

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

Interim financial statements  
for the three-month and nine-month periods ended  
31 December 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 31 December 2018; the consolidated and separate statements of income and comprehensive income for the three-month and nine-month periods ended 31 December 2018, the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended 31 December 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 Chuhakitpaisan)  
Certified Public Accountant  
Registration No. 6105

KPMG Phoomchai Audit Ltd.  
Bangkok  
14 February 2019

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

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December 2018 (Unaudited)	31 March 2018	31 December 2018 (Unaudited)	31 March 2018
<i>(in thousand Baht)</i>					
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,127,675	381,348	1,127,650	381,185
Short-term deposits at financial institution	4	1,519,662	645,700	1,519,662	645,700
Trade accounts receivable	3, 5	1,165,320	1,168,633	1,165,320	1,168,633
Other receivables	3	83,078	61,039	82,923	60,909
Inventories	6	1,354,812	1,102,321	1,354,812	1,102,321
Current portion of long-term loans to related parties	3	4,750	-	4,750	-
<b>Total current assets</b>		<b>5,255,297</b>	<b>3,359,041</b>	<b>5,255,117</b>	<b>3,358,748</b>
<b>Non-current assets</b>					
Investments in associates	7	4,837,906	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 loans to related parties	3	5,597,220	5,371,081	5,597,220	5,371,081
Long-term interest receivables	3	2,101,169	1,701,256	2,101,169	1,701,256
Property, plant and equipment	10	1,419,318	1,318,808	1,419,318	1,318,808
Intangible assets		12,161	15,809	12,161	15,809
Deferred tax assets		87,119	83,503	89,690	86,074
Advance for purchase of machinery and equipment		88,005	-	88,005	-
Other non-current assets		2,625	2,473	2,625	2,473
<b>Total non-current assets</b>		<b>14,384,604</b>	<b>14,688,606</b>	<b>10,319,633</b>	<b>10,862,346</b>
<b>Total assets</b>		<b>19,639,901</b>	<b>18,047,647</b>	<b>15,574,750</b>	<b>14,221,094</b>

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>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December 2018 (Unaudited)	31 March 2018	31 December 2018 (Unaudited)	31 March 2018
<i>(in thousand Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade accounts payable	3	1,035,011	1,175,161	1,035,011	1,175,161
Other payables	3	432,578	362,228	432,370	362,106
Current tax payable		115,019	73,215	115,019	73,215
Derivatives liabilities	14	11,104	273	11,104	273
<b>Total current liabilities</b>		<b>1,593,712</b>	<b>1,610,877</b>	<b>1,593,504</b>	<b>1,610,755</b>
<b>Non-current liabilities</b>					
Non-current provisions for employee benefits		105,225	98,515	105,225	98,515
<b>Total non-current liabilities</b>		<b>105,225</b>	<b>98,515</b>	<b>105,225</b>	<b>98,515</b>
<b>Total liabilities</b>		<b>1,698,937</b>	<b>1,709,392</b>	<b>1,698,729</b>	<b>1,709,270</b>
<b>Equity</b>					
Share capital:					
Authorised share capital		300,000	300,000	300,000	300,000
Issued and paid-up share capital		300,000	300,000	300,000	300,000
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		18,192,760	16,427,715	12,616,021	11,251,824
Other components of equity		(1,511,796)	(1,349,460)	-	-
<b>Total equity</b>		<b>17,940,964</b>	<b>16,338,255</b>	<b>13,876,021</b>	<b>12,511,824</b>
<b>Total liabilities and equity</b>		<b>19,639,901</b>	<b>18,047,647</b>	<b>15,574,750</b>	<b>14,221,094</b>

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>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Three-month period ended 31 December		Three-month period ended 31 December	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
<b>Revenues</b>					
Revenues from sales		2,243,816	1,843,029	2,243,816	1,843,029
Dividend income	3	-	-	-	2,211
Interest income	3	130,946	97,573	130,946	97,573
Net foreign exchange gain		19,580	-	19,580	-
Other income		1,759	1,083	1,759	1,083
<b>Total revenues</b>		<b>2,396,101</b>	<b>1,941,685</b>	<b>2,396,101</b>	<b>1,943,896</b>
<b>Expenses</b>					
Cost of sales of goods	3	1,670,915	1,302,589	1,670,915	1,302,589
Distribution costs	3	37,017	40,789	37,017	40,789
Administrative expenses	3	109,456	97,194	109,448	97,190
Net foreign exchange loss		-	92,875	-	92,875
Finance costs		734	35,556	734	35,553
<b>Total expenses</b>		<b>1,818,122</b>	<b>1,569,003</b>	<b>1,818,114</b>	<b>1,568,996</b>
<b>Share of profit of associates</b>					
Associates		59,322	233,449	-	-
<b>Total</b>		<b>59,322</b>	<b>233,449</b>	<b>-</b>	<b>-</b>
<b>Profit before income tax expense</b>		<b>637,301</b>	<b>606,131</b>	<b>577,987</b>	<b>374,900</b>
Tax expense		115,591	54,927	115,591	54,927
<b>Profit for the period</b>		<b>521,710</b>	<b>551,204</b>	<b>462,396</b>	<b>319,973</b>
<b>Basic earnings per share (in Baht)</b>		<b>1.74</b>	<b>1.84</b>	<b>1.54</b>	<b>1.07</b>

