# Birla Carbon (Thailand) Public Company Limited and its Subsidiary

Condensed interim financial statements
for the three-month and six-month periods ended
30 September 2019
and
Independent auditor's review report

# Independent Auditor's Report on Review of Interim Financial Information

## To the Board of Directors of Birla Carbon (Thailand) 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 September 2019; the consolidated and separate statements of income and comprehensive income for the three-month and six-month periods ended 30 September 2019, the consolidated and separate statements of changes in equity and cash flows for the six-month period ended 30 September 2019; 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*

Except as mentioned in the Basis for Qualified conclusion, 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.

*Basis for Qualified Conclusion*

The Group has an 29.99% equity interest in an associate, Aditya Birla Chemicals (Thailand) Limited ("ABCT"), with a carrying value of THB 3,902 million and Baht 510 million in the consolidated and separate financial statements, respectively. The auditor of ABCT qualified her opinion on the financial statements of ABCT for the period ended 31 March 2019 regarding the valuation of a long-term loan to a related party granted by ABCT amounting to USD 315 million, equivalent to Baht 9,941 million, because of the significant operating losses and capital deficit of the related party as at and for the year ended 31 March 2018. The auditor of ABCT was unable to obtain sufficient and appropriate audit evidence to satisfy herself regarding the value of those investments. Consequently, she was unable to determine whether and to what extent any adjustments were required to the carrying value of the long-term loans to that related party. Management has confirmed to me that there was no change in the facts and circumstances since the day of my last audited report. I was therefore unable to determine whether and to what extent any adjustments are required to the carrying value of the investment in ABCT in the consolidated and separate financial statements.

*Qualified Conclusion*

Except for the adjustments to the interim financial information that I might have become aware of had it not been for the situation described in the basis for qualified conclusion paragraph, 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
12 November 2019

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**

**Statement of financial position**

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 30 September | 31 March | 30 September | 31 March |
| **Assets** | *Note* | 2019 | 2019 | 2019 | 2019 |
| | | (Unaudited) | | (Unaudited) | |
| | | *(in thousand Baht)* | | | |
| ***Current assets*** | | | | | |
| Cash and cash equivalents | | 236,642 | 1,722,202 | 236,591 | 1,722,056 |
| Short-term deposits at financial institutions | *4* | 2,901,209 | 1,489,541 | 2,901,209 | 1,489,541 |
| Trade accounts receivable | *3, 5* | 1,053,869 | 1,203,568 | 1,053,869 | 1,203,568 |
| Other receivables | *3* | 123,551 | 74,365 | 123,402 | 74,220 |
| Inventories | *6* | 1,145,491 | 896,680 | 1,145,491 | 896,680 |
| Current portion of long-term loans to related parties | *3* | 4,750 | 4,750 | 4,750 | 4,750 |
| Current portion of other long-term investments | *9* | 15,877 | - | 15,877 | - |
| **Total current assets** | | **5,481,389** | **5,391,106** | **5,481,189** | **5,390,815** |
| ***Non-current assets*** | | | | | |
| Investments in associates | *7* | 4,853,625 | 4,961,091 | 770,364 | 770,364 |
| Investments in subsidiary | *8* | - | - | - | - |
| Other long-term investments | *9* | 223,204 | 239,081 | 223,204 | 239,081 |
| Long-term loan to related parties | *3* | 5,268,942 | 5,485,367 | 5,268,942 | 5,485,367 |
| Long-term interest receivables | *3* | 2,318,160 | 2,178,143 | 2,318,160 | 2,178,143 |
| Property, plant and equipment | *10* | 1,413,724 | 1,497,185 | 1,413,724 | 1,497,185 |
| Intangible assets | | 8,512 | 10,944 | 8,512 | 10,944 |
| Deferred tax assets | | 95,097 | 93,492 | 97,668 | 96,063 |
| Advance for purchase machinery and equipment | | 6,400 | 1,221 | 6,400 | 1,221 |
| Other non-current assets | | 2,568 | 2,649 | 2,568 | 2,649 |
| **Total non-current assets** | | **14,190,232** | **14,469,173** | **10,109,542** | **10,281,017** |
| **Total assets** | | **19,671,621** | **19,860,279** | **15,590,731** | **15,671,832** |

