

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

Interim financial statements
for the three-month period ended
30 June 2015

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 2015; the consolidated and separate statements of income and comprehensive income, changes in equity and cash flows for the three-month period ended 30 June 2015; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Orawan Chuhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
13 August 2015

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
Assets		2015	2015	2015	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		111,355	1,062,823	111,161	1,062,482
Trade accounts receivable	5	773,899	889,311	773,899	889,311
Other receivables	4	144,684	118,683	144,684	118,683
Inventories	6	1,205,466	403,725	1,205,466	403,725
Current portion of long-term loan to related party	4	5,228,708	-	5,815,361	-
Current portion of long-term interest receivables	4	964,056	-	964,056	-
Other current assets		211,031	130,947	210,933	130,863
Total current assets		8,639,199	2,605,489	9,225,560	2,605,064
Non-current assets					
Investments in equity-accounted investees	7	3,123,055	3,011,162	770,364	770,364
Investment in a 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	4	-	4,995,044	-	5,604,568
Long-term interest receivables	4	-	867,395	-	867,395
Property, plant and equipment	10	1,562,312	1,614,107	1,562,312	1,614,107
Intangible assets		24,321	24,321	24,321	24,321
Deferred tax assets	11	112,453	76,968	112,453	76,968
Other non-current assets		2,730	2,980	2,730	2,980
Total non-current assets		6,405,475	12,172,581	4,065,638	10,554,161
Total assets		15,044,674	14,778,070	13,291,198	13,159,225

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		2015	2015	2015	2015
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current liabilities					
Trade accounts payable		378,372	307,996	378,372	307,996
Other payables	4	349,597	318,304	349,597	318,251
Current portion of long-term loan from financial institution	12	2,028,355	1,030,138	2,028,355	1,030,138
Income tax payable		134,752	68,498	134,752	68,498
Other current liabilities		221,462	51,385	221,462	51,385
Total current liabilities		3,112,538	1,776,321	3,112,538	1,776,268
Non-current liabilities					
Long-term loan from financial institution	12	-	1,425,435	-	1,425,435
Employee benefits obligations	13	96,923	94,448	96,923	94,448
Total non-current liabilities		96,923	1,519,883	96,923	1,519,883
Total liabilities		3,209,461	3,296,204	3,209,461	3,296,151
Equity					
Share capital:					
Authorised share capital		300,000	300,000	300,000	300,000
Issued and paid-up share capital		300,000	300,000	300,000	300,000
Additional paid in capital:					
Premium on ordinary shares		930,000	930,000	930,000	930,000
Retained earnings					
Appropriated					
Legal reserve		30,000	30,000	30,000	30,000
Unappropriated		11,855,616	11,532,346	8,821,737	8,603,074
Other components of equity		(1,280,403)	(1,310,480)	-	-
Total equity		11,835,213	11,481,866	10,081,737	9,863,074
Total liabilities and equity		15,044,674	14,778,070	13,291,198	13,159,225

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>	Consolidated		Separate	
		financial statements		financial statements	
		Three-month period ended		Three-month period ended	
		30 June		30 June	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
<i>Income</i>					
Revenue from sale of goods		1,213,905	1,890,985	1,213,905	1,890,985
Dividend income	4, 7	-	11,387	25,491	39,398
Interest income	4	67,683	60,824	67,683	60,824
Net foreign exchange gain		-	23,072	-	23,072
Other income	15	83,719	1,912	83,719	1,912
Total income		1,365,307	1,988,180	1,390,798	2,016,191
<i>Expenses</i>					
Cost of sales of goods	4	983,047	1,581,063	983,047	1,581,063
Selling expenses		33,195	41,294	33,195	41,294
Administrative expenses	4	76,155	68,089	76,071	68,089
Impairment loss on investments in associate	7	-	-	-	8,305
Impairment loss on other long-term investments	9	-	59,358	-	59,358
Net foreign exchange loss		23,541	-	23,541	-
Finance costs		25,512	36,929	25,512	36,929
Total expenses		1,141,450	1,786,733	1,141,366	1,795,038
<i>Share of profit of equity-accounted investees</i>					
Associates	7	130,182	141,717	-	-
Total		130,182	141,717	-	-
Profit before income tax expense		354,039	343,164	249,432	221,153
Income tax expense (benefit)	16	30,769	(11,044)	30,769	(11,044)
Profit for the period attributable to owners of the Company		323,270	354,208	218,663	232,197
Basic earnings per share (in Baht)	17	1.08	1.18	0.73	0.77