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)**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Three-month period ended		Three-month period ended	
	31 December		31 December	
	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>521,710</b>	<b>551,204</b>	<b>462,396</b>	<b>319,973</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	21,203	18,458	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>21,203</b>	<b>18,458</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Share of other comprehensive income of associates, net of tax	390	2,518	-	-
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>390</b>	<b>2,518</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income for the period, net of tax</b>	<b>21,593</b>	<b>20,976</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>	<b>543,303</b>	<b>572,180</b>	<b>462,396</b>	<b>319,973</b>

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

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
<b>Revenues</b>					
Revenues from sales		6,355,489	5,431,071	6,355,489	5,431,071
Dividend income	3, 7	47,292	48,577	72,783	76,279
Interest income	3	377,725	289,703	377,725	289,703
Net foreign exchange gain		362,748	-	362,748	-
Other income		4,209	3,026	4,209	3,026
<b>Total revenues</b>		<b>7,147,463</b>	<b>5,772,377</b>	<b>7,172,954</b>	<b>5,800,079</b>
<b>Expenses</b>					
Cost of sales of goods	3, 6	4,726,832	3,715,873	4,726,832	3,715,873
Distribution costs	3	108,556	114,342	108,556	114,342
Administrative expenses	3	301,113	288,675	300,917	288,434
Net foreign exchange loss		-	189,312	-	189,312
Finance costs		754	106,697	754	106,694
<b>Total expenses</b>		<b>5,137,255</b>	<b>4,414,899</b>	<b>5,137,059</b>	<b>4,414,655</b>
<b>Share of profit of associates</b>					
Associates	3, 7	424,696	775,799	-	-
<b>Total</b>		<b>424,696</b>	<b>775,799</b>	<b>-</b>	<b>-</b>
<b>Profit before income tax expense</b>		<b>2,434,904</b>	<b>2,133,277</b>	<b>2,035,895</b>	<b>1,385,424</b>
Tax expense	12	371,698	215,312	371,698	215,312
<b>Profit for the period</b>		<b>2,063,206</b>	<b>1,917,965</b>	<b>1,664,197</b>	<b>1,170,112</b>
<b>Basic earnings per share (in Baht)</b>		<b>6.88</b>	<b>6.39</b>	<b>5.55</b>	<b>3.90</b>

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

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Nine-month period ended		Nine-month period ended	
	31 December		31 December	
<i>Note</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Profit for the period</b>	<b>2,063,206</b>	<b>1,917,965</b>	<b>1,664,197</b>	<b>1,170,112</b>
<b>Other comprehensive income</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange differences on translating foreign operations	(162,336)	5,288	-	-
Share of other comprehensive income of associates, net of tax	-	(497)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>(162,336)</b>	<b>4,791</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified subsequently to profit or loss</i>				
Share of other comprehensive income of associates, net of tax	7 1,839	(2,501)	-	-
Loss on remeasurements of defined benefit plans	-	(4,825)	-	(4,825)
Income tax relating to items that will not be reclassified to profit or loss	-	965	-	965
<b>Total items that will not be reclassified subsequently to profit or loss</b>	<b>1,839</b>	<b>(6,361)</b>	<b>-</b>	<b>(3,860)</b>
<b>Other comprehensive expense for the period, net of tax</b>	<b>(160,497)</b>	<b>(1,570)</b>	<b>-</b>	<b>(3,860)</b>
<b>Total comprehensive income for the period</b>	<b>1,902,709</b>	<b>1,916,395</b>	<b>1,664,197</b>	<b>1,166,252</b>

