

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

Interim financial statements  
for the three-month and six-month periods ended  
30 September 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 September 2016; the consolidated and separate statements of income and comprehensive income for the three-month and six-month periods ended 30 September 2016, the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 September 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  
14 November 2016

# Thai Carbon Black Public Company Limited and its Subsidiary

## Statement of financial position

		Consolidated		Separate	
		financial statements		financial statements	
Assets	Note	30 September 2016 (Unaudited)	31 March 2016	30 September 2016 (Unaudited)	31 March 2016
<i>(in thousand Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents		2,975,287	2,382,505	2,975,250	2,382,410
Trade accounts receivable	4	687,928	690,611	687,928	690,611
Other receivables	3	81,420	163,628	81,420	163,628
Inventories	5	806,990	573,892	806,990	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		160,477	120,240	160,380	120,134
<b>Total current assets</b>		<b>4,712,102</b>	<b>10,302,908</b>	<b>4,711,968</b>	<b>11,214,077</b>
<b>Non-current assets</b>					
Investments in equity-accounted investees	6	3,535,970	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	5,249,185	-	5,970,063	-
Long-term interest receivables	3	1,351,146	-	1,351,146	-
Property, plant and equipment	9	1,468,756	1,535,757	1,468,756	1,535,757
Intangible assets		23,510	24,321	23,510	24,321
Deferred tax assets	10	85,429	134,834	85,429	134,834
Other non-current assets		3,348	3,532	3,348	3,532
<b>Total non-current assets</b>		<b>13,297,948</b>	<b>6,675,833</b>	<b>11,266,074</b>	<b>4,062,266</b>
<b>Total assets</b>		<b>18,010,050</b>	<b>16,978,741</b>	<b>15,978,042</b>	<b>15,276,343</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 financial statements		Separate financial statements	
		30 September 2016 (Unaudited)	31 March 2016	30 September 2016 (Unaudited)	31 March 2016
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade accounts payable	3	828,636	186,399	828,636	186,399
Other payables	3	274,468	284,365	274,468	284,365
Current portion of long-term loan from financial institutions	11	161,745	65,980	161,745	65,980
Income tax payable		29,734	25,304	29,734	25,304
Other current liabilities	12	190,748	437,583	190,748	437,583
<b>Total current liabilities</b>		<b>1,485,331</b>	<b>999,631</b>	<b>1,485,331</b>	<b>999,631</b>
<b>Non-current liabilities</b>					
Long-term loan from financial institutions	11	3,566,391	3,704,357	3,566,391	3,704,357
Employee benefit obligations	13	98,156	93,162	98,156	93,162
<b>Total non-current liabilities</b>		<b>3,664,547</b>	<b>3,797,519</b>	<b>3,664,547</b>	<b>3,797,519</b>
<b>Total liabilities</b>		<b>5,149,878</b>	<b>4,797,150</b>	<b>5,149,878</b>	<b>4,797,150</b>
<b>Equity</b>					
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		12,888,445	12,279,597	9,568,164	9,219,193
Other components of equity		(1,288,273)	(1,358,006)	-	-
<b>Total equity</b>		<b>12,860,172</b>	<b>12,181,591</b>	<b>10,828,164</b>	<b>10,479,193</b>
<b>Total liabilities and equity</b>		<b>18,010,050</b>	<b>16,978,741</b>	<b>15,978,042</b>	<b>15,276,343</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		Three-month period ended	
		30 September		30 September	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
<b><i>Income</i></b>					
Revenue from sale of goods		1,204,971	1,271,511	1,204,971	1,271,511
Interest income	3	88,205	70,125	88,205	70,125
Net foreign exchange gain		6,601	-	6,601	-
Other income		893	1,889	893	1,889
<b>Total income</b>		<b>1,300,670</b>	<b>1,343,525</b>	<b>1,300,670</b>	<b>1,343,525</b>
<b><i>Expenses</i></b>					
Cost of sales of goods		861,806	1,102,322	861,806	1,102,322
Selling expenses		36,467	32,276	36,467	32,276
Administrative expenses	3	93,415	74,020	93,373	74,019
Net foreign exchange loss		-	128,101	-	128,101
Finance costs		32,986	24,971	32,986	24,971
<b>Total expenses</b>		<b>1,024,674</b>	<b>1,361,690</b>	<b>1,024,632</b>	<b>1,361,689</b>
<b><i>Share of profit of equity-accounted investees</i></b>					
Associates		131,830	45,350	-	-
<b>Total</b>		<b>131,830</b>	<b>45,350</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) before income tax expense</b>		<b>407,826</b>	<b>27,185</b>	<b>276,038</b>	<b>(18,164)</b>
Income tax expense (benefit)		37,270	(14,788)	37,270	(14,788)
<b>Profit (loss) for the period attributable to owners of the Company</b>		<b>370,556</b>	<b>41,973</b>	<b>238,768</b>	<b>(3,376)</b>
<b>Basic earnings (loss) per share (<i>in Baht</i>)</b>	17	<b>1.24</b>	<b>0.14</b>	<b>0.80</b>	<b>(0.01)</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)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Three-month period ended		Three-month period ended	
	30 September		30 September	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Profit (loss) for the period</b>	<b>370,556</b>	<b>41,973</b>	<b>238,768</b>	<b>(3,376)</b>
<b>Other comprehensive income</b>				
<i>Items that are or may be reclassified to profit or loss</i>				
Foreign currency translation differences for foreign operations	<u>(53,048)</u>	<u>(189,950)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period, net of income tax</b>	<u><b>(53,048)</b></u>	<u><b>(189,950)</b></u>	<u><b>-</b></u>	<u><b>-</b></u>
<b>Total comprehensive income for the period</b>	<u><b>317,508</b></u>	<u><b>(147,977)</b></u>	<u><b>238,768</b></u>	<u><b>(3,376)</b></u>

