazil | 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. |

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2016 (Unaudited)

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 |
| Expenses charged to/by related parties | Actual price |
| Other expenses | By mutual agreement |

Significant transactions for the three-month periods ended 30 June 2016 and 2015 with related parties were as follows:

| <i>Three-month period ended 30 June</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------|--|--------------|
| | 2016 | 2015 | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | | | |
| Associates | | | | |
| Interest income | 75,943 | 63,335 | 75,943 | 63,335 |
| Dividend income | - | - | 25,491 | 25,491 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term employee benefit | 7,994 | 7,577 | 7,994 | 7,577 |
| Total key management personnel compensation | 7,994 | 7,577 | 7,994 | 7,577 |
| Directors' remuneration | 1,018 | 1,102 | 1,018 | 1,102 |
| Other related parties | | | | |
| Share of production cost - steam and electric power | 78,378 | 89,633 | 78,378 | 89,633 |
| Expenses charged to a related party | 2,338 | 2,440 | 2,338 | 2,440 |
| Purchase of goods | 3,708 | 8,180 | 3,708 | 8,180 |
| Expenses charged by related parties | 4,269 | 2,138 | 4,269 | 2,138 |
| Rent expenses | 810 | 810 | 810 | 810 |

Intercompany services agreement

In April 2016, the Company entered into an intercompany services agreement with 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.

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2016 (Unaudited)

Balances as at 30 June 2016 and 31 March 2016 with related parties were as follows:

| <i>Other receivables - related parties</i> | Consolidated | | Separate | |
|--|-----------------------------|---------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2016 | 2016 | 2016 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Other related parties | 51,971 | 73,162 | 51,971 | 73,162 |
| Total | 51,971 | 73,162 | 51,971 | 73,162 |

| <i>Interest receivables - related party</i> | Consolidated | | Separate | |
|---|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2016 | 2016 | 2016 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Associate | | | | |
| Current portion | - | 1,218,205 | - | 1,218,205 |
| Non-current portion | 1,292,155 | - | 1,292,155 | - |
| Total | 1,292,155 | 1,218,205 | 1,292,155 | 1,218,205 |

| <i>Loan to related party</i> | Consolidated | | Separate | |
|------------------------------|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2016 | 2016 | 2016 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Associate | | | | |
| Current portion | - | 5,153,827 | - | 6,065,197 |
| Non-current portion | 5,210,380 | - | 6,055,416 | - |
| Total | 5,210,380 | 5,153,827 | 6,055,416 | 6,065,197 |

Movements during the three-month periods ended 30 June 2016 and 2015 of loan to related party were as follows:

| <i>Loan to related party</i> | Consolidated | | Separate | |
|--|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| <i>Three-month period ended 30 June</i> | 2016 | 2015 | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Associate</i> | | | | |
| At 1 April | 5,153,827 | 4,995,044 | 6,065,197 | 5,604,568 |
| Unrealised gain/(loss) on exchange | (9,781) | 210,793 | (9,781) | 210,793 |
| Share of profit for the period in total comprehensive income of an associate | 66,334 | 22,871 | - | - |
| At 30 June | 5,210,380 | 5,228,708 | 6,055,416 | 5,815,361 |

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 July 2016. On 5 July 2016, the Company entered into an amendment agreement to extend the repayment date to July 2021 without changing any conditions. The interest shall be compounded at the end of the respective interest period and payable along with the final repayment of the loan.

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| <i>Trade accounts payable - related parties</i> | Consolidated | | Separate | |
|---|-----------------------------|---------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2016 | 2016 | 2016 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Associate | - | 235 | - | 235 |
| Other related parties | 14,959 | 9,920 | 14,959 | 9,920 |
| Total | 14,959 | 10,155 | 14,959 | 10,155 |

| <i>Other payables - related parties</i> | Consolidated | | Separate | |
|---|-----------------------------|---------------|-----------------------------|---------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2016 | 2016 | 2016 | 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Associate | - | 1 | - | 1 |
| Other related parties | 30,126 | 37,031 | 30,126 | 37,031 |
| Total | 30,126 | 37,032 | 30,126 | 37,032 |

4 Trade accounts receivable

| | Consolidated and separate | |
|---|----------------------------------|----------------|
| | financial statements | |
| | 30 June | 31 March |
| | 2016 | 2016 |
| | <i>(in thousand Baht)</i> | |
| Other parties | 677,959 | 690,611 |
| Total | 677,959 | 690,611 |
| <i>Less allowance for doubtful accounts</i> | - | - |
| Net | 677,959 | 690,611 |
| Bad and doubtful debts expense for the three-month period ended 30 June | - | - |