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

**Birla Carbon (Thailand) Public Company Limited and its Subsidiary**

**Statement of financial position**

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | 30 September | 31 March | 30 September | 31 March |
| **Liabilities and equity** | *Note* | 2019 | 2019 | 2019 | 2019 |
| | | (Unaudited) | | (Unaudited) | |
| | | *(in thousand Baht)* | | | |
| ***Current liabilities*** | | | | | |
| Trade accounts payable | *3* | 487,891 | 772,818 | 487,891 | 772,818 |
| Other payables | *3* | 250,802 | 379,959 | 250,554 | 379,700 |
| Current portion of lease liabilities | *3* | 5,438 | - | 5,438 | - |
| Current tax payable | | 164,400 | 196,224 | 164,400 | 196,224 |
| Derivatives liabilities | | 9,054 | 6,554 | 9,054 | 6,554 |
| **Total current liabilities** | | **917,585** | **1,355,555** | **917,337** | **1,355,296** |
| ***Non-current liabilities*** | | | | | |
| Lease liabilities | *3* | 3,781 | - | 3,781 | - |
| Non-current provisions for employee benefits | | 142,700 | 136,311 | 142,700 | 136,311 |
| **Total non-current liabilities** | | **146,481** | **136,311** | **146,481** | **136,311** |
| **Total liabilities** | | **1,064,066** | **1,491,866** | **1,063,818** | **1,491,607** |
| ***Equity*** | | | | | |
| Share capital: | | | | | |
| Authorised share capital | | 300,000 | 300,000 | 300,000 | 300,000 |
| Issued and paid-up share capital | | 300,000 | 300,000 | 300,000 | 300,000 |
| 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 | | 19,099,800 | 18,703,609 | 13,266,913 | 12,920,225 |
| Other components of equity | | (1,752,245) | (1,595,196) | - | - |
| **Total equity** | | **18,607,555** | **18,368,413** | **14,526,913** | **14,180,225** |
| **Total liabilities and equity** | | **19,671,621** | **19,860,279** | **15,590,731** | **15,671,832** |

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

## Birla Carbon (Thailand) Public Company Limited

### Statement of income (Unaudited)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | Three-month period ended 30 September | | Three-month period ended 30 September | |
| | *Note* | 2019 | 2018 | 2019 | 2018 |
| | | *(in thousand Baht)* | | | |
| ***Revenues*** | | | | | |
| Revenues from sales | | 1,957,662 | 2,096,449 | 1,957,662 | 2,096,449 |
| Dividend income | *3, 7* | - | - | 25,491 | - |
| Interest income | *3* | 132,432 | 125,911 | 132,432 | 125,911 |
| Other income | | 1,281 | 1,398 | 1,281 | 1,398 |
| **Total revenues** | | **2,091,375** | **2,223,758** | **2,116,866** | **2,223,758** |
| ***Expenses*** | | | | | |
| Cost of sales of goods | *3* | 1,330,783 | 1,592,400 | 1,330,783 | 1,592,400 |
| Distribution costs | *3* | 34,015 | 33,555 | 34,015 | 33,555 |
| Administrative expenses | *3* | 94,843 | 93,696 | 94,844 | 93,631 |
| Net foreign exchange loss | | 65,188 | 225,211 | 65,185 | 225,211 |
| Finance costs | | 206 | 7 | 206 | 7 |
| **Total expenses** | | **1,525,035** | **1,944,869** | **1,525,033** | **1,944,804** |
| ***Share of profit of associates*** | | | | | |
| Associates | | 72,572 | 128,906 | - | - |
| **Total** | | **72,572** | **128,906** | **-** | **-** |
| **Profit before income tax expense** | | **638,912** | **407,795** | **591,833** | **278,954** |
| Tax expense | | 113,244 | 41,123 | 113,244 | 41,123 |
| **Profit for the period** | | **525,668** | **366,672** | **478,589** | **237,831** |
| **Basic earnings per share *(in Baht)*** | | **1.75** | **1.22** | **1.60** | **0.79** |

