

**Birla Carbon (Thailand)
Public Company Limited (formerly “Thai
Carbon Black Public Company Limited”)
and its Subsidiary**

Interim financial statements
for the three-month period ended
30 June 2018

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 Birla Carbon (Thailand) Public Company Limited
(formerly “Thai Carbon Black Public Company Limited”)**

I have reviewed the accompanying consolidated and separate statements of financial position of Birla Carbon (Thailand) Public Company Limited and its subsidiary, and of Birla Carbon (Thailand) Public Company Limited, respectively, as at 30 June 2018; the consolidated and separate statements of income and comprehensive income, the consolidated and separate statements of changes in equity and cash flows for the three-month period ended 30 June 2018; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Orawan Chunhakitpaisan)
Certified Public Accountant
Registration No. 6105

KPMG Phoomchai Audit Ltd.
Bangkok
14 August 2018

Birla Carbon (Thailand) Public Company Limited
(formerly "Thai Carbon Black Public Company Limited") and its Subsidiary
Statement of financial position

| | | Consolidated | | Separate | |
|--|-------------|-----------------------------|-------------------|-----------------------------|-------------------|
| | | financial statements | | financial statements | |
| | | 30 June | 31 March | 30 June | 31 March |
| Assets | <i>Note</i> | 2018 | 2018 | 2018 | 2018 |
| | | (Unaudited) | | (Unaudited) | |
| | | <i>(in thousand Baht)</i> | | | |
| <i>Current assets</i> | | | | | |
| Cash and cash equivalents | | 2,020,685 | 381,348 | 2,020,618 | 381,185 |
| Short-term deposits at financial institution | 4 | 660,130 | 645,700 | 660,130 | 645,700 |
| Trade accounts receivable | 3, 5 | 1,204,886 | 1,168,633 | 1,204,886 | 1,168,633 |
| Other receivables | 3 | 60,588 | 61,039 | 60,440 | 60,909 |
| Inventories | 6 | 1,017,787 | 1,102,321 | 1,017,787 | 1,102,321 |
| Total current assets | | 4,964,076 | 3,359,041 | 4,963,861 | 3,358,748 |
| <i>Non-current assets</i> | | | | | |
| Investments in associates | 7 | 4,676,195 | 4,599,195 | 770,364 | 770,364 |
| Investments in subsidiary | 8 | - | - | - | - |
| Other long-term investments | 9 | 239,081 | 1,596,481 | 239,081 | 1,596,481 |
| Long-term loan to related party | 3 | 5,708,177 | 5,371,081 | 5,708,177 | 5,371,081 |
| Long-term interest receivables | 3 | 1,917,383 | 1,701,256 | 1,917,383 | 1,701,256 |
| Property, plant and equipment | 10 | 1,273,467 | 1,318,808 | 1,273,467 | 1,318,808 |
| Intangible assets | | 14,593 | 15,809 | 14,593 | 15,809 |
| Deferred tax assets | 11 | 84,068 | 83,503 | 86,639 | 86,074 |
| Advance for purchase machinery and equipment | | 38,123 | - | 38,123 | - |
| Other non-current assets | | 2,469 | 2,473 | 2,469 | 2,473 |
| Total non-current assets | | 13,953,556 | 14,688,606 | 10,050,296 | 10,862,346 |
| Total assets | | 18,917,632 | 18,047,647 | 15,014,157 | 14,221,094 |

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

Birla Carbon (Thailand) Public Company Limited
(formerly "Thai Carbon Black Public Company Limited") and its Subsidiary
Statement of financial position

| | <i>Note</i> | Consolidated | | Separate | |
|--|-------------|-----------------------------|-------------------|-----------------------------|-------------------|
| | | financial statements | | financial statements | |
| | | 30 June | 31 March | 30 June | 31 March |
| Liabilities and equity | | 2018 | 2018 | 2018 | 2018 |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) |
| | | <i>(in thousand Baht)</i> | | | |
| <i>Current liabilities</i> | | | | | |
| Trade accounts payable | 3 | 748,829 | 1,175,161 | 748,829 | 1,175,161 |
| Other payables | 3 | 398,502 | 362,228 | 398,329 | 362,106 |
| Current tax payable | | 288,764 | 73,215 | 288,764 | 73,215 |
| Derivatives liabilities | 16 | 2,067 | 273 | 2,067 | 273 |
| Total current liabilities | | 1,438,162 | 1,610,877 | 1,437,989 | 1,610,755 |
| <i>Non-current liabilities</i> | | | | | |
| Non-current provisions for employee benefits | 12 | 100,374 | 98,515 | 100,374 | 98,515 |
| Total non-current liabilities | | 100,374 | 98,515 | 100,374 | 98,515 |
| Total liabilities | | 1,538,536 | 1,709,392 | 1,538,363 | 1,709,270 |
| <i>Equity</i> | | | | | |
| 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 |
| 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 | | 17,603,680 | 16,427,715 | 12,215,794 | 11,251,824 |
| Other components of equity | | (1,484,584) | (1,349,460) | - | - |
| Total equity | | 17,379,096 | 16,338,255 | 13,475,794 | 12,511,824 |
| Total liabilities and equity | | 18,917,632 | 18,047,647 | 15,014,157 | 14,221,094 |

