

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

Interim financial statements
for the three-month period ended
30 June 2017

and

Independent auditor's report on
review of interim financial information

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated and separate statements of financial position of Thai Carbon Black Public Company Limited and its subsidiary, and of Thai Carbon Black Public Company Limited, respectively, as at 30 June 2017; the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the three-month period ended 30 June 2017; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Orawan Chuhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
11 August 2017

Thai Carbon Black Public Company Limited and its Subsidiary

Statement of financial position

	Note	Consolidated		Separate	
		financial statements		financial statements	
		30 June 2017 (Unaudited)	31 March 2017	30 June 2017 (Unaudited)	31 March 2017
<i>(in thousand Baht)</i>					
Assets					
Current assets					
Cash and cash equivalents		2,866,959	495,381	2,866,775	495,348
Short-term deposits at financial institutions	4	650,000	2,633,000	650,000	2,633,000
Trade accounts receivable	3, 5	1,160,196	892,643	1,160,196	892,643
Other current receivables	3	34,681	31,989	34,681	31,989
Inventories	6	1,212,846	766,860	1,212,846	766,860
Other current assets		122,769	158,587	122,627	158,485
Total current assets		6,047,451	4,978,460	6,047,125	4,978,325
Non-current assets					
Investments in equity-accounted investees	7	3,936,692	3,669,641	770,364	770,364
Investments in subsidiary	8	-	-	12,854	12,854
Other long-term investments	9	1,580,604	1,580,604	1,580,604	1,580,604
Long-term loan to related party	3	5,826,636	5,911,495	5,826,636	5,928,832
Long-term interest receivables	3	1,592,358	1,506,100	1,592,358	1,506,100
Property, plant and equipment	10	1,382,824	1,416,054	1,382,824	1,416,054
Intangible assets		19,457	20,673	19,457	20,673
Deferred tax assets	11	66,192	82,552	66,192	82,552
Other non-current assets		2,498	2,835	2,498	2,835
Total non-current assets		14,407,261	14,189,954	11,253,787	11,320,868
Total assets		20,454,712	19,168,414	17,300,912	16,299,193

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
Liabilities and equity		2017	2017	2017	2017
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Trade accounts payable	3	1,369,770	685,512	1,369,770	685,512
Other current payables	3	245,690	195,276	245,268	195,276
Current portion of long-term borrowing from financial institutions	12	158,746	160,653	158,746	160,653
Current income tax payable		177,533	112,337	177,533	112,337
Derivatives liabilities	17	12,078	107,888	12,078	107,888
Total current liabilities		1,963,817	1,261,666	1,963,395	1,261,666
Non-current liabilities					
Long-term borrowing from financial institutions	12	3,325,157	3,460,528	3,325,157	3,460,528
Non-current provisions for employee benefits	13	100,493	93,015	100,493	93,015
Total non-current liabilities		3,425,650	3,553,543	3,425,650	3,553,543
Total liabilities		5,389,467	4,815,209	5,389,045	4,815,209
Shareholders' equity					
Share capital:					
Authorized share capital		300,000	300,000	300,000	300,000
Issued and paid share capital		300,000	300,000	300,000	300,000
Share premium:					
Share premium on ordinary shares		930,000	930,000	930,000	930,000
Retained earnings					
Appropriated					
Legal reserve		30,000	30,000	30,000	30,000
Unappropriated		15,068,630	14,392,257	10,651,867	10,223,984
Other components of shareholders' equity		(1,263,385)	(1,299,052)	-	-
Total shareholders' equity		15,065,245	14,353,205	11,911,867	11,483,984
The accompanying notes are an integral part of these financial statements.					
Total liabilities and shareholders' equity		20,454,712	19,168,414	17,300,912	16,299,193