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

## Birla Carbon (Thailand) Public Company Limited

### Statement of comprehensive income (Unaudited)

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | Three-month period ended 30 September | | Three-month period ended 30 September | |
| | 2019 | 2018 | 2019 | 2018 |
| | *(in thousand Baht)* | | | |
| **Profit for the period** | **525,668** | **366,672** | **478,589** | **237,831** |
| **Other comprehensive income** | | | | |
| ***Items that will be reclassified subsequently to profit or loss*** | | | | |
| Exchange differences on translating foreign operations | (133,557) | (48,415) | - | - |
| **Total items that will be reclassified subsequently to profit or loss** | **(133,557)** | **(48,415)** | **-** | **-** |
| ***Items that will not be reclassified subsequently to profit or loss*** | | | | |
| Share of other comprehensive income of associates, net of tax | 198 | 308 | - | - |
| **Total items that will not be reclassified subsequently to profit or loss** | **198** | **308** | **-** | **-** |
| **Other comprehensive expense for the period, net of tax** | **(133,359)** | **(48,107)** | **-** | **-** |
| **Total comprehensive income for the period** | **392,309** | **318,565** | **478,589** | **237,831** |

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

## Birla Carbon (Thailand) Public Company Limited

### Statement of income (Unaudited)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | Six-month period ended 30 September | | Six-month period ended 30 September | |
| | *Note* | 2019 | 2018 | 2019 | 2018 |
| | | *(in thousand Baht)* | | | |
| ***Revenues*** | | | | | |
| Revenues from sales | | 4,108,182 | 4,111,673 | 4,108,182 | 4,111,673 |
| Dividend income | *3, 7* | - | 47,292 | 25,491 | 72,783 |
| Interest income | *3* | 268,458 | 246,779 | 268,458 | 246,779 |
| Net foreign exchange gain | | - | 343,168 | - | 343,168 |
| Other income | | 2,732 | 2,450 | 2,732 | 2,450 |
| **Total revenues** | | **4,379,372** | **4,751,362** | **4,404,863** | **4,776,853** |
| ***Expenses*** | | | | | |
| Cost of sales of goods | *3, 6* | 2,864,146 | 3,055,917 | 2,864,146 | 3,055,917 |
| Distribution costs | *3* | 74,087 | 71,539 | 74,087 | 71,539 |
| Administrative expenses | *3* | 193,747 | 191,657 | 193,669 | 191,469 |
| Net foreign exchange loss | | 433,090 | - | 433,087 | - |
| Finance costs | | 392 | 20 | 392 | 20 |
| **Total expenses** | | **3,565,462** | **3,319,133** | **3,565,381** | **3,318,945** |
| ***Share of profit of associates*** | | | | | |
| Associates | *7* | 74,674 | 365,374 | - | - |
| **Total** | | **74,674** | **365,374** | **-** | **-** |
| **Profit before income tax expense** | | **888,584** | **1,797,603** | **839,482** | **1,457,908** |
| Tax expense | *12* | 162,794 | 256,107 | 162,794 | 256,107 |
| **Profit for the period** | | **725,790** | **1,541,496** | **676,688** | **1,201,801** |
| **Basic earnings per share *(in Baht)*** | | **2.42** | **5.14** | **2.26** | **4.01** |