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

Birla Carbon (Thailand) Public Company Limited
(formerly "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 30 June | | Three-month period ended 30 June | |
| | | 2018 | 2017 | 2018 | 2017 |
| <i>(in thousand Baht)</i> | | | | | |
| Revenues | | | | | |
| Revenues from sales | | 2,015,224 | 1,819,318 | 2,015,224 | 1,819,318 |
| Dividend income | 3, 7 | 47,292 | - | 72,783 | 25,491 |
| Interest income | 3 | 120,868 | 96,979 | 120,868 | 96,979 |
| Net foreign exchange gain | | 568,379 | - | 568,379 | - |
| Other income | | 1,052 | 894 | 1,052 | 894 |
| Total revenues | | 2,752,815 | 1,917,191 | 2,778,306 | 1,942,682 |
| Expenses | | | | | |
| Cost of sales of goods | 3, 6 | 1,463,517 | 1,225,829 | 1,463,517 | 1,225,829 |
| Distribution costs | 3 | 37,984 | 36,929 | 37,984 | 36,929 |
| Administrative expenses | 3 | 97,961 | 96,043 | 97,838 | 95,812 |
| Net foreign exchange loss | | - | 32,598 | - | 32,598 |
| Finance costs | | 13 | 36,798 | 13 | 36,798 |
| Total expenses | | 1,599,475 | 1,428,197 | 1,599,352 | 1,427,966 |
| Share of profit of associates | | | | | |
| Associates | 3, 7 | 236,468 | 274,212 | - | - |
| Total | | 236,468 | 274,212 | - | - |
| Profit before income tax expense | | 1,389,808 | 763,206 | 1,178,954 | 514,716 |
| Tax expense | 14 | 214,984 | 82,973 | 214,984 | 82,973 |
| Profit for the period | | 1,174,824 | 680,233 | 963,970 | 431,743 |
| Basic earnings per share (in Baht) | 15 | 3.92 | 2.27 | 3.21 | 1.44 |

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

Birla Carbon (Thailand) Public Company Limited
(formerly "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> | 2018 | 2017 | 2018 | 2017 |
| | <i>(in thousand Baht)</i> | | | |
| Profit for the period | 1,174,824 | 680,233 | 963,970 | 431,743 |
| Other comprehensive income | | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | | |
| Exchange differences on translating financial statements | (135,124) | 36,164 | - | - |
| Share of other comprehensive income of associates, net of tax | 7 | - | (497) | - |
| Total items that will be reclassified subsequently to profit or loss | (135,124) | 35,667 | - | - |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | | |
| Share of other comprehensive income of associates, net of tax | 7 | 1,141 | - | - |
| Loss on remeasurements of defined benefit plans | 12 | - | (4,825) | (4,825) |
| Income tax relating to items that will not be reclassified to profit or loss | 11 | - | 965 | 965 |
| Total items that will not be reclassified subsequently to profit or loss | 1,141 | (3,860) | - | (3,860) |
| Other comprehensive income (expense) for the period, net of tax | (133,983) | 31,807 | - | (3,860) |
| Total comprehensive income for the period | 1,040,841 | 712,040 | 963,970 | 427,883 |

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

Birla Carbon (Thailand) Public Company Limited
(formerly "Thai Carbon Black Public Company Limited") and its Subsidiary
Statement of changes in equity (Unaudited)

| | Separate financial statements | | | | | |
|--|--|----------------|---------------|-------------------|-------------------|--|
| | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated | Total equity | |
| | <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 | 11,911,867 | |

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

Birla Carbon (Thailand) Public Company Limited
(formerly "Thai Carbon Black Public Company Limited") and its Subsidiary
Statement of changes in equity (Unaudited)

| | Separate financial statements | | | | | Total equity |
|--|--|----------------|---------------|---------------------------------|-------------------|-----------------|
| | Issued and paid-up share capital | Share premium | Legal reserve | Unappropriated | Retained earnings | |
| | <i>(in thousand Baht)</i> | | | | | |
| Three-month period ended 30 June 2018 | | | | | | |
| Balance at 1 April 2018 | 300,000 | 930,000 | 30,000 | 11,251,824 | 12,511,824 | |
| Comprehensive income for the period | | | | | | |
| Profit | - | - | - | 963,970 | 963,970 | |
| Total comprehensive income for the period | - | - | - | 963,970 | 963,970 | |
| Balance at 30 June 2018 | 300,000 | 930,000 | 30,000 | 12,215,794⁽¹⁾ | 13,475,794 | |

(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.