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

		<b>Consolidated financial statements</b>							
		Retained earnings			Other components of equity				
		Issued and paid share capital	Share premium	Legal reserve	Unappropriated	Translating foreign operations	Share of other comprehensive income of associates	Total other components of equity	Total equity
<i>Note</i>									
<i>(in thousand Baht)</i>									
<b>Nine-month period ended 31 December 2017</b>									
	<b>Balance at 1 April 2017</b>	<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>14,392,257</b>	<b>(1,299,549)</b>	<b>497</b>	<b>(1,299,052)</b>	<b>14,353,205</b>
<b>Transactions with owners, recorded directly in equity</b>									
	Dividend to owners of the Company	-	-	-	(240,000)	-	-	-	(240,000)
<i>13</i>		-	-	-	(240,000)	-	-	-	(240,000)
	<b>Total transactions with owners, recorded directly in equity</b>	-	-	-	(240,000)	-	-	-	(240,000)
<b>Comprehensive income for the period</b>									
	Profit	-	-	-	1,917,965	-	-	-	1,917,965
	Other comprehensive income	-	-	-	(6,361)	5,288	(497)	4,791	(1,570)
	<b>Total comprehensive income for the period</b>	-	-	-	<b>1,911,604</b>	<b>5,288</b>	<b>(497)</b>	<b>4,791</b>	<b>1,916,395</b>
	<b>Balance at 31 December 2017</b>	<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>16,063,861</b>	<b>(1,294,261)</b>	<b>-</b>	<b>(1,294,261)</b>	<b>16,029,600</b>

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

		<b>Consolidated financial statements</b>							
		<u>Retained earnings</u>			<u>Other components of equity</u>				
		Issued and	Share	Legal	Unappropriated	Translating	Share of other	Total other	Total
<i>Note</i>	share capital	premium	reserve	operations	foreign	comprehensive	income of	components of	equity
		<i>(in thousand Baht)</i>							
<b>Nine-month period ended 31 December 2018</b>									
	<b>Balance at 1 April 2018</b>	<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>16,427,715</b>	<b>(1,351,682)</b>	<b>2,222</b>	<b>(1,349,460)</b>	<b>16,338,255</b>
<b>Transactions with owners, recorded directly in equity</b>									
	Dividend to owners of the Company	-	-	-	(300,000)	-	-	-	(300,000)
<i>13</i>		-	-	-	(300,000)	-	-	-	(300,000)
	<b>Total transactions with owners, recorded directly in equity</b>	-	-	-	<b>(300,000)</b>	-	-	-	<b>(300,000)</b>
<b>Comprehensive income for the period</b>									
	Profit	-	-	-	2,063,206	-	-	-	2,063,206
	Other comprehensive income	-	-	-	1,839	(162,336)	-	(162,336)	(160,497)
	<b>Total comprehensive income for the period</b>	-	-	-	<b>2,065,045</b>	<b>(162,336)</b>	-	<b>(162,336)</b>	<b>1,902,709</b>
	<b>Balance at 31 December 2018</b>	<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>18,192,760</b>	<b>(1,514,018)</b>	<b>2,222</b>	<b>(1,511,796)</b>	<b>17,940,964</b>

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

	<i>Note</i>	Issued and paid share capital	Share premium	Separate financial statements		Total equity
				Legal reserve	Retained earnings Unappropriated	
<i>(in thousand Baht)</i>						
<b>Nine-month period ended 31 December 2017</b>						
<b>Balance at 1 April 2017</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>10,223,984</b>	<b>11,483,984</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividend to owners of the Company	13	-	-	-	(240,000)	(240,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(240,000)</b>	<b>(240,000)</b>
<b>Comprehensive income for the period</b>						
Profit		-	-	-	1,170,112	1,170,112
Other comprehensive income		-	-	-	(3,860)	(3,860)
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,166,252</b>	<b>1,166,252</b>
<b>Balance at 31 December 2017</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>11,150,236</b>	<b>12,410,236</b>

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**Birla Carbon (Thailand) Public Company Limited**  
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**Statement of changes in equity (Unaudited)**

	<i>Note</i>	Separate financial statements			Total equity	
		Issued and paid share capital	Share premium	Retained earnings		
			Legal reserve	Unappropriated		
<i>(in thousand Baht)</i>						
<b>Nine-month period ended 31 December 2018</b>						
<b>Balance at 1 April 2018</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>11,251,824</b>	<b>12,511,824</b>
<b>Transactions with owners, recorded directly in equity</b>						
Dividend to owners of the Company	13	-	-	-	(300,000)	(300,000)
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(300,000)</b>	<b>(300,000)</b>
<b>Comprehensive income for the period</b>						
Profit		-	-	-	1,664,197	1,664,197
<b>Total comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>1,664,197</b>	<b>1,664,197</b>
<b>Balance at 31 December 2018</b>		<b>300,000</b>	<b>930,000</b>	<b>30,000</b>	<b>12,616,021</b>	<b>13,876,021</b>