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	
		Six-month period ended		Six-month period ended	
		30 September		30 September	
		2016	2015	2016	2015
<i>(in thousand Baht)</i>					
<b>Income</b>					
Revenue from sale of goods		2,282,754	2,485,416	2,282,754	2,485,416
Dividend income	3, 6	-	-	25,491	25,491
Interest income	3	174,188	137,808	174,188	137,808
Net foreign exchange gain		31,250	-	31,250	-
Other income	15	3,592	85,608	3,592	85,608
<b>Total income</b>		<b>2,491,784</b>	<b>2,708,832</b>	<b>2,517,275</b>	<b>2,734,323</b>
<b>Expenses</b>					
Cost of sales of goods	5	1,586,227	2,085,369	1,586,227	2,085,369
Selling expenses		73,672	65,471	73,672	65,471
Administrative expenses	3	185,098	150,175	185,056	150,090
Net foreign exchange loss		-	151,642	-	151,642
Finance costs		64,286	50,483	64,286	50,483
<b>Total expenses</b>		<b>1,909,283</b>	<b>2,503,140</b>	<b>1,909,241</b>	<b>2,503,055</b>
<b>Share of profit of equity-accounted investees</b>					
Associates		285,410	175,532	-	-
<b>Total</b>		<b>285,410</b>	<b>175,532</b>	<b>-</b>	<b>-</b>
<b>Profit before income tax expense</b>		<b>867,911</b>	<b>381,224</b>	<b>608,034</b>	<b>231,268</b>
Income tax expense	16	79,063	15,981	79,063	15,981
<b>Profit for the period attributable to owners of the Company</b>		<b>788,848</b>	<b>365,243</b>	<b>528,971</b>	<b>215,287</b>
<b>Basic earnings per share (in Baht)</b>	17	<b>2.63</b>	<b>1.22</b>	<b>1.76</b>	<b>0.72</b>

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**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Statement of comprehensive income (Unaudited)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Six-month period ended		Six-month period ended	
	30 September		30 September	
<i>Note</i>	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>788,848</b>	<b>365,243</b>	<b>528,971</b>	<b>215,287</b>
<b>Other comprehensive income</b>				
<i>Items that are or may be reclassified to profit or loss</i>				
Foreign currency translation differences for				
foreign operations	<u>69,733</u>	<u>(159,873)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive income for the period,</b>				
<b>    net of income tax</b>	<u>69,733</u>	<u>(159,873)</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><b>858,581</b></u>	<u><b>205,370</b></u>	<u><b>528,971</b></u>	<u><b>215,287</b></u>