Birla Carbon (Thailand) Public Company Limited
(formerly "Thai Carbon Black Public Company Limited") and its Subsidiary
Statement of cash flows (Unaudited)

| | <i>Note</i> | Consolidated | | Separate | |
|---|-------------|-----------------------------|-----------------------|-----------------------------|-----------------------|
| | | financial statements | | financial statements | |
| | | Three-month period ended | | Three-month period ended | |
| | | 30 June | | 30 June | |
| | | 2018 | 2017 | 2018 | 2017 |
| <i>(in thousand Baht)</i> | | | | | |
| <i>Cash flows from operating activities</i> | | | | | |
| Profit for the period | | 1,174,824 | 680,233 | 963,970 | 431,743 |
| <i>Adjustments to reconcile profit to cash receipts</i> | | | | | |
| Depreciation and amortisation | | 53,881 | 46,552 | 53,881 | 46,552 |
| Losses on inventories devaluation | 6 | - | (965) | - | (965) |
| Dividend income | 3, 7 | (47,292) | - | (72,783) | (25,491) |
| Interest income | | (120,868) | (96,979) | (120,868) | (96,979) |
| Finance costs | | 13 | 29,303 | 13 | 29,303 |
| Amortisation of deferred transaction cost | | - | 7,495 | - | 7,495 |
| Unrealised loss (gain) on exchange rate | | (540,761) | 60,933 | (540,754) | 60,933 |
| Unrealised loss (gain) on derivatives | | 1,794 | (95,810) | 1,794 | (95,810) |
| Gain on disposal of property, plant and equipment | | - | (221) | - | (221) |
| Share of profit of associates, net of tax | 3, 7 | (236,468) | (274,212) | - | - |
| Provision for employee benefits | 12 | 2,511 | 2,653 | 2,511 | 2,653 |
| Tax expense | 14 | 214,984 | 82,973 | 214,984 | 82,973 |
| | | <u>502,618</u> | <u>441,955</u> | <u>502,748</u> | <u>442,186</u> |
| <i>Changes in operating assets and liabilities</i> | | | | | |
| Trade accounts receivable | | (25,330) | (265,613) | (25,330) | (265,613) |
| Other receivables | | 15,438 | 28,594 | 15,456 | 28,634 |
| Inventories | | 84,534 | (445,021) | 84,534 | (445,021) |
| Advance for purchase machinery | | (38,123) | - | (38,123) | - |
| Other non-current assets | | 4 | 337 | 4 | 337 |
| Trade accounts payable | | (438,262) | 672,936 | (438,262) | 672,936 |
| Other payables | | 42,432 | 51,642 | 42,380 | 51,220 |
| Net cash generated from operating | | <u>143,311</u> | <u>484,830</u> | <u>143,407</u> | <u>484,679</u> |
| Employee benefit paid | 12 | (652) | - | (652) | - |
| Tax paid | | (408) | - | (408) | - |
| Net cash from operating activities | | <u>142,251</u> | <u>484,830</u> | <u>142,347</u> | <u>484,679</u> |

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

Birla Carbon (Thailand) Public Company Limited
(formerly "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 | |
| | 2018 | 2017 | 2018 | 2017 |
| | <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 |
| Proceeds from redemption of other long-term investments | 1,357,400 | - | 1,357,400 | - |
| Interest received | 68 | 14,607 | 68 | 14,607 |
| Dividend received | 72,783 | 25,491 | 72,783 | 25,491 |
| Purchase of property, plant and equipment | (13,481) | (13,198) | (13,481) | (13,198) |
| Proceeds from disposal of property, plant and equipment | - | 304 | - | 304 |
| Net cash from investing activities | 1,416,770 | 2,010,204 | 1,416,770 | 2,010,204 |
| <i>Cash flows from financing activities</i> | | | | |
| Interest paid | (13) | (29,521) | (13) | (29,521) |
| Repayment of borrowing | - | (93,935) | - | (93,935) |
| Net cash used in financing activities | (13) | (123,456) | (13) | (123,456) |
| Net increase in cash and cash equivalents, before effect of exchange rates | 1,559,008 | 2,371,578 | 1,559,104 | 2,371,427 |
| Effect of exchange rate changes on cash and cash equivalents | 80,329 | - | 80,329 | - |
| Net increase in cash and cash equivalents | 1,639,337 | 2,371,578 | 1,639,433 | 2,371,427 |
| Cash and cash equivalents at 1 April | 381,348 | 495,381 | 381,185 | 495,348 |
| Cash and cash equivalents at 30 June | 2,020,685 | 2,866,959 | 2,020,618 | 2,866,775 |
| <i>Non-cash transactions</i> | | | | |
| Payables for purchases of machinery and equipment | 50,556 | 44,595 | 50,556 | 44,595 |
| Accrued dividend | 6,420 | 5,356 | 6,420 | 5,356 |

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

Birla Carbon (Thailand) Public Company Limited
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Notes to the financial statements
For the three-month period ended 30 June 2018 (Unaudited)

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Notes to the financial statements
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These notes form an integral part of the financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Company’s authorised Directors on 14 August 2018.