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

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

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Nine-month period ended 31 December		Nine-month period ended 31 December	
		2018	2017	2018	2017
<i>(in thousand Baht)</i>					
<b><i>Cash flows from operating activities</i></b>					
Profit for the period		2,063,206	1,917,965	1,664,197	1,170,112
<i>Adjustments to reconcile profit to cash receipts</i>					
Depreciation and amortisation		161,187	139,389	161,187	139,389
Losses on inventories devaluation	6	1,767	3,846	1,767	3,846
Dividend income	3, 7	(47,292)	(48,577)	(72,783)	(76,279)
Interest income		(377,725)	(289,703)	(377,725)	(289,703)
Finance costs		754	84,466	754	84,463
Amortisation of deferred transaction cost		-	22,231	-	22,231
Unrealised (gain) loss on exchange rate		(319,168)	190,246	(319,168)	190,246
Unrealised loss (gain) on derivatives		10,831	(56,716)	10,831	(56,716)
Gain on disposal of property, plant and equipment		-	(883)	-	(883)
Share of profit of associates, net of tax	3, 7	(424,696)	(775,799)	-	-
Provision for employee benefits		7,534	8,894	7,534	8,894
Tax expense		371,698	215,312	371,698	215,312
		<u>1,448,096</u>	<u>1,410,671</u>	<u>1,448,292</u>	<u>1,410,912</u>
<i>Changes in operating assets and liabilities</i>					
Trade accounts receivable		167	(146,229)	167	(146,229)
Other receivables		(15,870)	79,363	(15,843)	79,401
Inventories		(254,258)	(952,267)	(254,258)	(952,267)
Other non-current assets		(152)	734	(152)	734
Trade accounts payable		(129,920)	655,829	(129,920)	655,829
Other payables		(56,430)	152,461	(56,515)	152,036
Net cash generated from operating		<u>991,633</u>	<u>1,200,562</u>	<u>991,771</u>	<u>1,200,416</u>
Employee benefit paid		(824)	(876)	(824)	(876)
Tax paid		(334,446)	(260,070)	(334,446)	(260,070)
<b>Net cash from operating activities</b>		<b><u>656,363</u></b>	<b><u>939,616</u></b>	<b><u>656,501</u></b>	<b><u>939,470</u></b>

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)**

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
	<i>Note</i>	2018	2017	2018	2017
		<i>(in thousand Baht)</i>			
<b><i>Cash flows from investing activities</i></b>					
(Increase) decrease in short-term deposits at financial institutions		(839,224)	2,633,000	(839,224)	2,633,000
Proceeds from redemption of other long-term investments	9	1,357,400	-	1,357,400	-
Interest received		37,784	34,173	37,784	34,173
Dividends received		72,783	76,279	72,783	76,279
Purchase of property, plant and equipment		(131,451)	(30,651)	(131,451)	(30,651)
Advance for purchase of machinery and equipment		(88,005)	-	(88,005)	-
Proceeds from sale of property, plant and equipment		198	965	198	965
Proceeds from repayment of					
long-term loans to related parties	3	396	-	396	-
Long-term loans to related parties	3	(19,000)	-	(19,000)	-
<b>Net cash from investing activities</b>		<b>390,881</b>	<b>2,713,766</b>	<b>390,881</b>	<b>2,713,766</b>
<b><i>Cash flows from financing activities</i></b>					
Interest paid		(754)	(84,542)	(754)	(84,539)
Dividend paid	13	(300,016)	(240,000)	(300,016)	(240,000)
Proceeds from borrowings		788,500	-	788,500	-
Repayment of borrowing		(788,500)	(187,081)	(788,500)	(187,081)
<b>Net cash used in financing activities</b>		<b>(300,770)</b>	<b>(511,623)</b>	<b>(300,770)</b>	<b>(511,620)</b>
Net increase in cash and cash equivalents,					
before effect of exchange rates		746,474	3,141,759	746,612	3,141,616
Effect of exchange rate changes on cash and cash equivalents		(147)	-	(147)	-
<b>Net increase in cash and cash equivalents</b>		<b>746,327</b>	<b>3,141,759</b>	<b>746,465</b>	<b>3,141,616</b>
Cash and cash equivalents at 1 April		381,348	495,381	381,185	495,348
<b>Cash and cash equivalents at 31 December</b>		<b>1,127,675</b>	<b>3,637,140</b>	<b>1,127,650</b>	<b>3,636,964</b>
<b><i>Non-cash transactions</i></b>					
Payables for purchases of machinery and equipment		183,509	60,565	183,509	60,565
Accrued dividend		6,404	5,356	6,404	5,356

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**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

<b>Note</b>	<b>Contents</b>
1	General information
2	Basis of preparation of the interim financial statements
3	Related parties
4	Short-term deposits at financial institution
5	Trade accounts receivable
6	Inventories
7	Investments in associates
8	Investments in subsidiary
9	Other long-term investments
10	Property, plant and equipment
11	Segment information
12	Income tax expense
13	Dividends
14	Financial instruments
15	Commitments and contingent liabilities with non-related parties
16	Reclassification of accounts



**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

These notes form an integral part of the financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Company’s authorised Directors on 14 February 2019.