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	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
Revenues					
Revenues from sales		1,819,318	1,077,783	1,819,318	1,077,783
Dividend income	3, 7	-	-	25,491	25,491
Interest income	3	96,979	85,983	96,979	85,983
Net foreign exchange gain		-	24,649	-	24,649
Other income		894	2,699	894	2,699
Total revenues		1,917,191	1,191,114	1,942,682	1,216,605
Expenses					
Cost of sales of goods	3, 6	1,225,829	724,421	1,225,829	724,421
Distribution costs	3	36,929	37,205	36,929	37,205
Administrative expenses	3	96,043	91,683	95,812	91,683
Net foreign exchange loss		32,598	-	32,598	-
Finance costs		36,798	31,300	36,798	31,300
Total expenses		1,428,197	884,609	1,427,966	884,609
Share of profit of equity-accounted investees					
Associates	3, 7	274,212	153,580	-	-
Total		274,212	153,580	-	-
Profit before income tax expense		763,206	460,085	514,716	331,996
Tax expense	15	82,973	41,793	82,973	41,793
Profit for the period		680,233	418,292	431,743	290,203
Basic earnings per share (in Baht)	16	2.27	1.39	1.44	0.97

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>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Profit for the period	680,233	418,292	431,743	290,203
Other comprehensive income				
<i>Components of other comprehensive income that will be reclassified to profit or loss</i>				
Exchange differences on translating financial statements	35,667	16,685	-	-
Total components of other comprehensive income that will be reclassified to profit or loss	35,667	16,685	-	-
<i>Components of other comprehensive income that will not be reclassified to profit or loss</i>				
Loss on remeasurements of defined benefit plans	13 (4,825)	-	(4,825)	-
Income tax relating to components of other comprehensive income that will not be reclassified to profit or loss	11 965	-	965	-
Total components of other comprehensive income that will not be reclassified to profit or loss	(3,860)	-	(3,860)	-
Other comprehensive income (expense) for the period, net of tax	31,807	16,685	(3,860)	-
Total comprehensive income for the period	712,040	434,977	427,883	290,203

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 components of shareholders' equity		
	Issued and paid share capital	Share premium	Legal reserve	Unappropriated	Translation of financial statements	Total other components of shareholders' equity	Total shareholders' equity
	<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)

	Consolidated financial statements						
				Retained earnings	Other components of shareholders' equity		
	Issued and paid share capital	Share premium	Legal reserve	Unappropriated	Translation of financial statements	Total other components of shareholders' equity	Total shareholders' equity
<i>(in thousand Baht)</i>							
Three-month period ended 30 June 2017							
Balance at 1 April 2017	300,000	930,000	30,000	14,392,257	(1,299,052)	(1,299,052)	14,353,205
Comprehensive income for the period							
Profit	-	-	-	680,233	-	-	680,233
Other comprehensive income	-	-	-	(3,860)	35,667	35,667	31,807
Total comprehensive income for the period	-	-	-	676,373	35,667	35,667	712,040
Balance at 30 June 2017	300,000	930,000	30,000	15,068,630	(1,263,385)	(1,263,385)	15,065,245

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 share capital	Share premium	Separate financial statements		Total shareholders' 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	10,769,396

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 share capital	Share premium	Separate financial statements		Total shareholders' equity
			Legal reserve	Unappropriated	
			Retained earnings		
			<i>(in thousand Baht)</i>		
Three-month period ended 30 June 2017					
Balance at 1 April 2017	300,000	930,000	30,000	10,223,984	11,483,984
Comprehensive income for the period					
Profit	-	-	-	431,743	431,743
Other comprehensive income	-	-	-	(3,860)	(3,860)
Total comprehensive income for the period	-	-	-	427,883	427,883
Balance at 30 June 2017	300,000	930,000	30,000	10,651,867 ⁽¹⁾	11,911,867