Aging analyses for trade accounts receivable were as follows:

| | Consolidated and separate | |
|---|----------------------------------|----------------|
| | financial statements | |
| | 30 June | 31 March |
| | 2016 | 2016 |
| | <i>(in thousand Baht)</i> | |
| Other parties | | |
| Within credit terms | 651,665 | 667,902 |
| Overdue: | | |
| Less than 3 months | 24,285 | 20,700 |
| 3 - 6 months | - | - |
| 6 - 12 months | - | 114 |
| Over 12 months | 2,009 | 1,895 |
| | 677,959 | 690,611 |
| <i>Less allowance for doubtful accounts</i> | - | - |
| Net | 677,959 | 690,611 |

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

Thai Carbon Black Public Company Limited and its Subsidiary
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5 Inventories

| | Consolidated and separate financial statements | |
|--|---|-----------------------|
| | 30 June 2016 | 31 March 2016 |
| | <i>(in thousand Baht)</i> | |
| Finished goods | 174,482 | 215,420 |
| Raw materials | 622,686 | 242,315 |
| Factory supplies and spare parts | 135,716 | 123,114 |
| Goods in transit | - | 5,042 |
| | <u>932,884</u> | <u>585,891</u> |
| <i>Less</i> allowance for decline in value | <u>(10,146)</u> | <u>(11,999)</u> |
| Net | <u>922,738</u> | <u>573,892</u> |
| <i>Three-month period ended 30 June</i> | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | |
| Inventories recognised as an expense in ‘cost of sales of goods’: | | |
| - Cost | 726,274 | 995,521 |
| - Reversal of allowance for decline in value | <u>(1,853)</u> | <u>(12,474)</u> |
| Total | <u>724,421</u> | <u>983,047</u> |

6 Investments in equity-accounted investees

| | Consolidated financial statements | | Separate financial statements | |
|---|--|-------------------------|--|-----------------------|
| | 2016 | 2015 | 2016 | 2015 |
| <i>Three-month period ended 30 June</i> | <i>(in thousand Baht)</i> | | | |
| Associates | | | | |
| At 1 April | 3,396,785 | 3,011,162 | 770,364 | 770,364 |
| Share of net profits of equity- accounted associates | 114,645 | 130,182 | - | - |
| Dividend income | (25,491) | (25,491) | - | - |
| Currency translation differences | <u>(10,710)</u> | <u>7,202</u> | - | - |
| At 30 June | <u>3,475,229</u> | <u>3,123,055</u> | <u>770,364</u> | <u>770,364</u> |

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Investments in equity-accounted investees as at 30 June 2016 and 31 March 2016, and dividend income from those investments for the three-month periods ended 30 June 2016 and 2015 were as follows:

| Consolidated financial statements | | | | | | | | | | | | |
|---|--------------------------|--------------------|---------------|-----------------|---------------|--------------|----------------|----------------|------------------|--|---------------|---------------|
| Type of business | Country of incorporation | Ownership interest | | Paid-up capital | | Cost | | Equity | | Dividend income for the three-month period ended | | |
| | | 30 June 2016 | 31 March 2016 | 30 June 2016 | 31 March 2016 | 30 June 2016 | 31 March 2016 | 30 June 2016 | 31 March 2016 | 30 June 2016 | 30 June 2015 | |
| (in thousand Baht) | | | | | | | | | | | | |
| Associates | | | | | | | | | | | | |
| P.T. Indo Liberty Textiles | Textiles manufacturing | Indonesia | 40.00 | 40.00 | 515,664 | 515,664 | 196,948 | 196,948 | 408,822 | 405,460 | - | - |
| Aditya Birla Chemicals (Thailand) Limited | Chemical manufacturing | Thailand | 29.99 | 29.99 | 1,700,000 | 1,700,000 | 509,820 | 509,820 | 3,066,407 | 2,991,325 | 25,491 | 25,491 |
| Indigold Carbon (Mauritius) Limited | Investment holding | Mauritius | 20.59 | 20.59 | 308,870 | 308,870 | 63,596 | 63,596 | - | - | - | - |
| Total | | | | | | | 770,364 | 770,364 | 3,475,229 | 3,396,785 | 25,491 | 25,491 |

As at 30 June 2016, investment in Indigold Carbon (Mauritius) Limited includes a long-term loan for a notional amount of USD 173 million, equivalent to Baht 6,055 million (31 March 2016: USD 173 million, equivalent to Baht 6,065 million), and interest receivables of USD 37 million, equivalent to Baht 1,292 million (31 March 2016: USD 35 million, equivalent to Baht 1,218 million).