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)

	<i>Note</i>	Consolidated financial statements						Total equity attributable to owners of the Company
		Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings	Other component of equity		
					Unappropriated	Currency translation differences	Total other components of equity	
<i>(in thousand Baht)</i>								
<b>Six-month period ended 30 September 2015</b>								
Balance at 1 April 2015		300,000	930,000	30,000	11,532,346	(1,310,480)	(1,310,480)	11,481,866
<b>Transactions with owners, recorded directly in equity</b>								
Dividends to owners of the Company	18	-	-	-	(180,000)	-	-	(180,000)
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	(180,000)	-	-	(180,000)
<b>Comprehensive income for the period</b>								
Profit		-	-	-	365,243	-	-	365,243
Other comprehensive income		-	-	-	-	(159,873)	(159,873)	(159,873)
<b>Total comprehensive income for the period</b>		-	-	-	365,243	(159,873)	(159,873)	205,370
<b>Balance at 30 September 2015</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>11,717,589</b>	<b>(1,470,353)</b>	<b>(1,470,353)</b>	<b>11,507,236</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)

	<i>Note</i>	Consolidated financial statements						Total equity attributable to owners of the Company
		Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings	Other component of equity		
					Unappropriated	Currency translation differences	Total other components of equity	
<i>(in thousand Baht)</i>								
<b>Six-month period ended 30 September 2016</b>								
Balance at 1 April 2016		300,000	930,000	30,000	12,279,597	(1,358,006)	(1,358,006)	12,181,591
<b>Transactions with owners, recorded directly in equity</b>								
Dividends to owners of the Company	18	-	-	-	(180,000)	-	-	(180,000)
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	(180,000)	-	-	(180,000)
<b>Comprehensive income for the period</b>								
Profit		-	-	-	788,848	-	-	788,848
Other comprehensive income		-	-	-	-	69,733	69,733	69,733
<b>Total comprehensive income for the period</b>		-	-	-	788,848	69,733	69,733	858,581
<b>Balance at 30 September 2016</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>12,888,445</b>	<b>(1,288,273)</b>	<b>(1,288,273)</b>	<b>12,860,172</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	Separate financial statements			Total equity	
		Issued and paid-up share capital	Share premium	Retained earnings		
			Legal reserve	Unappropriated		
			<i>(in thousand Baht)</i>			
<b>Six-month period ended 30 September 2015</b>						
Balance at 1 April 2015		300,000	930,000	30,000	8,603,074	9,863,074
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	18	-	-	-	(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		-	-	-	215,287	215,287
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>215,287</b>	<b>215,287</b>
<b>Balance at 30 September 2015</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>8,638,361</b>	<b>9,898,361</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	Unappropriated	
Retained earnings						
(in thousand Baht)						
<b>Six-month period ended 30 September 2016</b>						
Balance at 1 April 2016		300,000	930,000	30,000	9,219,193	10,479,193
<b>Transactions with owners, recorded directly in equity</b>						
Dividends to owners of the Company	18	-	-	-	(180,000)	(180,000)
<b>Total transactions with owners, recorded directly in equity</b>		-	-	-	(180,000)	(180,000)
<b>Comprehensive income for the period</b>						
Profit		-	-	-	528,971	528,971
<b>Total comprehensive income for the period</b>		-	-	-	528,971	528,971
<b>Balance at 30 September 2016</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>9,568,164</b> <sup>(1)</sup>	<b>10,828,164</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)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended 30 September		Six-month period ended 30 September	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the period	788,848	365,243	528,971	215,287
<b><i>Adjustments for</i></b>				
Depreciation	97,287	144,864	97,287	144,864
Amortisation of intangible assets	811	-	811	-
Provision (reversal of allowance) for decline in value of inventories	6,451	(12,474)	6,451	(12,474)
Dividend income	-	-	(25,491)	(25,491)
Interest income	(174,188)	(137,808)	(174,188)	(137,808)
Finance costs	48,941	41,142	48,941	41,142
Amortisation of deferred transaction cost	15,345	9,341	15,345	9,341
Unrealised loss (gain) on exchange rate	55,390	(517,326)	55,414	(517,326)
Unrealised loss (gain) on derivatives	(273,687)	664,047	(273,687)	664,047
Share of profit of equity-accounted investees, net of income tax	(285,410)	(175,532)	-	-
Employee benefit obligations	4,994	4,951	4,994	4,951
Income tax expense	79,063	15,981	79,063	15,981
	<u>363,845</u>	<u>402,429</u>	<u>363,911</u>	<u>402,514</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade accounts receivable	1,235	142,130	1,235	142,130
Other receivables	42,753	20,100	42,753	20,100
Inventories	(239,549)	(646,875)	(239,549)	(646,875)
Other current assets	(36,838)	(87,077)	(36,846)	(87,065)
Other non-current assets	184	(587)	184	(587)
Trade accounts payable	647,116	129,999	647,116	129,999
Other payables	(7,096)	87,887	(7,096)	87,939
Other current liabilities	4,260	(5,372)	4,260	(5,372)
Cash generated from operating activities	<u>775,910</u>	<u>42,634</u>	<u>775,968</u>	<u>42,783</u>
Income tax paid	<u>(25,228)</u>	<u>(68,498)</u>	<u>(25,228)</u>	<u>(68,498)</u>
<b>Net cash from (used in) operating activities</b>	<u><b>750,682</b></u>	<u><b>(25,864)</b></u>	<u><b>750,740</b></u>	<u><b>(25,715)</b></u>