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

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

Thai Carbon Black Public Company Limited and its Subsidiary

Statement of cash flows (Unaudited)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>					
Profit for the period		680,233	418,292	431,743	290,203
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation and amortization		46,552	48,684	46,552	48,684
Reversal of loss on inventories devaluation	6	(965)	(1,853)	(965)	(1,853)
Dividend income	7	-	-	(25,491)	(25,491)
Interest income		(96,979)	(85,983)	(96,979)	(85,983)
Finance costs		29,303	23,667	29,303	23,667
Amortization of deferred transaction cost	12	7,495	7,633	7,495	7,633
Unrealised loss on exchange rate		60,933	5,540	60,933	5,542
Unrealised gain on derivatives		(95,810)	(9,863)	(95,810)	(9,863)
Gain on disposal of property, plant and equipment		(221)	-	(221)	-
Share of profit of equity-accounted investees, net of tax	3, 7	(274,212)	(153,580)	-	-
Provision for employee benefits		2,653	2,497	2,653	2,497
Tax expense	15	82,973	41,793	82,973	41,793
		<u>441,955</u>	<u>296,827</u>	<u>442,186</u>	<u>296,829</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		(265,613)	25,949	(265,613)	25,949
Other current receivables		(2,692)	12,811	(2,692)	12,811
Inventories		(445,021)	(346,993)	(445,021)	(346,993)
Other current assets		31,286	(44,335)	31,326	(44,336)
Other non-current assets		337	51	337	51
Trade accounts payable		672,936	711,648	672,936	711,648
Other current payables		<u>51,642</u>	<u>(12,606)</u>	<u>51,220</u>	<u>(12,606)</u>
Net cash generated from operating		484,830	643,352	484,679	643,353
Tax paid		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net cash from operating activities		<u>484,830</u>	<u>643,352</u>	<u>484,679</u>	<u>643,353</u>

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

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Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
Note	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Decrease in short-term deposits at financial institutions	1,983,000	-	1,983,000	-
Interest received	14,607	1,032	14,607	1,032
Dividend received	25,491	25,491	25,491	25,491
Acquisition of property, plant and equipment	(13,198)	(17,029)	(13,198)	(17,029)
Proceeds from sale of property, plant and equipment	304	-	304	-
Net cash from investing activities	2,010,204	9,494	2,010,204	9,494
<i>Cash flows from financing activities</i>				
Interest paid	(29,521)	(26,044)	(29,521)	(26,044)
Repayment of borrowing	12 (93,935)	-	(93,935)	-
Net cash used in financing activities	(123,456)	(26,044)	(123,456)	(26,044)
Net increase in cash and cash equivalents	2,371,578	626,802	2,371,427	626,803
Cash and cash equivalents at 1 April	495,381	2,382,505	495,348	2,382,410
Cash and cash equivalents at 30 June	2,866,959	3,009,307	2,866,775	3,009,213
<i>Non-cash transactions</i>				
Payables for purchases of machinery and equipment	44,595	59,860	44,595	59,860
Accrued dividend expense	5,356	4,964	5,356	4,964

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

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the financial statements
For the three-month period ended 30 June 2017 (Unaudited)

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Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the financial statements
For the three-month period ended 30 June 2017 (Unaudited)

These notes form an integral part of the financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Company's authorised Directors on 11 August 2017.

1 General information

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

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

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

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

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

The principal activities of the Group are the manufacture and sale of carbon black. Details of the Company's subsidiary and associates as at 30 June 2017 and 31 March 2017 are given in notes 7 and 8.

2 Basis of preparation of the financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2016) *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (FAP); and applicable rules and regulations of the Thai Securities and Exchange Commission.

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the financial statements
For the three-month period ended 30 June 2017 (Unaudited)

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 March 2017. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiary for the year ended 31 March 2017.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 March 2017 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2017.

(b) *Functional and presentation currency*

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

(c) *Use of judgments and estimates*

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 March 2017.

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the financial statements
For the three-month period ended 30 June 2017 (Unaudited)

Measurement of fair values

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in note 17 - financial instruments.

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the financial statements
For the three-month period ended 30 June 2017 (Unaudited)

3 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiary and associates are described in note 7 and 8. Relationships with key management and other related parties were as follows:

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

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Name of entities	Country of incorporation / nationality	Nature of relationships
Aditya Birla Management Corporation Pvt. Ltd.	India	Same ultimate parent company
Columbian Carbon Spain S.L.	Spain	Same ultimate parent company
Key management personnel	Indian/ Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

The pricing policies for transactions with related parties are explained further below:

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

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the financial statements
For the three-month period ended 30 June 2017 (Unaudited)