For the three-month period ended 30 June 2016, the Group's share in total comprehensive income of Indigold amounted to a gain of Baht 66 million (30 June 2015: a loss of Baht 23 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 first 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 and loan receivable, is carried at cost.

Thai Carbon Black Public Company Limited and its Subsidiary
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| | Separate financial statements | | | | | | | | | | Dividend income for the three-month period ended | |
|--|-------------------------------|-------|-----------------|-----------|-----------------------|-----------------------|---------------------------|-----------------|-----------------------|-----------------------|--|----------------------|
| | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | | |
| | 30 | 31 | 30 | 31 | 30 | 31 | 30 | 31 | 30 | 31 | June | June |
| | June | March | June | March | June | March | June | March | June | March | 2016 | 2015 |
| | (%) | | | | | | <i>(in thousand Baht)</i> | | | | | |
| Associates | | | | | | | | | | | | |
| P.T. Indo Liberty Textiles | 40.00 | 40.00 | 515,664 | 515,664 | 196,948 | 196,948 | - | - | 196,948 | 196,948 | - | - |
| 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 | <u>63,596</u> | <u>63,596</u> | <u>-</u> | <u>-</u> | <u>63,596</u> | <u>63,596</u> | <u>-</u> | <u>-</u> |
| Total | | | | | <u>770,364</u> | <u>770,364</u> | <u>-</u> | <u>-</u> | <u>770,364</u> | <u>770,364</u> | <u>25,491</u> | <u>25,491</u> |

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
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7 Investments in subsidiary

Investments in subsidiary as at 30 June 2016 and 31 March 2016 and dividend income from the subsidiary for the three-month periods ended 30 June 2016 and 2015 were as follows:

| Name of subsidiary | Type of business | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income for the three-month period ended | |
|-----------------------------------|----------------------|--------------------|---------------|-----------------|---------------|----------------------|----------------------|---------------------------|-----------------|----------------------|----------------------|--|-----------------|
| | | 30 June 2016 | 31 March 2016 | 30 June 2016 | 31 March 2016 | 30 June 2016 | 31 March 2016 | 30 June 2016 | 31 March 2016 | 30 June 2016 | 31 March 2016 | 30 June 2016 | 30 June 2015 |
| | | (%) | | | | | | <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>-</u> | <u>-</u> | <u>12,854</u> | <u>12,854</u> | <u>-</u> | <u>-</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> |

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2016 (Unaudited)

8 Other long-term investments

| <i>Three-month period ended 30 June</i> | Consolidate financial statements | | Separate financial statements | |
|---|---|-------------------------|--|-------------------------|
| | 2016 | 2015 | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | | | |
| Cost of investments at 1 April | 1,744,358 | 1,744,358 | 1,846,560 | 1,846,560 |
| Allowance for impairment loss | (163,754) | (163,754) | (265,956) | (265,956) |
| Carrying amount of investment at 30 June | <u>1,580,604</u> | <u>1,580,604</u> | <u>1,580,604</u> | <u>1,580,604</u> |

9 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 30 June 2016 and 2015 were as follows:

| <i>Three-month period ended 30 June</i> | Consolidated and separate financial statements | | | |
|---|---|--|--|--|
| | 2016 | | 2015 | |
| | 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 | - | - | 153,182 | - |
| Vehicles | - | - | 831 | - |
| Assets under construction | 11 | - | 23,119 | (153,182) |
| Total | <u>11</u> | <u>-</u> | <u>177,132</u> | <u>(153,182)</u> |

10 Deferred tax

Deferred tax assets and liabilities as at 30 June 2016 and 31 March 2016 were as follows:

| | Consolidated and separate financial statements | | | |
|--------------------------------|---|-----------------------|--------------------|------------------|
| | Assets | | Liabilities | |
| | 30 June 2016 | 31 March 2016 | 30 June 2016 | 31 March 2016 |
| | <i>(in thousand Baht)</i> | | | |
| Total | 157,885 | 159,729 | (23,369) | (24,895) |
| Set off of tax | (23,369) | (24,895) | 23,369 | 24,895 |
| Net deferred tax assets | <u>134,516</u> | <u>134,834</u> | <u>-</u> | <u>-</u> |

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2016 (Unaudited)