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

## Thai Carbon Black Public Company Limited and its Subsidiaries

### Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Six-month period ended		Six-month period ended	
	30 September		30 September	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	16,589	4,793	16,589	4,793
Dividend received	64,946	25,491	64,946	25,491
Purchase of property, plant and equipment	<u>(32,961)</u>	<u>(13,715)</u>	<u>(32,961)</u>	<u>(13,715)</u>
<b>Net cash from investing activities</b>	<b><u>48,574</u></b>	<b><u>16,569</u></b>	<b><u>48,574</u></b>	<b><u>16,569</u></b>
<i>Cash flows from financing activities</i>				
Interest paid	(49,066)	(41,295)	(49,066)	(41,295)
Dividends paid	(157,408)	(180,000)	(157,408)	(180,000)
Repayment of borrowings	<u>-</u>	<u>(532,477)</u>	<u>-</u>	<u>(532,477)</u>
<b>Net cash used in financing activities</b>	<b><u>(206,474)</u></b>	<b><u>(753,772)</u></b>	<b><u>(206,474)</u></b>	<b><u>(753,772)</u></b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>592,782</b>	<b>(763,067)</b>	<b>592,840</b>	<b>(762,918)</b>
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>
<b>Cash and cash equivalents at 30 September</b>	<b><u>2,975,287</u></b>	<b><u>299,756</u></b>	<b><u>2,975,250</u></b>	<b><u>299,564</u></b>
<i>Non-cash transactions</i>				
Payables for purchases of machinery and equipment	62,714	65,389	62,714	65,389
Accrued dividend expense	27,557	4,965	27,557	4,965

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 and six-month periods ended 30 September 2016 (Unaudited)**

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20	Commitments and contingent liabilities with non-related parties
21	Thai Financial Reporting Standards (TFRS) not yet adopted

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and six-month periods ended 30 September 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 14 November 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, 16<sup>th</sup> 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 September 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**  
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**(b) Functional and presentation currency**