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 30 June		Three-month period ended 30 June	
<i>Note</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Profit for the period	323,270	354,208	218,663	232,197
Other comprehensive income				
Foreign currency translation differences for foreign operations	30,077	(13,426)	-	-
Other comprehensive income for the period, net of income tax	30,077	(13,426)	-	-
Total comprehensive income for the period attributable to owners of the Company	353,347	340,782	218,663	232,197

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						Total equity attributable to owners of the Company
	Issued and paid-up share capital	Share premium	Retained earnings		Other component of equity		
			Legal reserve	Unappropriated	Currency translation differences	Total other components of equity	
<i>(in thousand Baht)</i>							
Three-month period ended 30 June 2014							
Balance at 1 April 2014	300,000	930,000	30,000	10,670,842	(537,342)	(537,342)	11,393,500
Comprehensive income for the period							
Profit	-	-	-	354,208	-	-	354,208
Other comprehensive income	-	-	-	-	(13,426)	(13,426)	(13,426)
Total comprehensive income for the period	-	-	-	354,208	(13,426)	(13,426)	340,782
Balance at 30 June 2014	300,000	930,000	30,000	11,025,050	(550,768)	(550,768)	11,734,282

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

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

Thai Carbon Black Public Company Limited and its Subsidiary

Statement of changes in equity (Unaudited)

	Issued and paid-up share capital	Share premium	Separate financial statements		Total equity
			Legal reserve	Unappropriated	
			Retained earnings		
			<i>(in thousand Baht)</i>		
Three-month period ended 30 June 2014					
Balance at 1 April 2014	300,000	930,000	30,000	7,884,637	9,144,637
Comprehensive income for the period					
Profit	-	-	-	232,197	232,197
Total comprehensive income for the period	-	-	-	232,197	232,197
Balance at 30 June 2014	300,000	930,000	30,000	8,116,834	9,376,834

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

Thai Carbon Black Public Company Limited and its Subsidiary

Statement of changes in equity (Unaudited)

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

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

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

Thai Carbon Black Public Company Limited and its Subsidiary

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
Note	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	323,270	354,208	218,663	232,197
<i>Adjustments for</i>				
Depreciation	75,745	76,469	75,745	76,469
Amortisation of intangible assets	-	169	-	169
Reversal for decline in value of inventories	(12,474)	-	(12,474)	-
Dividend income	-	(11,387)	(25,491)	(39,398)
Interest income	(67,683)	(60,824)	(67,683)	(60,824)
Finance costs	20,319	29,815	20,319	29,815
Amortisation of deferred transaction cost	5,193	7,113	5,193	7,113
Unrealised gain on exchange rate	(142,743)	(32,240)	(142,743)	(60,288)
Unrealised loss on derivatives	193,786	123,017	193,786	123,017
Gain on disposal of property, plant and equipment	-	(180)	-	(180)
Impairment loss on other long-term investments	-	59,359	-	59,359
Impairment loss on investment in an associate	-	-	-	8,305
Share of profit of equity-accounted investees, net of income tax	7 (130,182)	(141,717)	-	-
Employee benefit obligations	2,475	2,464	2,475	2,464
Income tax expense (benefit)	30,769	(11,044)	30,769	(11,044)
	<u>298,475</u>	<u>395,222</u>	<u>298,559</u>	<u>367,174</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	118,169	(31,937)	118,169	(31,937)
Other receivables	(26,001)	(53,366)	(26,001)	(53,366)
Inventories	(789,267)	77,480	(789,267)	77,480
Other current assets	(79,765)	(51,301)	(79,754)	(51,292)
Other non-current assets	250	5,004	250	5,030
Trade accounts payable	66,309	151,384	66,309	151,384
Other payables	38,065	84,595	38,117	84,595
Other current liabilities	(23,709)	(126,765)	(23,709)	(126,765)
Employee benefit obligations paid	-	(822)	-	(822)
Cash generated (used in) from operating activities	(397,474)	449,494	(397,327)	421,481
Income tax paid	-	-	-	-
Net cash from (used in) operating activities	<u>(397,474)</u>	<u>449,494</u>	<u>(397,327)</u>	<u>421,481</u>

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

Thai Carbon Black Public Company Limited and its Subsidiary

Statement of cash flows (Unaudited)