Movements in total deferred tax assets and liabilities during the three-month periods ended 30 June 2016 and 2015 were as follows:

| | Consolidated and separate financial statements | | |
|--|---|--|--------------------------------|
| | At 1 April 2016 | (Charged) / Credited to: profit or loss | At 30 June 2016 |
| | <i>(in thousand Baht)</i> | | |
| <i>Deferred tax assets</i> | | | |
| Provision for impairment of other long-term investment | 53,191 | - | 53,191 |
| Provision for employee benefits | 18,632 | 500 | 19,132 |
| Unrealised loss from derivatives | 82,891 | (1,973) | 80,918 |
| Others | 5,015 | (371) | 4,644 |
| Total | 159,729 | (1,844) | 157,885 |
| <i>Deferred tax liabilities</i> | | | |
| Deferred transaction cost | (24,895) | 1,526 | (23,369) |
| Total | (24,895) | 1,526 | (23,369) |
| Net | 134,834 | (318) | 134,516 |

| | Consolidated and separate financial statements | | |
|--|---|--|--------------------------------|
| | At 1 April 2015 | (Charged) / Credited to: profit or loss | At 30 June 2015 |
| | <i>(in thousand Baht)</i> | | |
| <i>Deferred tax assets</i> | | | |
| Provision for impairment of other long-term investment | 53,191 | - | 53,191 |
| Provision for employee benefits | 18,890 | 495 | 19,385 |
| Unrealised loss from derivatives | 4,806 | 33,951 | 38,757 |
| Others | 4,005 | - | 4,005 |
| Total | 80,892 | 34,446 | 115,338 |
| <i>Deferred tax liabilities</i> | | | |
| Deferred transaction cost | (3,924) | 1,039 | (2,885) |
| Total | (3,924) | 1,039 | (2,885) |
| Net | 76,968 | 35,485 | 112,453 |

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
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11 Long-term loan from financial institutions

| | Consolidated and separate financial statements | |
|---|---|-------------------------|
| | 30 June 2016 | 31 March 2016 |
| | <i>(in thousand Baht)</i> | |
| Current | | |
| Current portion of long-term loan from financial institutions | 163,976 | 65,980 |
| Non-current | | |
| Long-term loan from financial institutions | 3,606,976 | 3,704,357 |
| | <u>3,770,952</u> | <u>3,770,337</u> |

Movements during the three-month periods ended 30 June 2016 and 2015 of long-term loan from financial institutions were as follows:

| | Consolidated and separate financial statements | |
|-------------------------------------|---|-------------------------|
| | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | |
| At 1 April | 3,770,337 | 2,455,573 |
| Repayment during period | - | (532,477) |
| Amortised deferred transaction cost | 7,633 | 5,193 |
| Exchange rate adjustments | (7,018) | 100,066 |
| At 30 June | <u>3,770,952</u> | <u>2,028,355</u> |

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 installment of principal of the new loan is repayable starting from December 2016 and every six months thereafter till 21 December 2020. The Company is still in the progress of releasing all the mortgages of land, buildings and machineries under the old facility agreement. However, under the new facility agreement, negative pledge is required over all current and fixed assets of the Company.

12 Other current liabilities

Other current liabilities as at 30 June 2016 mainly comprises derivatives liabilities amounting to Baht 404.6 million (31 March 2016: Baht 414.5 million).

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13 Employee benefits obligations

Movements during the three-month periods ended 30 June 2016 and 2015 of employee benefits obligations were as follows:

| | Consolidated and separate financial statements | |
|------------------------|---|----------------------|
| | 2016 | 2015 |
| | <i>(in thousand Baht)</i> | |
| At 1 April | 93,162 | 94,448 |
| Current service cost | 1,666 | 1,602 |
| Interest on obligation | 831 | 873 |
| At 30 June | <u>95,659</u> | <u>96,923</u> |

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

14 Operating segment

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

15 Other income

Other income for the three-month period ended 30 June 2015 mainly comprises a receipt from insurance claim related to a fire in 2013 amounting to Baht 82.5 million.

16 Income tax expense

Income tax recognised in profit or loss

| <i>Three-month period ended 30 June</i> | <i>Note</i> | Consolidated and separate financial statements | |
|---|-------------|---|----------------------|
| | | 2016 | 2015 |
| | | <i>(in thousand Baht)</i> | |
| Current tax expense | | 41,475 | 66,254 |
| Deferred income tax | 10 | 318 | (35,485) |
| Total income tax expense | | <u>41,793</u> | <u>30,769</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 unrealised loss on derivatives.