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

**(c) Use of 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:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
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.
Alexandria Fiber Company 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
Columbian Chemicals Brazil Ltda.	Brazil	Same ultimate parent company
Columbian International Chemicals Corporation	Georgia	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**  
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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 and six-month periods ended 30 September 2016 and 2015 with related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Three-month period ended 30 September</i>				
<i>(in thousand Baht)</i>				
<b>Associates</b>				
Interest income	78,256	69,948	78,256	69,948
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	11,689	14,391	11,689	14,391
<b>Total key management personnel compensation</b>	<b>11,689</b>	<b>14,391</b>	<b>11,689</b>	<b>14,391</b>
<b>Directors' remuneration</b>	<b>833</b>	<b>823</b>	<b>833</b>	<b>823</b>
<b>Other related parties</b>				
Share of production cost - steam and electric power	64,063	84,755	64,063	84,755
Expenses charged to a related party	10,267	16,506	10,267	16,506
Purchase of goods	19,283	10,766	19,283	10,766
Expenses charged by related parties	29,121	13,387	29,121	13,387
Rent expenses	810	810	810	810
<i>Six-month period ended 30 September</i>				
<i>(in thousand Baht)</i>				
<b>Associates</b>				
Interest income	154,199	133,283	154,199	133,283
Dividend income	-	-	25,491	25,491
Purchase of goods	44	855	44	855
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefit	19,683	21,968	19,683	21,968
<b>Total key management personnel compensation</b>	<b>19,683</b>	<b>21,968</b>	<b>19,683</b>	<b>21,968</b>
<b>Directors' remuneration</b>	<b>1,851</b>	<b>1,925</b>	<b>1,851</b>	<b>1,925</b>

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

<i>Six-month period ended 30 September</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<b>Other related parties</b>				
Share of production cost - steam and electric power	142,441	174,388	142,441	174,388
Expenses charged to a related party	23,044	18,946	23,044	18,946
Purchase of goods	22,947	57,316	22,947	57,316
Expenses charged by related parties	57,507	15,525	57,507	15,525
Rent expenses	1,620	1,620	1,620	1,620

***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.

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

<i>Other receivables - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 March	30 September	31 March
	2016	2016	2016	2016
	<i>(in thousand Baht)</i>			
Other related parties	42,757	73,162	42,757	73,162
<b>Total</b>	<b>42,757</b>	<b>73,162</b>	<b>42,757</b>	<b>73,162</b>

<i>Interest receivables - related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 March	30 September	31 March
	2016	2016	2016	2016
	<i>(in thousand Baht)</i>			
Associate				
Current portion	-	1,218,205	-	1,218,205
Non-current portion	1,351,146	-	1,351,146	-
<b>Total</b>	<b>1,351,146</b>	<b>1,218,205</b>	<b>1,351,146</b>	<b>1,218,205</b>

<i>Loan to related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 March	30 September	31 March
	2016	2016	2016	2016
	<i>(in thousand Baht)</i>			
Associate				
Current portion	-	5,153,827	-	6,065,197
Non-current portion	5,249,185	-	5,970,063	-
<b>Total</b>	<b>5,249,185</b>	<b>5,153,827</b>	<b>5,970,063</b>	<b>6,065,197</b>

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

Movements during the six-month period ended 30 September 2016 and 2015 of loan to related party were as follows:

<i>Loan to related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Six-month period ended 30 September</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 rate	(95,134)	656,726	(95,134)	656,726
Share of gain (loss) for the period in total comprehensive income of an associate	190,492	(219,371)	-	-
<b>At 30 September</b>	<b><u>5,249,185</u></b>	<b><u>5,432,399</u></b>	<b><u>5,970,063</u></b>	<b><u>6,261,294</u></b>

***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 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 conditions. The interest shall be compounded at the end of the respective interest period and payable along with the final repayment of the loan.

***Trade accounts payable – related parties***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 March	30 September	31 March
	2016	2016	2016	2016
	<i>(in thousand Baht)</i>			
Associate	-	235	-	235
Other related parties	19,335	9,920	19,335	9,920
<b>Total</b>	<b><u>19,335</u></b>	<b><u>10,155</u></b>	<b><u>19,335</u></b>	<b><u>10,155</u></b>

***Other payables - related parties***

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	30 September	31 March	30 September	31 March
	2016	2016	2016	2016
	<i>(in thousand Baht)</i>			
Associate	-	1	-	1
Other related parties	69,355	37,031	69,355	37,031
<b>Total</b>	<b><u>69,355</u></b>	<b><u>37,032</u></b>	<b><u>69,355</u></b>	<b><u>37,032</u></b>