## **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, 16<sup>th</sup> 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 31 December 2018 and 31 March 2018 are given in notes 7 and 8.

**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**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 revised TFRS, the FAP has issued a number of other new TFRS which become effective for annual financial reporting periods beginning on or after 1 January of the following years.

<b>TFRS</b>	<b>Topic</b>	<b>Effective</b>
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

\* TFRS - Financial instruments standards

**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

***TFRS 15 Revenue from Contracts with Customers***

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.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the financial statements.

***TFRS - Financial instruments standards***

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the 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.

**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

*Measurement of fair values*

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

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

Significant valuation issues are reported to the Group’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 14 - *financial instruments*.

**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**3 Related parties**

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

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

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
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.
Birla Carbon India Private Limited	India	Same ultimate parent company
Birla Carbon U.S.A., Inc.	U.S.A	Same ultimate parent company
Birla Carbon Egypt S.A.E.	Egypt	Same ultimate parent company
Aditya Birla Sciences Co., Ltd.	India	Same ultimate parent company
Birla Carbon Europe GmbH	German	Same ultimate parent company
Birla Carbon Korea Co., Ltd.	South Korea	Same ultimate parent company
Birla Carbon Brasil Ltda.	Brazil	Same ultimate parent company

**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
Columbian International Chemicals Corporation	Georgia	Same ultimate parent company
Birla Carbon Italy 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
Birla Carbon Spain, S.L.U.	Spain	Same ultimate parent company
Birla Carbon China (Jining) Co., Ltd.	China	Same ultimate parent company
Key management personnel	Indian/Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

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

<b>Transactions</b>	<b>Pricing policies</b>
Purchase of goods	With reference to market price
Interest income	LIBOR+3.5% per annum and 1.8% per annum, respectively
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

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

Significant transactions for the three-month and nine-month periods ended 31 December with related parties were as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Three-month period ended 31 December</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
Interest income	115,980	90,102	115,980	90,102
Dividend income	-	-	-	2,211
Purchase of goods	-	107	-	107
<b>Key management personnel</b>				
Interest income	24	-	24	-
Key management personnel compensation				
Short-term employee benefit	<u>7,697</u>	<u>7,644</u>	<u>7,697</u>	<u>7,644</u>
Total key management personnel compensation	<u>7,697</u>	<u>7,644</u>	<u>7,697</u>	<u>7,644</u>
<b>Directors’ remuneration</b>	<b><u>823</u></b>	<b><u>848</u></b>	<b><u>823</u></b>	<b><u>848</u></b>
<b>Other related parties</b>				
Cost reduction from sales of electricity and steam generated from manufacturing process				
	82,541	83,658	82,541	83,658
Expenses charged to related parties	11,969	8,442	11,969	8,442
Purchase of goods	99,361	705,851	99,361	705,851
Expenses charged by related parties	14,653	34,093	14,653	34,093
Royalty expense	27,702	16,505	27,702	16,505
Rental expenses	810	810	810	810

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

	Consolidated		Separate	
	financial statements		financial statements	
<i>Nine-month period ended 31 December</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
Interest income	334,707	263,337	334,707	263,337
Dividend income	-	-	25,491	27,702
Purchase of goods	-	107	-	107
<b>Key management personnel</b>				
Interest income	24	-	24	-
Key management personnel compensation				
Short-term employee benefit	<u>23,353</u>	<u>31,141</u>	<u>23,353</u>	<u>31,141</u>
Total key management personnel compensation	<u>23,353</u>	<u>31,141</u>	<u>23,353</u>	<u>31,141</u>
<b>Directors’ remuneration</b>	<b><u>2,554</u></b>	<b><u>2,514</u></b>	<b><u>2,554</u></b>	<b><u>2,514</u></b>
<b>Other related parties</b>				
Dividend income	-	11,387	-	11,387
Cost reduction from sales of electricity and steam generated from manufacturing process				
	239,778	243,690	239,778	243,690
Expenses charged to related parties	59,927	55,004	59,927	55,004
Purchase of goods	1,338,592	1,256,390	1,338,592	1,256,390
Expenses charged by related parties	30,555	57,623	30,555	57,623
Royalty expense	79,287	52,210	79,287	52,210
Rental expenses	2,430	2,430	2,430	2,430



**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

*Significant agreements with related parties*

As at 31 December 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 a related party, in which such related party agreed 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 31 December 2018 and 31 March 2018 with related parties were as follows:

<i>Trade accounts receivable - related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December 2018	31 March 2018	31 December 2018	31 March 2018
	<i>(in thousand Baht)</i>			
Other related party	<u>57,872</u>	<u>56,783</u>	<u>57,872</u>	<u>56,783</u>
<b>Total</b>	<b><u>57,872</u></b>	<b><u>56,783</u></b>	<b><u>57,872</u></b>	<b><u>56,783</u></b>

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

<i>Other receivables - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2018	2018	2018	2018
	<i>(in thousand Baht)</i>			
Other related parties	1,434	2,092	1,434	2,092
<b>Total</b>	<b>1,434</b>	<b>2,092</b>	<b>1,434</b>	<b>2,092</b>
<i>Interest receivables - related party</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2018	2018	2018	2018
	<i>(in thousand Baht)</i>			
Associate	2,101,169	1,701,256	2,101,169	1,701,256
<b>Total</b>	<b>2,101,169</b>	<b>1,701,256</b>	<b>2,101,169</b>	<b>1,701,256</b>
<i>Long-term loans to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2018	2018	2018	2018
	<i>(in thousand Baht)</i>			
Associate	5,583,366	5,371,081	5,583,366	5,371,081
Key management personnel				
Current portion	4,750	-	4,750	-
Non-current portion	13,854	-	13,854	-
Total	18,604	-	18,604	-
<b>Total</b>	<b>5,601,970</b>	<b>5,371,081</b>	<b>5,601,970</b>	<b>5,371,081</b>

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

Movements during the nine-month periods ended 31 December of long-term loans to related parties were as follows:

<i>Long-term loans to related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	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	212,285	(305,725)	212,285	(305,725)
Share of net profit of an associate	-	17,337	-	-
<b>At 31 December</b>	<b>5,583,366</b>	<b>5,623,107</b>	<b>5,583,366</b>	<b>5,623,107</b>

***Key management personnel***

At 1 April	-	-	-	-
Increase (repayable in 48 monthly installments)	19,000	-	19,000	-
Decrease	(396)	-	(396)	-
<b>At 31 December</b>	<b>18,604</b>	<b>-</b>	<b>18,604</b>	<b>-</b>

***Loan to associate***

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.

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

<i>Trade accounts payable - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2018	2018	2018	2018
	<i>(in thousand Baht)</i>			
Other related parties	45,933	834,947	45,933	834,947
<b>Total</b>	<b>45,933</b>	<b>834,947</b>	<b>45,933</b>	<b>834,947</b>

<i>Other payables - related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	31 December	31 March	31 December	31 March
	2018	2018	2018	2018
	<i>(in thousand Baht)</i>			
Other related parties	111,822	144,718	111,822	144,718
<b>Total</b>	<b>111,822</b>	<b>144,718</b>	<b>111,822</b>	<b>144,718</b>

#### **4 Short-term deposits at financial institution**

As at 31 December 2018, the Company had short-term deposit at a local financial institution, amounting to Baht 1,520 million (*31 March 2018: Baht 646 million*), which was bearing interest at the rate of 3.02% per annum (*31 March 2018: 2.41% per annum*) and matured in May 2019.

#### **5 Trade accounts receivable**

	<i>Note</i>	<b>Consolidated and separate</b>	
		<b>financial statements</b>	
		31 December	31 March
		2018	2018
		<i>(in thousand Baht)</i>	
Related party	3	57,872	56,783
Other parties		1,107,448	1,111,850
<b>Total</b>		<b>1,165,320</b>	<b>1,168,633</b>
<i>Less allowance for doubtful accounts</i>		-	-
<b>Net</b>		<b>1,165,320</b>	<b>1,168,633</b>

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

	2018	2017
	<i>(in thousand Baht)</i>	
Bad and doubtful debts expense for the nine-month period ended 31 December	<u>-</u>	<u>-</u>

Aging analyses for trade accounts receivable were as follows:

	<b>Consolidated and separate financial statements</b>	
	31 December 2018	31 March 2018
	<i>(in thousand Baht)</i>	
<b>Related party</b>		
Within credit terms	<u>57,872</u>	<u>56,783</u>
	<b>57,872</b>	<b>56,783</b>
<i>Less</i> allowance for doubtful accounts	<u>-</u>	<u>-</u>
	<u><b>57,872</b></u>	<u><b>56,783</b></u>
<b>Other parties</b>		
Within credit terms	1,068,632	1,056,886
Overdue:		
Less than 3 months	<u>38,816</u>	<u>54,964</u>
	<b>1,107,448</b>	<b>1,111,850</b>
<i>Less</i> allowance for doubtful accounts	<u>-</u>	<u>-</u>
	<u><b>1,107,448</b></u>	<u><b>1,111,850</b></u>
<b>Net</b>	<u><b>1,165,320</b></u>	<u><b>1,168,633</b></u>