	Consolidated		Separate	
	financial statements		financial statements	
	Three-month period ended		Three-month period ended	
	30 June		30 June	
<i>Note</i>	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	4,032	61,114	4,032	61,114
Dividend received	25,491	8,866	25,491	36,878
Purchase of property, plant and equipment	(29,135)	(14,039)	(29,135)	(14,039)
Sale of property, plant and equipment	-	712	-	712
Net cash from investing activities	388	56,653	388	84,665
<i>Cash flows from financing activities</i>				
Interest paid	(21,905)	(30,448)	(21,905)	(30,448)
Repayment of borrowings	(532,477)	(497,197)	(532,477)	(497,197)
Net cash used in financing activities	(554,382)	(527,645)	(554,382)	(527,645)
Net decrease in cash and cash equivalents	(951,468)	(21,498)	(951,321)	(21,499)
Cash and cash equivalents at 1 April	1,062,823	573,414	1,062,482	573,243
Cash and cash equivalents at 30 June	111,355	551,916	111,161	551,744

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

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2015 (Unaudited)

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Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2015 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Company's authorised Directors on 13 August 2015.

1 General information

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

Head office: No. 888/122 and 128, Mahatun Plaza Building, 16th Floor, Ploenchit Road, Lumpini, Patumwan, Bangkok 10330.

Factory: 44 Moo1, Ayuthaya-Angthong Highway, Posa, Muang, Angthong 14000.

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

The major shareholders of the Company during the financial period were Thai Rayon Public Company Limited (24.98%), SKI Carbon Black (Mauritius) Limited (18.35%) and Everlon International Holdings Limited (12.56%).

The principal activities of the Group are the manufacture and sale of carbon black. Details of the Company's subsidiary and associates as at 30 June 2015 and 31 March 2015 are given in notes 7 and 8.

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 2014) *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 2015. 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 2015.

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 2015 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2015. 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 except as disclosed in note 3.

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2015 (Unaudited)

(b) *Functional and presentation currency*

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

(c) *Use of estimates and judgements*

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

In preparing these interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 March 2015.

3 The adoption of new accounting standards

From 1 January 2015, consequent to the adoption of new TFRS as set out in note 2, the Group has adopted TFRS 13 Fair Value Measurement having an impact only on the disclosures in the Group's financial statements.

TFRS 13 establishes a single framework for measuring fair value and making disclosures about fair value measurements, when such measurements are required or permitted by other TFRSs. In particular, it unifies the definition of fair value as the price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurements date. It also replaces and expands the disclosure requirements about fair value measurements in other TFRSs. Some of these disclosures are specifically required in interim financial statements; accordingly, the Group has included additional disclosures in this regard in note 18.

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.

4 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.

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2015 (Unaudited)

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
Thai Rayon Public Company Limited	Thailand	Major shareholder of the Company, 10% or more shareholding.
Thai Acrylic Fiber Co., Ltd.	Thailand	The Company has 10% or more shareholding, common directors.
SKI Carbon Black (India) Pvt Ltd.	India	Same ultimate parent company
Columbian Chemicals Company	U.S.A	Same ultimate parent company
Alexandria Carbon Black Company S.A.E	Egypt	Same ultimate parent company
Aditya Birla Sciences Co., Ltd.	India	Same ultimate parent company
Key management personnel		Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

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

Significant transactions for the three-month period ended 30 June 2015 and 2014 with related parties were as follows:

Three-month period ended 30 June	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Associates				
Interest income	63,335	58,765	63,335	58,765
Dividend income	-	-	25,491	28,011
Key management personnel				
Key management personnel compensation				
Short-term employee benefit	7,577	6,974	7,577	6,974
Post-employment benefits	-	915	-	915
Total key management personnel compensation	7,577	7,889	7,577	7,889
Directors' remuneration	1,102	858	1,102	858

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2015 (Unaudited)

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Other related parties				
Dividend income	-	11,387	-	11,387
Share of production cost - steam and electric power	89,633	91,373	89,633	91,373
Rent expenses	810	810	810	810

Balances as at 30 June 2015 and 31 March 2015 with related parties were as follows:

<i>Other receivables - related parties</i>	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 March 2015	30 June 2015	31 March 2015
	<i>(in thousand Baht)</i>			
Other related parties	60,837	47,791	60,837	47,791
Total	60,837	47,791	60,837	47,791

<i>Interest receivables - related party</i>	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 March 2015	30 June 2015	31 March 2015
	<i>(in thousand Baht)</i>			
Associate	964,056	867,395	964,056	867,395
Total	964,056	867,395	964,056	867,395