1 General information

Birla Carbon (Thailand) Public Company Limited (formerly “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.

At the annual general meeting of the shareholders of the Company held on 24 July 2018, the shareholders approved the change of the Company’s name, Company’s seal and Company’s symbol from “Thai Carbon Black Public Company Limited” to “Birla Carbon (Thailand) Public Company Limited”. The change of the Company’s name was registered with Ministry of Commerce on 31 July 2018 and Stock Exchange of Thailand on 6 August 2018.

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 2018 and 31 March 2018 are given in notes 7 and 8.

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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 2017) *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 2018. 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 2018.

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 2018 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2018.

In addition to the above new and revised TFRS, the Federation of Accounting Professions has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2019 and have not been adopted in the preparation of these interim financial statements. And the FAP has issued TFRS 15 *Revenue from Contracts with Customers* which is effective for annual periods beginning on or after 1 January 2019. The Group has not early adopted this standard in preparing these financial statements.

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled. It replaces existing revenue recognition standards as follows:

- TAS 11 (revised 2017) *Construction Contracts*,
- TAS 18 (revised 2017) *Revenue*,

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- TSIC 31 (revised 2017) *Revenue-Barter Transactions Involving Advertising Services*,
- TFRIC 13 (revised 2017) *Customer Loyalty Programmes*,
- TFRIC 15 (revised 2017) *Agreements for the Construction of Real Estate*, and
- TFRIC 18 (revised 2017) *Transfers of Assets from Customers*.

Management is presently considering the potential impact of adopting and initially applying new and revised TFRS on the consolidated and separate financial statements.

(b) *Functional and presentation currency*

The interim financial statements are prepared and presented in Thai Baht, which is the Company’s functional currency.

(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 2018.

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.

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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’s Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses observable market 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 16 - *financial instruments*.

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.

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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. |
| Asian Opps I Limited | Hong Kong | Major shareholder of the Company, 10% or more shareholding. |
| Thai Acrylic Fiber Co., Ltd. | Thailand | The Company has 10% or more shareholding, common directors. |
| Alexandria Fiber Co., S.A.E. | Egypt | The Company has 10% or more shareholding, common directors. |
| SKI Carbon Black (India) Pvt. Ltd. | India | Same ultimate parent company |
| Columbian Chemicals Company | U.S.A | Same ultimate parent company |
| Alexandria Carbon Black Company S.A.E. | Egypt | Same ultimate parent company |
| Aditya Birla Sciences Co., Ltd. | India | Same ultimate parent company |
| Columbian Chemicals Europa GmbH | German | Same ultimate parent company |
| Columbian Chemicals Korea Co., Ltd. | South Korea | Same ultimate parent company |
| Birla Carbon Brazil Ltda. | Brazil | Same ultimate parent company |
| Columbian International Chemicals Corporation | Georgia | Same ultimate parent company |
| Columbian Carbon Europa S.R.L. | Italy | Same ultimate parent company |
| Swiss Singapore Overseas Enterprises Pte. Ltd. | Singapore | Same ultimate parent company |
| Aditya Birla Management Corporation Pvt. Ltd. | India | Same ultimate parent company |
| Columbian Carbon Spain S.L. | Spain | Same ultimate parent company |

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| Name of entities | Country of incorporation / nationality | Nature of relationships |
|--------------------------|---|---|
| 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 |
| Cost reduction from sales of electricity and steam generated from manufacturing process | With reference to market price |
| Expenses charged to/by related parties | Actual price |
| Royalty expense | 4.5% of net sale less actual cost of feedstock and selling expenses |
| Rental expenses | By mutual agreement |

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

| | Consolidated | | Separate | |
|---|-----------------------------|---------------------|-----------------------------|---------------------|
| | financial statements | | financial statements | |
| <i>Three-month period ended 30 June</i> | 2018 | 2017 | 2018 | 2017 |
| | <i>(in thousand Baht)</i> | | | |
| Associates | | | | |
| Interest income | 106,222 | 86,904 | 106,222 | 86,904 |
| Dividend income | - | - | 25,491 | 25,491 |
| Key management personnel | | | | |
| Key management personnel compensation | | | | |
| Short-term employee benefit | <u>8,047</u> | <u>9,489</u> | <u>8,047</u> | <u>9,489</u> |
| Total key management personnel compensation | <u>8,047</u> | <u>9,489</u> | <u>8,047</u> | <u>9,489</u> |
| Directors’ remuneration | <u>883</u> | <u>858</u> | <u>883</u> | <u>858</u> |
| Other related parties | | | | |
| Cost reduction from sales of electricity and steam generated from manufacturing process | | | | |
| | 78,833 | 75,917 | 78,833 | 75,917 |
| Expenses charged to related parties | 31,830 | 14,116 | 31,830 | 14,116 |
| Purchase of goods | 167,112 | 230,142 | 167,112 | 230,142 |
| Expenses charged by related parties | 13,303 | 10,796 | 13,303 | 10,796 |
| Royalty expense | 25,204 | 18,805 | 25,204 | 18,805 |
| Rental expenses | 810 | 810 | 810 | 810 |

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Significant agreements with related parties

As at 30 June 2018, 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 a related party, in which such related party 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 2018, 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 4.5% (31 March 2018: 3%) of net sale less actual cost of feedstock and selling expenses. The term of this agreement is for 3 years being effective on the agreement date.