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

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**6 Inventories**

	<b>Consolidated and separate financial statements</b>	
	31 December 2018	31 March 2018
	<i>(in thousand Baht)</i>	
Finished goods	513,092	413,934
Raw materials	680,689	539,064
Factory supplies and spare parts	124,041	142,148
Goods in transit	<u>80,925</u>	<u>49,343</u>
	1,398,747	1,144,489
<i>Less</i> allowance for inventories deterioration	<u>(43,935)</u>	<u>(42,168)</u>
<b>Net</b>	<b><u>1,354,812</u></b>	<b><u>1,102,321</u></b>

	<b>Consolidated and separate financial statements</b>	
	2018	2017
	<i>(in thousand Baht)</i>	
<i>Nine-month period ended 31 December</i>		
Inventories recognised as an expense in ‘cost of sales of goods’:		
- Cost	4,725,065	3,712,027
- Write-down to net realisable value	<u>1,767</u>	<u>3,846</u>
<b>Total</b>	<b><u>4,726,832</u></b>	<b><u>3,715,873</u></b>

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**7 Investments in associates**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
<i>Nine-month period ended 31 December</i>	2018	2017	2018	2017
	<i>(in thousand Baht)</i>			
<b>Associates</b>				
At 1 April	4,599,195	3,669,641	770,364	770,364
Share of net profits of associates	424,696	758,462	-	-
Share of other comprehensive income, net of tax	1,839	(2,501)	-	-
Dividend income	(25,491)	(27,702)	-	-
Currency translation differences	(162,333)	4,789	-	-
<b>At 31 December</b>	<b><u>4,837,906</u></b>	<b><u>4,402,689</u></b>	<b><u>770,364</u></b>	<b><u>770,364</u></b>

During the nine-month period ended 31 December 2018, there were no acquisitions and disposals of investments in associates.

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

Investments in associates as at 31 December 2018 and 31 March 2018, and dividend income from those investments for the nine-month periods ended 31 December were as follows:

<b>Consolidated financial statements</b>												
Type of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month period ended		
		31 December 2018	31 March 2018	31 December 2018	31 March 2018	31 December 2018	31 March 2018	31 December 2018	31 March 2018	31 December 2018	31 December 2017	
		(%)		(in thousand Baht)								
<b>Associates</b>												
P.T. Indo Liberty	Textiles											
Textiles	manufacturing	Indonesia	40.00	40.00	515,664	515,664	196,948	196,948	330,154	300,763	-	2,211
Aditya Birla Chemicals (Thailand) Limited	Chemical manufacturing	Thailand	29.99	29.99	1,700,000	1,700,000	509,820	509,820	3,948,580	3,737,457	25,491	25,491
Indigold Carbon (Mauritius) Limited	Investment holding	Mauritius	20.59	20.59	308,870	308,870	63,596	63,596	559,172	560,975	-	-
<b>Total</b>							<b>770,364</b>	<b>770,364</b>	<b>4,837,906</b>	<b>4,599,195</b>	<b>25,491</b>	<b>27,702</b>

None of the Group’s associates are publicly listed and consequently do not have published price quotations.



**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

As at 31 December 2018, investment in Indigold Carbon (Mauritius) Limited (“Indigold”) includes a long-term loan for a notional amount of USD 173 million, equivalent to Baht 5,583 million (*31 March 2018: USD 173 million, equivalent to Baht 5,371 million*), and interest receivables of USD 65 million, equivalent to Baht 2,101 million (*31 March 2018: USD 55 million, equivalent to Baht 1,701 million*).

For the nine-month period ended 31 December 2018, the Group’s share in total comprehensive income of Indigold amounted to a loss of Baht 1.8 million (*31 December 2017: a gain of Baht 504 million*). Starting from the quarter that ended 31 December 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.

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**Separate financial statements**

	Ownership		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month period ended	
	interest											
	31	31	31	31	31	31	31	31	31	31	31	31
	December	March	December	March	December	March	December	March	December	March	December	December
	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2018	2017
	<i>(%)</i>		<i>(in thousand Baht)</i>									
<b>Associates</b>												
P.T. Indo Liberty Textiles	40.00	40.00	515,664	515,664	196,948	196,948	-	-	196,948	196,948	-	2,211
Aditya Birla Chemicals (Thailand) Limited	29.99	29.99	1,700,000	1,700,000	509,820	509,820	-	-	509,820	509,820	25,491	25,491
Indigold Carbon (Mauritius) Limited	20.59	20.59	308,870	308,870	63,596	63,596	-	-	63,596	63,596	-	-
<b>Total</b>					<b>770,364</b>	<b>770,364</b>	<b>-</b>	<b>-</b>	<b>770,364</b>	<b>770,364</b>	<b>25,491</b>	<b>27,702</b>