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17 Earnings per share

The calculations of basic earnings per share for the three-month periods ended 30 June 2016 and 2015 were based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follow:

| <i>Three-month period ended 30 June</i> | Consolidated financial statements | | Separate financial statements | |
|--|--|--------------------|--|--------------------|
| | 2016 | 2015 | 2016 | 2015 |
| | <i>(in thousand Baht / thousand shares)</i> | | | |
| Profit attributable to equity holders of the Company (basic) | 418,292 | 323,270 | 290,203 | 218,663 |
| Number of ordinary shares outstanding | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> | <u>300,000</u> |
| Earnings per share (basic) (in Baht) | <u>1.39</u> | <u>1.08</u> | <u>0.97</u> | <u>0.73</u> |

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.

| | Consolidated and separate financial statements | |
|---|---|--------------------|
| | Carrying amount | Fair value Level 2 |
| | <i>(in thousand Baht)</i> | |
| 30 June 2016 | | |
| Financial liabilities measured at fair value | | |
| Derivatives liabilities | 404,593 | 404,593 |
| 31 March 2016 | | |
| Financial liabilities measured at fair value | | |
| Derivatives liabilities | 414,454 | 414,454 |

Financial instruments carried at fair value

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset of liability.

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Level 2 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.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the three-month period ended 30 June 2016.

In accordance with the transitional provisions of TFRS 13, the Group has applied the new fair value measurement guidance prospectively, and has not provided any comparative information for new disclosures.

19 Commitments and contingent liabilities with non-related parties

| | Consolidated and separate financial statements | |
|--|---|------------------|
| | 30 June 2016 | 31 March 2016 |
| | <i>(in thousand Baht)</i> | |
| Capital commitments | | |
| Machinery and equipment | 80,234 | 68,337 |
| Total | 80,234 | 68,337 |
| Non-cancellable operating lease commitments | | |
| Within one year | 3,429 | 4,359 |
| After one year but within five years | 1,561 | 2,169 |
| Total | 4,990 | 6,528 |
| Other commitments | | |
| Bank guarantees for electricity use <i>(for own performance)</i> | 12,548 | 12,548 |
| Total | 12,548 | 12,548 |

Operating lease agreements

The Group has various operating lease agreements for office and warehouse rental. The period of agreements varies 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.
- 2) In 2015, 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 30 June 2016, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 12 million (*31 March 2016: Baht 12 million*) and outstanding letter of credit issued by the banks to guarantee payments to creditors amounting to USD 10 million (*31 March 2016: USD 3 million, EUR 1 million and JPY 10 million*).

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20 Events after the reporting period

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 0.6 per share, amounting to Baht 180 million. The dividends will be paid to shareholders in August 2016.

21 Thai Financial Reporting Standards (TFRS) not yet adopted

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

| TFRS | Topic |
|--------------------------------|---|
| TAS 1 (revised 2016) | Presentation of Financial Statements |
| TAS 2 (revised 2016) | Inventories |
| TAS 7 (revised 2016) | Statement of Cash Flows |
| TAS 8 (revised 2016) | Accounting Policies, Changes in Accounting Estimates and Errors |
| TAS 10 (revised 2016) | Events After the Reporting Period |
| TAS 12 (revised 2016) | Income Taxes |
| TAS 16 (revised 2016) | Property, Plant and Equipment |
| TAS 17 (revised 2016) | Leases |
| TAS 18 (revised 2016) | Revenue |
| TAS 19 (revised 2016) | Employee Benefits |
| TAS 21 (revised 2016) | The Effects of Changes in Foreign Exchange Rates |
| TAS 23 (revised 2016) | Borrowing Costs |
| TAS 24 (revised 2016) | Related Party Disclosures |
| TAS 26 (revised 2016) | Accounting and Reporting by Retirement Benefit Plans |
| TAS 27 (revised 2016) | Separate Financial Statements |
| TAS 28 (revised 2016) | Investments in Associates and Joint Ventures |
| TAS 33 (revised 2016) | Earnings Per Share |
| TAS 34 (revised 2016) | Interim Financial Reporting |
| TAS 36 (revised 2016) | Impairment of Assets |
| TAS 37 (revised 2016) | Provisions, Contingent Liabilities and Contingent Assets |
| TAS 38 (revised 2016) | Intangible Assets |
| TFRS 8 (revised 2016) | Operating Segments |
| TFRS 10 (revised 2016) | Consolidated Financial Statements |
| TFRS 12 (revised 2016) | Disclosure of Interests in Other Entities |
| TFRS 13 (revised 2016) | Fair Value Measurement |
| TFRIC 4 (revised 2016) | Determining Whether an Arrangement Contains a Lease |
| TFRIC 10 (revised 2016) | Interim Financial Reporting and Impairment |
| FAP Announcement no. 5/2559 | Accounting Guidance for derecognition of financial assets and financial liabilities |

The Group 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.