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

**4 Trade accounts receivable**

	<b>Consolidated and separate financial statements</b>	
	30 September 2016	31 March 2016
	<i>(in thousand Baht)</i>	
Other parties	687,928	690,611
<b>Total</b>	<b>687,928</b>	<b>690,611</b>
<i>Less</i> allowance for doubtful accounts	-	-
<b>Net</b>	<b>687,928</b>	<b>690,611</b>
Bad and doubtful debts expense for the six-month period ended 30 September	-	-

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated and separate financial statements</b>	
	30 September 2016	31 March 2016
	<i>(in thousand Baht)</i>	
<b>Other parties</b>		
Within credit terms	659,199	667,902
Overdue:		
Less than 3 months	26,720	20,700
3 - 6 months	-	-
6 - 12 months	-	114
Over 12 months	2,009	1,895
	<b>687,928</b>	<b>690,611</b>
<i>Less</i> allowance for doubtful accounts	-	-
<b>Net</b>	<b>687,928</b>	<b>690,611</b>

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

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

**5 Inventories**

	<b>Consolidated and separate financial statements</b>	
	30 September 2016	31 March 2016
	<i>(in thousand Baht)</i>	
Finished goods	156,309	215,420
Raw materials	527,572	242,315
Factory supplies and spare parts	126,293	123,114
Goods in transit	15,266	5,042
	<u>825,440</u>	<u>585,891</u>
<i>Less</i> allowance for decline in value	<u>(18,450)</u>	<u>(11,999)</u>
<b>Net</b>	<b><u>806,990</u></b>	<b><u>573,892</u></b>
<i>Six-month period ended 30 September</i>	2016	2015
	<i>(in thousand Baht)</i>	
Inventories recognised as an expense in ‘cost of sales of goods’:		
- Cost	1,579,776	2,097,843
- Provision (reversal of allowance) for decline in value	6,451	(12,474)
<b>Total</b>	<b><u>1,586,227</u></b>	<b><u>2,085,369</u></b>

**6 Investments in equity-accounted investees**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
	<i>(in thousand Baht)</i>			
<i>Six-month period ended 30 September</i>				
<b>Associates</b>				
At 1 April	3,396,785	3,011,162	770,364	770,364
Share of net profits of equity- accounted associates	180,483	175,532	-	-
Dividend income	(25,491)	(25,491)	-	-
Currency translation differences	(15,807)	59,497	-	-
<b>At 30 September</b>	<b><u>3,535,970</u></b>	<b><u>3,220,700</u></b>	<b><u>770,364</u></b>	<b><u>770,364</u></b>

**Thai Carbon Black Public Company Limited and its Subsidiary**  
**Notes to the interim financial statements**  
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Investments in equity-accounted investees as at 30 September 2016 and 31 March 2016, and dividend income from those investments for the six-month periods ended 30 September 2016 and 2015 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 six-month period ended	
			30 September 2016	31 March 2016	30 September 2016	31 March 2016	30 September 2016	31 March 2016	30 September 2016	31 March 2016	30 September 2016	30 September 2015
			(%)		(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	409,659	405,460	-	-
Aditya Birla Chemicals (Thailand) Limited	Chemical manufacturing	Thailand	29.99	29.99	1,700,000	1,700,000	509,820	509,820	3,126,311	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	-	-	-	-
<b>Total</b>							<b>770,364</b>	<b>770,364</b>	<b>3,535,970</b>	<b>3,396,785</b>	<b>25,491</b>	<b>25,491</b>

As at 30 September 2016, investment in Indigold Carbon (Mauritius) Limited (“Indigold”) includes a long-term loan for a notional amount of USD 173 million, equivalent to Baht 5,970 million (31 March 2016: USD 173 million, equivalent to Baht 6,065 million), and interest receivables of USD 39 million, equivalent to Baht 1,351 million (31 March 2016: USD 35 million, equivalent to Baht 1,218 million).