Balances as at 30 June 2018 and 31 March 2018 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 |
| | 2018 | 2018 | 2018 | 2018 |
| | <i>(in thousand Baht)</i> | | | |
| Other related party | 55,060 | 56,783 | 55,060 | 56,783 |
| Total | 55,060 | 56,783 | 55,060 | 56,783 |

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| <i>Other receivables - related parties</i> | Consolidated | | Separate | |
|--|-----------------------------|--------------|-----------------------------|--------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2018 | 2018 | 2018 | 2018 |
| | <i>(in thousand Baht)</i> | | | |
| Other related parties | 3,311 | 2,092 | 3,311 | 2,092 |
| Total | 3,311 | 2,092 | 3,311 | 2,092 |

| <i>Interest receivables - related party</i> | Consolidated | | Separate | |
|---|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2018 | 2018 | 2018 | 2018 |
| | <i>(in thousand Baht)</i> | | | |
| Associate | 1,917,383 | 1,701,256 | 1,917,383 | 1,701,256 |
| Total | 1,917,383 | 1,701,256 | 1,917,383 | 1,701,256 |

| <i>Long-term loan to related party</i> | Consolidated | | Separate | |
|--|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2018 | 2018 | 2018 | 2018 |
| | <i>(in thousand Baht)</i> | | | |
| Associate | 5,708,177 | 5,371,081 | 5,708,177 | 5,371,081 |
| Total | 5,708,177 | 5,371,081 | 5,708,177 | 5,371,081 |

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

| <i>Long-term loan to related party</i> | Consolidated | | Separate | |
|--|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | <i>(in thousand Baht)</i> | | | |
| <i>Associate</i> | | | | |
| At 1 April | 5,371,081 | 5,911,495 | 5,371,081 | 5,928,832 |
| Unrealised gain (loss) on exchange | 337,096 | (102,196) | 337,096 | (102,196) |
| Share of net profit of an associate | - | 17,337 | - | - |
| At 30 June | 5,708,177 | 5,826,636 | 5,708,177 | 5,826,636 |

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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 |
| | 2018 | 2018 | 2018 | 2018 |
| | <i>(in thousand Baht)</i> | | | |
| Other related parties | 388,723 | 834,947 | 388,723 | 834,947 |
| Total | 388,723 | 834,947 | 388,723 | 834,947 |

| <i>Other payables - related parties</i> | Consolidated | | Separate | |
|---|-----------------------------|----------------|-----------------------------|----------------|
| | financial statements | | financial statements | |
| | 30 June | 31 March | 30 June | 31 March |
| | 2018 | 2018 | 2018 | 2018 |
| | <i>(in thousand Baht)</i> | | | |
| Other related parties | 177,245 | 144,718 | 177,245 | 144,718 |
| Total | 177,245 | 144,718 | 177,245 | 144,718 |

4 Short-term deposits at financial institution

As at 30 June 2018, the Company had short-term deposits at an oversea financial institution, amounting to Baht 660 million (*31 March 2018: Baht 646 million*), which was bearing interest at the rate of 2.41% per annum (*31 March 2018: 2.41% per annum*) and matured in December 2018.

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5 Trade accounts receivable

| | | Consolidated and separate financial statements | |
|---|-------------|---|-------------------------|
| | | 30 June | 31 March |
| | <i>Note</i> | 2018 | 2018 |
| | | <i>(in thousand Baht)</i> | |
| Related party | 3 | 55,060 | 56,783 |
| Other parties | | <u>1,149,826</u> | <u>1,111,850</u> |
| Total | | 1,204,886 | 1,168,633 |
| <i>Less</i> allowance for doubtful accounts | | <u>-</u> | <u>-</u> |
| Net | | <u>1,204,886</u> | <u>1,168,633</u> |

| | 2018 | 2017 |
|---|---------------------------|----------|
| | <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 |
| | 2018 | 2018 |
| | <i>(in thousand Baht)</i> | |
| Related party | | |
| Within credit terms | <u>55,060</u> | <u>56,783</u> |
| | 55,060 | 56,783 |
| <i>Less</i> allowance for doubtful accounts | <u>-</u> | <u>-</u> |
| | <u>55,060</u> | <u>56,783</u> |