<i>Loan to related party</i>	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 March 2015	30 June 2015	31 March 2015
	<i>(in thousand Baht)</i>			
Associate	5,228,708	4,995,044	5,815,361	5,604,568
Total	5,228,708	4,995,044	5,815,361	5,604,568

Movements during the three-month periods ended 30 June 2015 and 2014 of loan to related party were as follows:

<i>Loan to related party</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
<i>Three-month period ended 30 June</i>	<i>(in thousand Baht)</i>			
<i>Associate</i>				
At 1 April of the preceding year	4,995,044	5,608,477	5,604,568	5,608,477
Unrealised gain on exchange	210,793	3,458	210,793	3,458
Share of profit for the period in total comprehensive income of an associate	22,871	-	-	-
At 30 June	5,228,708	5,611,935	5,815,361	5,611,935

Thai Carbon Black Public Company Limited and its Subsidiary
Notes to the interim financial statements
For the three-month period ended 30 June 2015 (Unaudited)

<i>Other payables - related parties</i>	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 March	30 June	31 March
	2015	2015	2015	2015
	<i>(in thousand Baht)</i>			
Other related parties	64,993	52,212	64,993	52,212
Total	64,993	52,212	64,993	52,212

Loan agreement

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

5 Trade accounts receivable

	Consolidated and separate	
	financial statements	
	30 June	31 March
	2015	2015
	<i>(in thousand Baht)</i>	
Other parties	773,899	889,311
Total	773,899	889,311
Less allowance for doubtful accounts	-	-
Net	773,899	889,311
	2015	2014
	<i>(in thousand Baht)</i>	
Bad and doubtful debts expense for the three-month period ended 30 June	-	-

Aging analyses for trade accounts receivable were as follows:

	Consolidated and separate	
	financial statements	
	30 June	31 March
	2015	2015
	<i>(in thousand Baht)</i>	
Other parties		
Within credit terms	732,299	831,724
Overdue:		
Less than 3 months	40,062	56,546
3 - 6 months	540	1,022
6 - 12 months	998	8
Over 12 months	-	11
	773,899	889,311
Less allowance for doubtful accounts	-	-
Net	773,899	889,311

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

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6 Inventories

	Consolidated and separate financial statements	
	30 June 2015	31 March 2015
	<i>(in thousand Baht)</i>	
Finished goods	254,704	107,653
Raw materials	810,205	185,330
Factory supplies and spare parts	140,557	123,216
	<u>1,205,466</u>	<u>416,199</u>
<i>Less</i> allowance for decline in value	-	(12,474)
Net	<u>1,205,466</u>	<u>403,725</u>

Three-month period ended 30 June

	2015	2014
	<i>(in thousand Baht)</i>	
Inventories recognised as an expense in ‘cost of sales of goods’:		
- Cost	729,111	1,305,338
- Reversal of obsolescence	(12,474)	-
Total	<u>716,637</u>	<u>1,305,338</u>

7 Investments in equity-accounted investees

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Associates				
At 1 April of the preceding year	3,011,162	3,044,774	770,364	786,981
Share of net profits of equity- accounted associates	130,182	141,717	-	-
Dividend income	(25,491)	(28,011)	-	-
Allowance for impairment	-	-	-	(8,305)
Currency translation differences	7,202	(13,460)	-	-
At 30 June	<u>3,123,055</u>	<u>3,145,020</u>	<u>770,364</u>	<u>778,676</u>

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Investments in equity-accounted investees as at 30 June 2015 and 31 March 2015, and dividend income from those investments for the three-month period ended 30 June 2015 and 2014 were as follows:

	Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the three-month period ended	
			30 June 2015	31 March 2015	30 June 2015	31 March 2015	30 June 2015	31 March 2015	30 June 2015	31 March 2015	30 June 2015	30 June 2014
			(%)						<i>(in thousand Baht)</i>			
Associates												
P.T. Indo Liberty Textiles	Textiles manufacturing	Indonesia	40.00	40.00	515,664	515,664	196,948	196,948	429,421	411,440	-	2,520
Aditya Birla Chemicals (Thailand) Limited	Chemical manufacturing	Thailand	29.99	29.99	1,700,000	1,700,000	509,820	509,820	2,693,634	2,599,722	25,491	25,491
Indigold Carbon (Mauritius) Limited	Investment holding	Mauritius	20.59	20.59	308,870	308,870	63,596	63,596	-	-	-	-
Total							770,364	770,364	3,123,055	3,011,162	25,491	28,011

As at 30 June 2015, investment in Indigold Carbon (Mauritius) Limited includes a long-term loan for a notional amount of USD 173 million, equivalent to Baht 5,815 million (31 March 2015: USD 173 million, equivalent to Baht 5,604 million), and interest receivables of USD 29 million, equivalent to Baht 964 million (31 March 2015: USD 27 million, equivalent to Baht 867 million).