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

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 June</i>	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Associates				
Interest income	86,904	75,943	86,904	75,943
Dividend income	-	-	25,491	25,491
Purchase of goods	-	44	-	44
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	<u>7,022</u>	<u>7,994</u>	<u>7,022</u>	<u>7,994</u>
Total key management personnel compensation	<u>7,022</u>	<u>7,994</u>	<u>7,022</u>	<u>7,994</u>
Directors' remuneration	<u>858</u>	<u>1,018</u>	<u>858</u>	<u>1,018</u>
Other related parties				
Share of production cost - steam and electric power				
	75,917	78,378	75,917	78,378
Expenses charged to related parties	14,116	12,777	14,116	12,777
Purchase of goods	230,142	3,664	230,142	3,664
Expenses charged by related parties	10,796	18,266	10,796	18,266
Royalty expense	18,805	-	18,805	-
Rental expenses	810	810	810	810

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the financial statements
For the three-month period ended 30 June 2017 (Unaudited)

Significant agreements with related parties

As at 30 June 2017, the Group had the following significant agreements with related parties.

Intercompany services agreement

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

Royalty agreement

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

Balances as at 30 June 2017 and 31 March 2017 with related parties were as follows:

<i>Trade accounts receivable - related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Other related party	<u>53,475</u>	<u>46,645</u>	<u>53,475</u>	<u>46,645</u>
Total	<u>53,475</u>	<u>46,645</u>	<u>53,475</u>	<u>46,645</u>

<i>Other current receivables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Other related parties	<u>11,461</u>	<u>18,143</u>	<u>11,461</u>	<u>18,143</u>
Total	<u>11,461</u>	<u>18,143</u>	<u>11,461</u>	<u>18,143</u>

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<i>Interest receivables - related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Associate	<u>1,592,358</u>	<u>1,506,100</u>	<u>1,592,358</u>	<u>1,506,100</u>
Total	<u>1,592,358</u>	<u>1,506,100</u>	<u>1,592,358</u>	<u>1,506,100</u>

<i>Long-term loan to related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Associate	<u>5,826,636</u>	<u>5,911,495</u>	<u>5,826,636</u>	<u>5,928,832</u>
Total	<u>5,826,636</u>	<u>5,911,495</u>	<u>5,826,636</u>	<u>5,928,832</u>

Movements during the three-month periods ended 30 June 2017 and 2016 of long-term loan to related party were as follows:

<i>Long-term loan to related party</i>	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
<i>Associate</i>				
At 1 April	5,911,495	5,153,827	5,928,832	6,065,197
Unrealised loss on exchange	(102,196)	(9,781)	(102,196)	(9,781)
Share of net profit of an associate	17,337	38,935		
Share of other comprehensive income of an associate	-	27,399	-	-
At 30 June	<u>5,826,636</u>	<u>5,210,380</u>	<u>5,826,636</u>	<u>6,055,416</u>

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Loan agreement

In 2011, the Company entered into a loan agreement with an associate in which the Company has lent a loan for an amount of USD 173 million, with an interest rate at LIBOR+3.5% per annum. This loan was scheduled to be repaid in July 2016. On 5 July 2016, the Company entered into an amendment agreement to extend the repayment date to July 2021 without changing any other conditions. The interest shall be compounded at the end of the respective interest period and payable along with the final repayment of the loan.

<i>Trade accounts payable - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Other related parties	<u>258,448</u>	<u>93,716</u>	<u>258,448</u>	<u>93,716</u>
Total	<u>258,448</u>	<u>93,716</u>	<u>258,448</u>	<u>93,716</u>

<i>Other current payables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Other related parties	<u>36,214</u>	<u>17,277</u>	<u>36,214</u>	<u>17,277</u>
Total	<u>36,214</u>	<u>17,277</u>	<u>36,214</u>	<u>17,277</u>

4 Short-term deposits at financial institutions

As at 30 June 2017, the Company had short-term deposits at local financial institutions, amounting to Baht 650 million (*31 March 2017: Baht 2,633 million*), which was bearing interest at the rate of 1.60 - 1.85% per annum (*31 March 2017: 1.60 - 1.85% per annum*) and matured in July to October 2017.