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| | Consolidated and separate financial statements | |
|---|---|-------------------------|
| | 30 June 2018 | 31 March 2018 |
| Other parties | | |
| Within credit terms | 1,121,177 | 1,056,886 |
| Overdue: | | |
| Less than 3 months | <u>28,649</u> | <u>54,964</u> |
| | 1,149,826 | 1,111,850 |
| <i>Less</i> allowance for doubtful accounts | <u>-</u> | <u>-</u> |
| | 1,149,826 | 1,111,850 |
| Net | <u>1,204,886</u> | <u>1,168,633</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 2018 | 31 March 2018 |
| | <i>(in thousand Baht)</i> | |
| Finished goods | 249,285 | 413,934 |
| Raw materials | 570,033 | 539,064 |
| Factory supplies and spare parts | 125,207 | 142,148 |
| Goods in transit | <u>115,430</u> | <u>49,343</u> |
| | 1,059,955 | 1,144,489 |
| <i>Less</i> allowance for inventories deterioration | <u>(42,168)</u> | <u>(42,168)</u> |
| Net | <u>1,017,787</u> | <u>1,102,321</u> |

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| <i>Three-month period ended 30 June</i> | Consolidated and separate | |
|--|----------------------------------|-------------------------|
| | financial statements | |
| | 2018 | 2017 |
| | <i>(in thousand Baht)</i> | |
| Inventories recognised as an expense in ‘cost of sales of goods’: | | |
| - Cost | 1,463,517 | 1,226,794 |
| - Write-down to net realisable value | - | (965) |
| Total | <u>1,463,517</u> | <u>1,225,829</u> |

7 Investments in associates

| <i>Three-month period ended 30 June</i> | Consolidated | | Separate | |
|--|-----------------------------|-------------------------|-----------------------------|-----------------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | <i>(in thousand Baht)</i> | | | |
| Associates | | | | |
| At 1 April | 4,599,195 | 3,669,641 | 770,364 | 770,364 |
| Share of net profits of associates | 236,468 | 256,875 | - | - |
| Share of other comprehensive income, net of tax | 1,141 | (497) | - | - |
| Dividend income | (25,491) | (25,491) | - | - |
| Currency translation differences | <u>(135,118)</u> | <u>36,164</u> | <u>-</u> | <u>-</u> |
| At 30 June | <u>4,676,195</u> | <u>3,936,692</u> | <u>770,364</u> | <u>770,364</u> |

During the three-month period ended 30 June 2018, there were no acquisitions and disposals of investments in associates.

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As at 30 June 2018, investment in Indigold Carbon (Mauritius) Limited (“Indigold”) includes a long-term loan for a notional amount of USD 173 million, equivalent to Baht 5,708 million (31 March 2018: USD 173 million, equivalent to Baht 5,371 million), and interest receivables of USD 58 million, equivalent to Baht 1,917 million (31 March 2018: USD 55 million, equivalent to Baht 1,701 million).

For the three-month period ended 30 June 2018, the Group’s share in total comprehensive income of Indigold amounted to a loss of Baht 56 million (30 June 2017: a gain of Baht 191 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 year ended 31 March 2018, the excess loss previously adjusted to the loan investment in Indigold was fully reversed due to gain position in share of total cumulative comprehensive income. Therefore, the share of profits had been recognised in the investment in shares of Indigold.

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| | | Separate financial statements | | | | | | | | | | | | | | | |
|---|-------|-------------------------------|----------------|----------------|-----------------|----------------|---------------|--------------|---------------|----------------|----------------|--------------|---------------|---------------|----------------|----------------|--|
| | | Ownership interest | | | Paid-up capital | | | Cost | | | Impairment | | | At cost - net | | | Dividend income for the three-month period ended |
| | | 30 June 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 |
| | | (in thousand Baht) | | | | | | | | | | | | | | | |
| 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 | - | - | - | 509,820 | 509,820 | 25,491 |
| Indigold Carbon (Mauritius) Limited | 20.59 | 20.59 | 308,870 | 308,870 | 63,596 | 63,596 | - | - | - | 63,596 | 63,596 | - | - | - | 63,596 | 63,596 | - |
| Total | | | 770,364 | 770,364 | 770,364 | 770,364 | - | - | - | 770,364 | 770,364 | - | - | - | 770,364 | 770,364 | 25,491 |

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8 Investments in subsidiary

Investments in subsidiary as at 30 June 2018 and 31 March 2018 and dividend income from the subsidiary for the three-month period ended 30 June 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 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 | | 30 June 2018 | 31 March 2018 | |
| | | (in thousand Baht) | | | | | | | | | |
| Direct subsidiary | | | | | | | | | | | |
| Birla Carbon Mexico, Carbon | | | | | | | | | | | |
| S.A. DE C.V. Manufacturing | | 98 | 98 | 12,854 | 12,854 | 12,854 | 12,854 | (12,854) | (12,854) | - | - |
| Total | | | | 12,854 | 12,854 | 12,854 | 12,854 | (12,854) | (12,854) | - | - |

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9 Other long-term investments

| | Consolidated and separate | |
|---|----------------------------------|------------------|
| | financial statements | |
| | 30 June | 31 March |
| | 2018 | 2018 |
| | <i>(in thousand Baht)</i> | |
| Long-term deposits at a financial institution | 15,877 | 15,877 |
| Other non-marketable equity securities | 223,204 | 1,580,604 |
| Total | 239,081 | 1,596,481 |