For the three-month period ended 30 June 2015, the Group's share in total comprehensive income of Indigold amounted to an income of Baht 23 million (30 June 2014: income of Baht 57 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.

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	Ownership interest		Paid-up capital		Cost		Dividend income for the three-month period ended	
	30 June 2015	31 March 2015	30 June 2015	31 March 2015	30 June 2015	31 March 2015	30 June 2015	30 June 2014
	(%)				<i>(in thousand Baht)</i>			
Associates								
P.T. Indo Liberty Textiles	40.00	40.00	515,664	515,664	196,948	196,948	-	2,520
Aditya Birla Chemicals (Thailand) Limited	29.99	29.99	1,700,000	1,700,000	509,820	509,820	25,491	25,491
Indigold Carbon (Mauritius) Limited	20.59	20.59	308,870	308,870	63,596	63,596	-	-
Total					770,364	770,364	25,491	28,011

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8 Investments in subsidiary

Investments in subsidiary as at 30 June 2015 and 31 March 2015 and dividend income from the subsidiary for the three-month period ended 30 June 2015 and 2014 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 2015	31 March 2015	30 June 2015	31 March 2015	30 June 2015	31 March 2015	30 June 2015	31 March 2015	30 June 2015	31 March 2015	30 June 2015	31 March 2015
		(%)						<i>(in thousand Baht)</i>					
Direct subsidiary													
Birla Carbon Mexico, S.A. DE C.V.	Carbon Manufacturing	98	98	12,854	12,854	12,854	12,854	-	-	12,854	12,854	-	-
Total						12,854	12,854	-	-	12,854	12,854	-	-

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9 Other long-term investments

<i>Three-month period ended 30 June</i>	Consolidate financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cost of investments at 1 April of the preceding year	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 investment at 30 June	<u>1,580,604</u>	<u>1,580,604</u>	<u>1,580,604</u>	<u>1,580,604</u>

The Company recorded an impairment loss of Baht 59,359 thousand on investments in shares of Alexandria Fiber S.A.E. in the consolidated and separate financial statements for the three-month period ended 30 June 2014.

During the three-month period ended 30 June 2014, the Company received dividend income from its investments in Thai Acrylic Fiber Co., Ltd. totaling Baht 11,387 thousand.

10 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 30 June 2015 and 2014 were as follows:

<i>Three-month period ended 30 June</i>	Consolidated and separate financial statements			
	2015		2014	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>			
Machinery and equipment	153,182	-	-	-
Vehicles	831	-	-	(1,801)
Assets under construction	23,119	(153,182)	13,081	-
Total	<u>177,132</u>	<u>(153,182)</u>	<u>13,081</u>	<u>(1,801)</u>

As at 30 June 2015 and 31 March 2015, a net book value of all property, plant and equipment was used as collateral for long-term loan from financial institution (see note 12).

11 Deferred tax

Deferred tax assets and liabilities as at 30 June 2015 and 31 March 2015 were as follows:

	Consolidated and separate financial statements			
	Assets		Liabilities	
	30 June 2015	31 March 2015	30 June 2015	31 March 2015
	<i>(in thousand Baht)</i>			
Total	115,338	80,892	(2,885)	(3,924)
Set off of tax	<u>(2,885)</u>	<u>(3,924)</u>	<u>2,885</u>	<u>3,924</u>
Net deferred tax assets	<u>112,453</u>	<u>76,968</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 2015 and 2014 were as follows:

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

	Consolidated and separate financial statements		
	At 1 April 2014	(Charged) / Credited to: profit or loss	At 30 June 2014
	<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>			
Provision for impairment of investment in an associate	-	1,661	1,661
Provision for impairment of other investments	-	53,191	53,191
Provision for employee benefits	20,245	329	20,574
Unrealised loss from derivatives	27,234	(2,631)	24,603
Others	4,869	320	5,189
Total	<u>52,348</u>	<u>52,870</u>	<u>105,218</u>
<i>Deferred tax liabilities</i>			
Deferred transaction cost	(8,853)	1,422	(7,431)
Total	<u>(8,853)</u>	<u>1,422</u>	<u>(7,431)</u>
Net	<u>43,495</u>	<u>54,292</u>	<u>97,787</u>