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5 Trade accounts receivable

		Consolidated and separate financial statements	
		30 June	31 March
	<i>Note</i>	2017	2017
		<i>(in thousand Baht)</i>	
Related party	3	53,475	46,645
Other parties		<u>1,106,721</u>	<u>845,998</u>
Total		1,160,196	892,643
<i>Less</i> allowance for doubtful accounts		<u>-</u>	<u>-</u>
Net		<u>1,160,196</u>	<u>892,643</u>
		2017	2016
		<i>(in thousand Baht)</i>	
Bad and doubtful debts expense for the three-month period ended 30 June		<u>-</u>	<u>-</u>

Aging analyses for trade accounts receivable were as follows:

		Consolidated and separate financial statements	
		30 June	31 March
		2017	2017
		<i>(in thousand Baht)</i>	
Related party			
Within credit terms		<u>53,475</u>	<u>46,645</u>
		53,475	46,645
<i>Less</i> allowance for doubtful accounts		<u>-</u>	<u>-</u>
		<u>53,475</u>	<u>46,645</u>

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	Consolidated and separate financial statements	
	30 June 2017	31 March 2017
Other parties		
Within credit terms	1,085,133	764,320
Overdue:		
Less than 3 months	<u>21,588</u>	<u>81,678</u>
	1,106,721	845,998
<i>Less</i> allowance for doubtful accounts	<u>-</u>	<u>-</u>
	1,106,721	845,998
Net	<u>1,160,196</u>	<u>892,643</u>

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

6 Inventories

	Consolidated and separate financial statements	
	30 June 2017	31 March 2017
	<i>(in thousand Baht)</i>	
Finished goods	262,167	279,733
Raw materials	681,606	301,351
Factory supplies and spare parts	134,139	149,812
Goods in transit	<u>161,556</u>	<u>63,551</u>
	1,239,468	794,447
<i>Less</i> allowance for inventories devaluation	<u>(26,622)</u>	<u>(27,587)</u>
Net	<u>1,212,846</u>	<u>766,860</u>

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	Consolidated and separate	
	financial statements	
	30 June	31 March
	2017	2017
	<i>(in thousand Baht)</i>	
Inventories recognised as an expense in ‘cost of sales of goods’:		
- Cost	1,226,794	726,274
- Reversal of losses on inventories devaluation	(965)	(1,853)
Total	<u>1,225,829</u>	<u>724,421</u>

7 Investments in equity-accounted investees

	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<i>Three-month period ended 30 June</i>				
	<i>(in thousand Baht)</i>			
Associates				
At 1 April	3,669,641	3,396,785	770,364	770,364
Share of profits of equity- accounted investees, net	256,875	114,645	-	-
Dividend income	(25,491)	(25,491)	-	-
Currency translation differences	35,667	(10,710)	-	-
At 30 June	<u>3,936,692</u>	<u>3,475,229</u>	<u>770,364</u>	<u>770,364</u>

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Investments in equity-accounted investees as at 30 June 2017 and 31 March 2017, and dividend income from those investments for the three-month periods ended 30 June 2017 and 2016 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 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	30 June 2016	
		(%)		(in thousand Baht)								
Associates												
P.T. Indo Liberty	Textiles											
Textiles	manufacturing	Indonesia	40.00	40.00	515,664	515,664	196,948	196,948	358,682	377,421	-	-
Aditya Birla Chemicals (Thailand) Limited	Chemical											
(Thailand) Limited	manufacturing	Thailand	29.99	29.99	1,700,000	1,700,000	509,820	509,820	3,404,538	3,292,220	25,491	25,491
Indigold Carbon (Mauritius) Limited	Investment											
(Mauritius) Limited	holding	Mauritius	20.59	20.59	308,870	308,870	63,596	63,596	173,472	-	-	-
Total							770,364	770,364	3,936,692	3,669,641	25,491	25,491

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As at 30 June 2017, investment in Indigold Carbon (Mauritius) Limited (“Indigold”) includes a long-term loan for a notional amount of USD 173 million, equivalent to Baht 5,827 million (*31 March 2017: USD 173 million, equivalent to Baht 5,929 million*), and interest receivables of USD 46 million, equivalent to Baht 1,592 million (*31 March 2017: USD 44 million, equivalent to Baht 1,506 million*).