Long-term deposits at a financial institution

As at 30 June 2018, the Company had long-term deposits at a local financial institution, amounting to Baht 16 million (31 March 2018: Baht 16 million), which was bearing interest at the rate of 1.25% per annum (31 March 2018: 1.25% per annum) and matured in March 2020.

| <i>Other non-marketable</i> | Consolidated | | Separate | |
|---------------------------------------|-----------------------------|------------------|-----------------------------|------------------|
| | financial statements | | financial statements | |
| <i>equity securities</i> | 2018 | 2017 | 2018 | 2017 |
| | <i>(in thousand Baht)</i> | | | |
| Cost of investments at 1 April | 1,744,358 | 1,744,358 | 1,846,560 | 1,846,560 |
| Redemption during the period | (1,357,400) | - | (1,357,400) | - |
| Allowance for impairment loss | (163,754) | (163,754) | (265,956) | (265,956) |
| Carrying amount of investments | | | | |
| at 30 June | 223,204 | 1,580,604 | 223,204 | 1,580,604 |

Preference shares of Blue Bucks Investment Pte. Ltd. (25,000,000 shares of USD one each) and preference shares of Big Banyan Investment Pte. Ltd. (20,000,000 shares of USD one each) are non-cumulative, redeemable, non-participative and non-voting preference shares, entitling the Company to receive dividend at a rate of 2.5% per annum, in years in which dividend is declared.

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During the three-month period ended 30 June 2018, the Company had redeemed preference shares of Blue Bucks Investment Pte. Ltd., amounting to Baht 758.0 million and Big Banyan Investment Pte. Ltd., amounting to Baht 599.4 million.

10 Property, plant and equipment

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

| <i>Three-month period ended 30 June</i> | Consolidated and separate financial statements | | | |
|--|---|--|---|--|
| | 2018 | | 2017 | |
| | 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 | 62,390 | - | 15,919 | - |
| Vehicles | - | - | 1,765 | (83) |
| Furniture and fixtures | 17 | - | - | - |
| Assets under construction and installation | 6,188 | (61,272) | 7,621 | (13,116) |
| Total | 68,595 | (61,272) | 25,305 | (13,199) |

11 Deferred tax

Deferred tax assets as at 30 June 2018 and 31 March 2018 were as follows:

| | Consolidated financial statements | | Separate financial statements | |
|---------------------|--|---------------|--------------------------------------|---------------|
| | Assets | | Assets | |
| | 30 June 2018 | 31 March 2018 | 30 June 2018 | 31 March 2018 |
| | <i>(in thousand Baht)</i> | | | |
| Deferred tax assets | 84,068 | 83,503 | 86,639 | 86,074 |

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

| | Consolidated financial statements | | |
|-----------------------------------|--|------------------|---------------|
| | (Charged) / Credited to: | | |
| | At 1 | | At 30 |
| | April | profit or | June |
| | 2018 | loss | 2018 |
| | <i>(in thousand Baht)</i> | | |
| Deferred tax assets | | | |
| Provision for impairment of other | | | |
| long-term investments | 53,191 | - | 53,191 |
| Provision for employee benefits | 19,703 | 372 | 20,075 |
| Unrealised loss from derivatives | 55 | 359 | 414 |
| Provision for decline in value | | | |
| of inventories | 8,433 | - | 8,433 |
| Others | 2,121 | (166) | 1,955 |
| Total | 83,503 | 565 | 84,068 |

| | Separate financial statements | | |
|-----------------------------------|--------------------------------------|------------------|---------------|
| | (Charged) / Credited to: | | |
| | At 1 | | At 30 |
| | April | profit or | June |
| | 2018 | loss | 2018 |
| | <i>(in thousand Baht)</i> | | |
| Deferred tax assets | | | |
| Provision for impairment of other | | | |
| long-term investments | 53,191 | - | 53,191 |
| Provision for impairment of | | | |
| investment in subsidiary | 2,571 | - | 2,571 |
| Provision for employee benefits | 19,703 | 372 | 20,075 |
| Unrealised loss from derivatives | 55 | 359 | 414 |
| Provision for decline in value | | | |
| of inventories | 8,433 | - | 8,433 |
| Others | 2,121 | (166) | 1,955 |
| Total | 86,074 | 565 | 86,639 |

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| | 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 | | | | |
| long-term investment | 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 decline in value | | | | |
| of inventories | 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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12 Non-current provisions for employee benefits

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

| | Consolidated and separate financial statements | |
|---------------------------------|---|-----------------------|
| | 2018 | 2017 |
| | <i>(in thousand Baht)</i> | |
| At 1 April | 98,515 | 93,015 |
| Current service cost | 1,729 | 1,851 |
| Interest on obligation | 782 | 802 |
| Actuarial losses recognised | - | 4,825 |
| Benefits paid during the period | <u>(652)</u> | <u>-</u> |
| At 30 June | <u>100,374</u> | <u>100,493</u> |