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**8 Investments in subsidiary**

Investments in subsidiary as at 31 December 2018 and 31 March 2018 and dividend income from the subsidiary for the nine-month period ended 31 December were as follows:

Name of subsidiary	Type of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month period ended	
		31 December 2018	31 March 2018	31 December 2018	31 March 2018	31 December 2018	31 March 2018	31 December 2018	31 March 2018	31 December 2018	31 March 2018	31 December 2018	31 December 2017
		( <i>%</i> )		<i>(in thousand Baht)</i>									
<b>Direct subsidiary</b>													
Birla Carbon Mexico, S.A. DE C.V.	Carbon Manufacturing	98	98	12,854	12,854	12,854	12,854	(12,854)	(12,854)	-	-	-	-
<b>Total</b>						<b>12,854</b>	<b>12,854</b>	<b>(12,854)</b>	<b>(12,854)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**9 Other long-term investments**

	<b>Consolidated and separate</b>	
	<b>financial statements</b>	
	31 December 2018	31 March 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
<b>Total</b>	<b>239,081</b>	<b>1,596,481</b>

*Long-term deposits at a financial institution*

As at 31 December 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 equity securities</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	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)
<b>Carrying amount of investments at 31 December</b>	<b>223,204</b>	<b>1,580,604</b>	<b>223,204</b>	<b>1,580,604</b>

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

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.

During the nine-month period ended 31 December 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 nine-month periods ended 31 December were as follows:

<i>Nine-month period ended 31 December</i>	<b>Consolidated and separate financial statements</b>			
	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	75,704	(188)	20,646	-
Vehicles	-	-	2,694	(83)
Furniture and fixtures	1,212	(10)	200	-
Assets under construction and installation	244,303	(62,973)	36,051	(13,979)
<b>Total</b>	<b>321,219</b>	<b>(63,171)</b>	<b>59,591</b>	<b>(14,062)</b>

**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**11 Segment information**

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

**12 Income tax expense**

Tax expense is recognised based on management’s best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group’s consolidated effective tax rate for the nine-month periods ended 31 December 2018 and 2017 in the consolidated financial statements were 15.3% and 10.1%, respectively (*separate financial statements for the nine-month periods ended 31 December 2018 and 2017: 18.3% and 15.5%, respectively*). The difference between effective tax rate and corporate income tax rate was caused mainly by the following factors:

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

**13 Dividends**

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 1.00 per share, amounting to Baht 300 million. The dividend was paid to shareholders in August 2018.

At the annual general meeting of the shareholders of the Company held on 19 July 2017, the shareholders approved the appropriation of dividends of Baht 0.80 per share, amounting to Baht 240 million. The dividend was paid to shareholders in August 2017.

**Birla Carbon (Thailand) Public Company Limited  
(formerly “Thai Carbon Black Company Limited”) and its Subsidiary  
Notes to the interim financial statements  
For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**14 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.

	<b>Consolidated and separate financial statements</b>	
	Carrying amount	Fair value Level 2
	<i>(in thousand Baht)</i>	
<b>31 December 2018</b>		
<b>Financial liabilities measured at fair value</b>		
Derivatives	11,104	11,104
<b>31 March 2018</b>		
<b>Financial liabilities measured at fair value</b>		
Derivatives	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.

**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

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

	<b>Consolidated and separate financial statements</b>	
	31 December 2018	31 March 2018
	<i>(in thousand Baht)</i>	
<b><i>Capital commitments</i></b>		
Machinery and equipment	31,510	8,972
<b>Total</b>	<b>31,510</b>	<b>8,972</b>
<b><i>Non-cancellable operating lease commitments</i></b>		
Within one year	4,344	2,517
After one year but within five years	2,526	4,253
<b>Total</b>	<b>6,870</b>	<b>6,770</b>
<b><i>Other commitments</i></b>		
Bank guarantees for electricity use <i>(for own performance)</i>	13,548	12,598
<b>Total</b>	<b>13,548</b>	<b>12,598</b>

***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 31 December 2018, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 14 million *(31 March 2018: Baht 13 million)* and outstanding letter of credit issued by the bank to guarantee payments to creditors amounting to USD 28.56 million *(31 March 2018: Nil)*.



**Birla Carbon (Thailand) Public Company Limited**  
**(formerly “Thai Carbon Black Company Limited”) and its Subsidiary**  
**Notes to the interim financial statements**  
**For the three-month and nine-month periods ended 31 December 2018 (Unaudited)**

**16 Reclassification of accounts**

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

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