For the three-month period ended 30 June 2017, the Group’s share in total comprehensive income of Indigold amounted to a gain of Baht 191 million (*30 June 2016: a gain of Baht 66 million*). Starting from the quarter that ended 30 September 2014, the Group’s share in accumulated total comprehensive loss of Indigold exceeded the carrying amount of the investment in shares. Since that quarter, the excess loss is adjusted to the loan investment in Indigold. Future reversals of losses are firstly be applied to the loan investment to the extent that such loss is previously applied against this loan investment and subsequently recognised in the investment in shares. In the separate financial statements of the Company, the investment in Indigold, in equity interest and loan receivable, is carried at cost.

During the three-month period ended 30 June 2017, the excess loss previously adjusted to the loan investment in Indigold is fully reversed due to gain position in share of total cumulative comprehensive income. Therefore, the share of profits in amount of Baht 173 million is recognised in the investment in shares of Indigold.

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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 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	30 June 2016
	<i>(%)</i>		<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>

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8 Investments in subsidiary

Investments in subsidiary as at 30 June 2017 and 31 March 2017 and dividend income from the subsidiary for the three-month periods ended 30 June 2017 and 2016 were as follows:

Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the three-month period ended	
		30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	31 March 2017	30 June 2017	30 June 2016
		(<i>%</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>

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9 Other long-term investments

	Consolidate		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2017	2017	2017	2017
	<i>(in thousand Baht)</i>			
Cost of investments	1,744,358	1,744,358	1,846,560	1,846,560
Allowance for impairment loss	<u>(163,754)</u>	<u>(163,754)</u>	<u>(265,956)</u>	<u>(265,956)</u>
Carrying amount of investments	<u>1,580,604</u>	<u>1,580,604</u>	<u>1,580,604</u>	<u>1,580,604</u>

10 Property, plant and equipment

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

<i>Three-month period ended 30 June</i>	Consolidated and separate financial statements			
	2017		2016	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Machinery and equipment	15,919	-	-	-
Vehicles	1,765	(83)	-	-
Assets under construction	<u>7,621</u>	<u>(13,116)</u>	<u>11,500</u>	<u>-</u>
Total	<u>25,305</u>	<u>(13,199)</u>	<u>11,500</u>	<u>-</u>

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11 Deferred tax

Deferred tax assets and liabilities as at 30 June 2017 and 31 March 2017 were as follows:

	Consolidated and separate financial statements			
	Assets		Liabilities	
	30 June 2017	31 March 2017	30 June 2017	31 March 2017
	<i>(in thousand Baht)</i>			
Total	83,478	101,337	(17,286)	(18,785)
Set off of tax	<u>(17,286)</u>	<u>(18,785)</u>	<u>17,286</u>	<u>18,785</u>
Net deferred tax assets	<u>66,192</u>	<u>82,552</u>	<u>-</u>	<u>-</u>

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Movements in total deferred tax assets and liabilities during the three-month periods ended 30 June 2017 and 2016 were as follows:

	Consolidated and separate financial statements			
	(Charged) / Credited to:			
	At 1	other		At 30
	April	profit or	comprehensive	June
	2017	loss	income	2017
	<i>(in thousand Baht)</i>			
<i>Deferred tax assets</i>				
Provision for impairment of other investments	53,191	-	-	53,191
Provision for employee benefits	18,219	915	965	20,099
Unrealised loss from derivatives	21,578	(19,162)	-	2,416
Provision for inventories devaluation	5,517	(193)	-	5,324
Others	2,832	(384)	-	2,448
Total	101,337	(18,824)	965	83,478
<i>Deferred tax liabilities</i>				
Deferred transaction cost	(18,785)	1,499	-	(17,286)
Total	(18,785)	1,499	-	(17,286)
Net	82,552	(17,325)	965	66,192