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

13 Segment information

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

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14 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 | |
|---|-------------|---|----------------------|
| | | 2018 | 2017 |
| | | <i>(in thousand Baht)</i> | |
| Current tax expense | | 215,549 | 65,648 |
| Deferred tax expense (income) | 11 | <u>(565)</u> | <u>17,325</u> |
| Total income tax expense | | <u>214,984</u> | <u>82,973</u> |

Income tax recognised in other comprehensive income

| <i>Three-month period ended 30 June</i> | Consolidated financial statements | | | | | |
|--|--|----------------------------|-------------------------|----------------------|----------------------------|----------------------|
| | 2018 | | | 2017 | | |
| | Before tax | Tax (expense) income | Net of tax | Before tax | Tax (expense) income | Net of Tax |
| | <i>(in thousand Baht)</i> | | | | | |
| Currency translation differences | (135,124) | - | (135,124) | 36,164 | - | 36,164 |
| Share of other comprehensive of associates | 1,141 | - | 1,141 | (497) | - | (497) |
| Defined benefit plan actuarial losses | <u>-</u> | <u>-</u> | <u>-</u> | <u>(4,825)</u> | <u>965</u> | <u>(3,860)</u> |
| Total | <u>(133,983)</u> | <u>-</u> | <u>(133,983)</u> | <u>30,842</u> | <u>965</u> | <u>31,807</u> |

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| <i>Three-month period ended 30 June</i> | Separate financial statements | | | | | |
|---|--------------------------------------|----------------------------|---------------|----------------|----------------------------|----------------|
| | 2018 | | | 2017 | | |
| | Before tax | Tax (expense) income | Net of tax | Before tax | Tax (expense) income | Net of Tax |
| | <i>(in thousand Baht)</i> | | | | | |
| Defined benefit plan | | | | | | |
| actuarial losses | - | - | - | (4,825) | 965 | (3,860) |
| Total | <u>-</u> | <u>-</u> | <u>-</u> | <u>(4,825)</u> | <u>965</u> | <u>(3,860)</u> |

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

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

15 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 30 June 2018 and 2017 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:

| <i>Three-month period ended 30 June</i> | Consolidated | | Separate | |
|--|---|--------------------|-----------------------------|--------------------|
| | financial statements | | financial statements | |
| | 2018 | 2017 | 2018 | 2017 |
| | <i>(in thousand Baht / thousand shares)</i> | | | |
| Profit for the period attributable to ordinary shareholders of the Company | <u>1,174,824</u> | <u>680,233</u> | <u>963,970</u> | <u>431,743</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>3.92</u> | <u>2.27</u> | <u>3.21</u> | <u>1.44</u> |

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16 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 2018 | | |
| Financial liabilities measured at fair value | | |
| Derivatives liabilities | 2,067 | 2,067 |
| 31 March 2018 | | |
| Financial liabilities measured at fair value | | |
| Derivatives liabilities | 273 | 273 |

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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17 Commitments and contingent liabilities with non-related parties

| | Consolidated and separate | |
|--|----------------------------------|---------------|
| | financial statements | |
| | 30 June | 31 March |
| | 2018 | 2018 |
| | <i>(in thousand Baht)</i> | |
| <i>Capital commitments</i> | | |
| Machinery and equipment | 9,023 | 8,972 |
| Total | 9,023 | 8,972 |
| <i>Non-cancellable operating lease commitments</i> | | |
| Within one year | 2,517 | 2,517 |
| After one year but within five years | 3,645 | 4,253 |
| Total | 6,162 | 6,770 |
| <i>Other commitments</i> | | |
| Bank guarantees for electricity use <i>(for own performance)</i> | 12,598 | 12,598 |
| Total | 12,598 | 12,598 |

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

As at 30 June 2018, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 13 million *(31 March 2018: Baht 13 million)*.

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18 Events after the reporting period

At the annual general meeting of the shareholders of the Company held on 24 July 2018, the shareholders approved the appropriation of dividends of Baht 1.0 per share, amounting to Baht 300 million. The dividends will be paid to shareholders in August 2018.

19 Reclassification of accounts

Certain accounts in the 31 March 2018 financial statements have been reclassified to conform to the presentation in the three-month period ended 30 June 2018 financial statements as follows:

| | | 31 March 2018 | |
|---|----------------------------|---|---------------------------|
| | Before reclassification | Reclassification <i>(in thousand Baht)</i> | After reclassification |
| <i>Consolidated statements of financial position</i> | | | |
| Other receivables | 13,538 | 47,501 | 61,039 |
| Other current assets | 47,501 | <u>(47,501)</u> | - |
| | | <u>-</u> | |
| <i>Separate statements of financial position</i> | | | |
| Other receivables | 13,538 | 47,371 | 60,909 |
| Other current assets | 47,371 | <u>(47,371)</u> | - |
| | | <u>-</u> | |

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group/Company’s business.