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12 Long-term loan from financial institution

	Consolidated and separate financial statements	
	30 June 2015	31 March 2015
	<i>(in thousand Baht)</i>	
Current		
Current portion of long-term loan from financial institution	2,028,355	1,030,138
Non-current		
Long-term loan from financial institution	-	1,425,435
	<u>2,028,355</u>	<u>2,455,573</u>

Movements during the three-month periods ended 30 June 2015 and 2014 of long-term loan from financial institution were as follows:

	Consolidated and separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 April of the preceding year	2,455,573	3,405,574
Repayment during period	(532,477)	(497,197)
Amortised deferred transaction cost	5,193	7,113
Exchange rate adjustments	100,066	1,217
At 30 June	<u>2,028,355</u>	<u>2,916,707</u>

The long-term loan from financial institution bears interest at LIBOR+2.30% per annum. Principal installments are repayable every six months. Interest is payable in term periods consistent with the LIBOR period selected by the Company. The last installment is payable on 20 June 2016.

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

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

13 Employee benefits obligations

Movements during the three-month periods ended 30 June 2015 and 2014 of employee benefits obligations were as follows:

	Consolidated and separate financial statements	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 April of the preceding year	94,448	101,225
Current service cost	1,602	1,541
Interest on obligation	873	923
Benefits paid during the period	-	(822)
At 30 June	<u>96,923</u>	<u>102,867</u>

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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 Other income

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

16 Income tax expense

Income tax recognised in profit or loss

<i>Three-month period ended 30 June</i>	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Current tax expense		66,254	43,248	66,254	43,248
Deferred income tax	11	(35,485)	(54,292)	(35,485)	(54,292)
Total income tax expense (benefit)		30,769	(11,044)	30,769	(11,044)

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

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

17 Earnings per share

The calculations of basic earnings per share for the three-month periods ended 30 June 2015 and 2014 were based on the profit for the period attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the period as follow :

<i>Three-month period ended 30 June</i>	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to equity holders of the Company (basic)	323,270	354,208	218,663	232,197
Number of ordinary shares outstanding	300,000	300,000	300,000	300,000
Earnings per share (basic) (in Baht)	1.08	1.18	0.73	0.77

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18 Financial instruments carried at fair value

Carrying amounts and fair values of financial instruments carried at fair value

The fair values of financial assets together with the carrying amounts in the consolidated and separate statement of financial position are as follows:

	Consolidated and separate financial statements	
	Carrying amount	Fair value Level 2
	<i>(in thousand Baht)</i>	
30 June 2015		
<i>Current</i>		
Derivatives liabilities	193,786	193,786

Financial instruments carried at fair value

Fair value hierarchy

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

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

The Group determines Level 2 fair values for derivatives using a discounted cash flow technique, which uses contractual cash flows and a market-related discount rate.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group entity and counterparty when appropriate.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the three-month period ended 30 June 2015.

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.

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19 Commitments and contingent liabilities with non-related parties

	Consolidated and separate financial statements	
	30 June 2015	31 March 2015
	<i>(in thousand Baht)</i>	
Capital commitments		
Machinery and equipment	146,113	127,471
Total	146,113	127,471
Non-cancellable operating lease commitments		
Within one year	5,979	5,979
After one year but within five years	4,801	6,471
Total	10,780	12,450
Other commitments		
Bank guarantees <i>(for own performance)</i>	12,548	12,548
Total	12,548	12,548

Operating lease agreements

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

Technical assistant and consultancy agreement

- 1) In 1987, the Company has entered into license agreement with an overseas licensor, who agreed to provide the Company with technical know-how for the production and manufacture of carbon black. The Company agreed to pay the license fee based on percentage of sales.
- 2) In 2015, the Company has entered into a consultancy agreement with an overseas company in which it will receive information related to the availability of raw materials, raw material price trends, etc. The Company agreed to pay a fee for the amount of USD 2 million per annum. The term of the agreement is 2 years.

Bank guarantee and letter of credit

As at 30 June 2015, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 12 million (*31 March 2015: Baht 12 million*) and outstanding letter of credit issued by the banks to guarantee payments to creditors amounting to USD 12 million (*31 March 2015: USD 12 million*).

20 Events after the reporting period

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 will be paid to shareholders in August 2015.