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	Consolidated and separate financial statements			
	(Charged) / Credited to:			
	At 1		other	At 30
	April	profit or	comprehensive	June
	2016	loss	income	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	<u>159,729</u>	<u>(1,844)</u>	<u>-</u>	<u>157,885</u>
<i>Deferred tax liabilities</i>				
Deferred transaction cost	(24,895)	1,526	-	(23,369)
Total	<u>(24,895)</u>	<u>1,526</u>	<u>-</u>	<u>(23,369)</u>
Net	<u>134,834</u>	<u>(318)</u>	<u>-</u>	<u>134,516</u>

12 Long-term borrowing from financial institutions

	Consolidated and separate	
	financial statements	
	30 June	31 March
	2017	2017
	<i>(in thousand Baht)</i>	
<i>Current</i>		
Current portion of long-term borrowing from financial institutions	158,746	160,653
<i>Non-current</i>		
Long-term borrowing from financial institutions	3,325,157	3,460,528
	<u>3,483,903</u>	<u>3,621,181</u>

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Movements during the three-month periods ended 30 June 2017 and 2016 of long-term borrowing from financial institutions were as follows:

	Consolidated and separate	
	financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 April	3,621,181	3,770,337
Repayment during period	(93,935)	-
Amortized deferred transaction cost	7,495	7,633
Exchange rate adjustments	<u>(50,838)</u>	<u>(7,018)</u>
At 30 June	<u>3,483,903</u>	<u>3,770,952</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 principal of the new loan is repayable starting from December 2016 and every six months thereafter till 21 December 2020. During the year ended 31 March 2017, all the mortgages of land, buildings and machineries under the old facility agreement are released. However, under the new facility agreement, negative pledge is required over all current and fixed assets of the Company.

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13 Employee benefits obligations

Movements during the three-month periods ended 30 June 2017 and 2016 of employee benefits obligations were as follows:

	Consolidated and separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
At 1 April	93,015	93,162
Current service cost	1,851	1,666
Interest on obligation	802	831
Actuarial losses recognised	4,825	-
At 30 June	100,493	95,659

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

14 Segment information

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

15 Income tax expense

Income tax recognised in profit or loss

<i>Three-month period ended 30 June</i>	<i>Note</i>	Consolidated and separate financial statements	
		2017	2016
		<i>(in thousand Baht)</i>	
Current tax expense		65,648	41,475
Deferred income tax	<i>11</i>	17,325	318
Total income tax expense		82,973	41,793

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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.

16 Earnings per share

Basic earnings per share

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

	Consolidated		Separate	
	financial statements		financial statements	
<i>Three-month period ended 30 June</i>	2017	2016	2017	2016
	<i>(in thousand Baht / thousand shares)</i>			
Profit for the period attributable to ordinary shareholders of the Company	<u>680,233</u>	<u>418,292</u>	<u>431,743</u>	<u>290,203</u>
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>2.27</u>	<u>1.39</u>	<u>1.44</u>	<u>0.97</u>

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17 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 2017		
Financial liabilities measured at fair value		
Derivatives liabilities	12,078	12,078
31 March 2017		
Financial liabilities measured at fair value		
Derivatives liabilities	107,888	107,888

Measurement of fair values

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

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18 Commitments and contingent liabilities with non-related parties

	Consolidated and separate financial statements	
	30 June	31 March
	2017	2017
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
Machinery and equipment	35,492	51,491
Total	<u>35,492</u>	<u>51,491</u>
<i>Non-cancellable operating lease commitments</i>		
Within one year	1,404	2,131
After one year but within five years	50	87
Total	<u>1,454</u>	<u>2,218</u>
<i>Other commitments</i>		
Bank guarantees for electricity use <i>(for own performance)</i>	12,548	12,548
Total	<u>12,548</u>	<u>12,548</u>

Operating lease agreements

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

Bank guarantee and letter of credit

As at 30 June 2017, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 12 million (31 March 2017: Baht 12 million) and no outstanding letter of credit issued by the banks (31 March 2017: USD 12 million and JPY 3 million).

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19 Events after the reporting period

At the annual general meeting of the shareholders of the Company held on 19 July 2017, the shareholders approved the appropriation of dividends of Baht 0.8 per share, amounting to Baht 240 million. The dividends will be paid to shareholders in August 2017.