For the six-month period ended 30 September 2016, the Group’s share in total comprehensive income of Indigold amounted to a gain of Baht 190 million (30 September 2015: a loss of Baht 219 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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**For the three-month and six-month periods ended 30 September 2016 (Unaudited)**

**Separate financial statements**

	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the six-month period ended	
	30	31	30	31	30	31	30	31	30	31	30	30
	September 2016	March 2016	September 2016	March 2016	September 2016	March 2016	September 2016	March 2016	September 2016	March 2016	September 2016	September 2015
	(%)											
	<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	-	-
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>					<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**  
**For the three-month and six-month periods ended 30 September 2016 (Unaudited)**

**7 Investments in subsidiary**

Investments in subsidiary as at 30 September 2016 and 31 March 2016 and dividend income from the subsidiary for the six-month periods ended 30 September 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 six-month period ended	
		30 September 2016	31 March 2016	30 September 2016	31 March 2016	30 September 2016	31 March 2016	30 September 2016	31 March 2016	30 September 2016	31 March 2016	30 September 2016	30 September 2015
		(%)						(in thousand Baht)					
<b>Direct subsidiary</b>													
Birla Carbon Mexico, S.A. DE C.V.	Carbon Manufacturing	98	98	12,854	12,854	12,854	12,854	-	-	12,854	12,854	-	-
<b>Total</b>						<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 and six-month periods ended 30 September 2016 (Unaudited)**

**8 Other long-term investments**

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<i>Six-month period ended 30 September</i>				
	<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)
<b>Carrying amount of investment at 30 September</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>

**9 Property, plant and equipment**

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

<i>Six-month period ended 30 September</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	43,602	-	188,844	6,722
Vehicles	-	-	831	-
Furniture and fixtures	-	-	1,712	-
Assets under construction	29,625	-	81,729	190,514
<b>Total</b>	<b><u>73,227</u></b>	<b><u>-</u></b>	<b><u>273,116</u></b>	<b><u>197,236</u></b>

**10 Deferred tax**

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

	Consolidated and separate financial statements			
	Assets		Liabilities	
	30 September 2016	31 March 2016	30 September 2016	31 March 2016
	<i>(in thousand Baht)</i>			
Total	107,255	159,729	(21,826)	(24,895)
Set off of tax	(21,826)	(24,895)	21,826	24,895
<b>Net deferred tax assets</b>	<b><u>85,429</u></b>	<b><u>134,834</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

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

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

	<b>Consolidated and separate financial statements</b>		
	<b>At 1 April 2016</b>	<b>(Charged) / Credited to: profit or loss (in thousand Baht)</b>	<b>At 30 September 2016</b>
<i>Deferred tax assets</i>			
Provision for impairment of other investments	53,191	-	53,191
Provision for employee benefits	18,632	3,589	22,221
Unrealised loss from derivatives	82,891	(54,738)	28,153
Others	5,015	(1,325)	3,690
<b>Total</b>	<b>159,729</b>	<b>(52,474)</b>	<b>107,255</b>
<i>Deferred tax liabilities</i>			
Deferred transaction cost	(24,895)	3,069	(21,826)
<b>Total</b>	<b>(24,895)</b>	<b>3,069</b>	<b>(21,826)</b>
<b>Net</b>	<b>134,834</b>	<b>(49,405)</b>	<b>85,429</b>

	<b>Consolidated and separate financial statements</b>		
	<b>At 1 April 2015</b>	<b>(Charged) / Credited to: profit or loss (in thousand Baht)</b>	<b>At 30 September 2015</b>
<i>Deferred tax assets</i>			
Provision for impairment of other investments	53,191	-	53,191
Provision for employee benefits	18,890	990	19,880
Unrealised loss from derivatives	4,806	132,809	137,615
Others	4,005	(1,560)	2,445
<b>Total</b>	<b>80,892</b>	<b>132,239</b>	<b>213,131</b>
<i>Deferred tax liabilities</i>			
Deferred transaction cost	(3,924)	1,868	(2,056)
<b>Total</b>	<b>(3,924)</b>	<b>1,868</b>	<b>(2,056)</b>
<b>Net</b>	<b>76,968</b>	<b>134,107</b>	<b>211,075</b>

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

**11 Long-term loan from financial institutions**

	<b>Consolidated and separate financial statements</b>	
	30 September 2016	31 March 2016
	<i>(in thousand Baht)</i>	
<b><i>Current</i></b>		
Current portion of long-term loan from financial institutions	161,745	65,980
<b><i>Non-current</i></b>		
Long-term loan from financial institutions	3,566,391	3,704,357
	<u><b>3,728,136</b></u>	<u><b>3,770,337</b></u>

Movements during the six-month period ended 30 September 2016 and 2015 of long-term loan from financial institutions were as follows:

	<b>Consolidated and separate financial statements</b>	
	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	15,345	9,341
Exchange rate adjustments	(57,546)	247,065
<b>At 30 September</b>	<u><b>3,728,136</b></u>	<u><b>2,179,502</b></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. During the period ended 30 September 2016, 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.

**12 Other current liabilities**

Other current liabilities as at 30 September 2016 mainly comprises derivatives liabilities amounting to Baht 140.8 million (31 March 2016: Baht 414.5 million).

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**13 Employee benefits obligations**

Movements during the six-month period ended 30 September 2016 and 2015 of employee benefits obligations were as follows:

	<b>Consolidated and separate financial statements</b>	
	2016	2015
	<i>(in thousand Baht)</i>	
At 1 April	93,162	94,448
Current service cost	3,332	3,205
Interest on obligation	1,662	1,746
<b>At 30 September</b>	<b>98,156</b>	<b>99,399</b>

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 six-month period ended 30 September 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>Six-month period ended 30 September</i>	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2016	2015	2016	2015
		<i>(in thousand Baht)</i>			
Current tax expense		29,658	150,088	29,658	150,088
Deferred income tax	10	49,405	(134,107)	49,405	(134,107)
<b>Total income tax expense</b>		<b>79,063</b>	<b>15,981</b>	<b>79,063</b>	<b>15,981</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.

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**17 Earnings per share**

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

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
<i>Three-month period ended 30 September</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) attributable to equity holders of the Company (basic)	370,556	41,973	238,768	(3,376)
Number of ordinary shares outstanding	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>	<u>300,000</u>
<b>Earnings (loss) per share (basic) (in Baht)</b>	<b><u>1.24</u></b>	<b><u>0.14</u></b>	<b><u>0.80</u></b>	<b><u>(0.01)</u></b>
	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2016	2015	2016	2015
<i>Six-month period ended 30 September</i>	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to equity holders of the Company (basic)	788,848	365,243	528,971	215,287
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>2.63</u></b>	<b><u>1.22</u></b>	<b><u>1.76</u></b>	<b><u>0.72</u></b>

**18 Dividends**

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 was paid to shareholders in August 2016.

At the annual general meeting of the shareholders of the Company held on 29 July 2015, the shareholders approved the appropriation of dividends of Baht 0.6 per share, amounting to Baht 180 million. The dividends was paid to shareholders in August 2015.

**19 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.

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	<b>Consolidated and separate financial statements</b>	
	Carrying amount	Fair value Level 2
	<i>(in thousand Baht)</i>	
<b>30 September 2016</b>		
<b>Financial liabilities measured at fair value</b>		
Derivatives liabilities	140,767	140,767
<b>31 March 2016</b>		
<b>Financial liabilities measured at fair value</b>		
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 or liability.

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 six-month period ended 30 September 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.

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

	<b>Consolidated and separate financial statements</b>	
	30 September 2016	31 March 2016
	<i>(in thousand Baht)</i>	
<b>Capital commitments</b>		
Machinery and equipment	73,758	68,337
<b>Total</b>	<u>73,758</u>	<u>68,337</u>
<b>Non-cancellable operating lease commitments</b>		
Within one year	2,979	2,739
After one year but within five years	768	2,169
<b>Total</b>	<u>3,747</u>	<u>4,908</u>

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	<b>Consolidated and separate financial statements</b>	
	30 September 2016	31 March 2016
	<i>(in thousand Baht)</i>	
<b><i>Other commitments</i></b>		
Bank guarantees for electricity use <i>(for own performance)</i>	12,548	12,548
<b>Total</b>	<u><u>12,548</u></u>	<u><u>12,548</u></u>

***Operating lease agreements***

The Group has various operating lease agreements for office, office equipment and vehicle rental. The period of agreements varies from 1-4 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 September 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)*.

**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 2017, are set out below. The Group does not plan to adopt these TFRS early.

<b>TFRS</b>	<b>Topic</b>
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



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<b>TFRS</b>	<b>Topic</b>
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.