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

## Birla Carbon (Thailand) Public Company Limited

### Statement of comprehensive income (Unaudited)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | Six-month period ended 30 September | | Six-month period ended 30 September | |
| | *Note* | 2019 | 2018 | 2019 | 2018 |
| | | *(in thousand Baht)* | | | |
| **Profit for the period** | | **725,790** | **1,541,496** | **676,688** | **1,201,801** |
| **Other comprehensive income** | | | | | |
| ***Items that will be reclassified subsequently to profit or loss*** | | | | | |
| Exchange differences on translating foreign operations | | (160,893) | (183,539) | - | - |
| Share of other comprehensive income of associates, net of tax | *7* | 3,844 | - | - | - |
| **Total items that will be reclassified subsequently to profit or loss** | | **(157,049)** | **(183,539)** | **-** | **-** |
| ***Items that will not be reclassified subsequently to profit or loss*** | | | | | |
| Share of other comprehensive income of associates, net of tax | *7* | 401 | 1,449 | - | - |
| **Total items that will not be reclassified subsequently to profit or loss** | | **401** | **1,449** | **-** | **-** |
| **Other comprehensive expense for the period, net of tax** | | **(156,648)** | **(182,090)** | **-** | **-** |
| **Total comprehensive income for the period** | | **569,142** | **1,359,406** | **676,688** | **1,201,801** |

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

**Birla Carbon (Thailand) Public Company Limited**

**Statement of changes in equity (Unaudited)**

| | | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Retained earnings | | Other components of equity | | | |
| | *Note* | 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 |
| | | | | | *(in thousand Baht)* | | | | |
| **Six-month period ended 30 September 2018** | | | | | | | | | |
| **Balance at 1 April 2018** | | **300,000** | **930,000** | **30,000** | **16,427,715** | **(1,351,682)** | **2,222** | **(1,349,460)** | **16,338,255** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | |
| Dividend to owners of the Company | *13* | - | - | - | (300,000) | - | - | - | (300,000) |
| **Total transactions with owners, recorded directly in equity** | | **-** | **-** | **-** | **(300,000)** | **-** | **-** | **-** | **(300,000)** |
| **Comprehensive income for the period** | | | | | | | | | |
| Profit | | - | - | - | 1,541,496 | - | - | - | 1,541,496 |
| Other comprehensive income | | - | - | - | 1,449 | (183,539) | - | (183,539) | (182,090) |
| **Total comprehensive income for the period** | | **-** | **-** | **-** | **1,542,945** | **(183,539)** | **-** | **(183,539)** | **1,359,406** |
| **Balance at 30 September 2018** | | **300,000** | **930,000** | **30,000** | **17,670,660** | **(1,535,221)** | **2,222** | **(1,532,999)** | **17,397,661** |

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

**Birla Carbon (Thailand) Public Company Limited**

**Statement of changes in equity (Unaudited)**

| | | Consolidated financial statements | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | Retained earnings | | Other components of equity | | | |
| | *Note* | 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 |
| | | | | | *(in thousand Baht)* | | | | |
| **Six-month period ended 30 September 2019** | | | | | | | | | |
| **Balance at 1 April 2019** | | **300,000** | **930,000** | **30,000** | **18,703,609** | **(1,597,418)** | **2,222** | **(1,595,196)** | **18,368,413** |
| **Transactions with owners, recorded directly in equity** | | | | | | | | | |
| Dividend to owners of the Company | *13* | - | - | - | (330,000) | - | - | - | (330,000) |
| **Total transactions with owners, recorded directly in equity** | | **-** | **-** | **-** | **(330,000)** | **-** | **-** | **-** | **(330,000)** |
| **Comprehensive income for the period** | | | | | | | | | |
| Profit | | - | - | - | 725,790 | - | - | - | 725,790 |
| Other comprehensive income | | - | - | - | 401 | (160,893) | 3,844 | (157,049) | (156,648) |
| **Total comprehensive income for the period** | | **-** | **-** | **-** | **726,191** | **(160,893)** | **3,844** | **(157,049)** | **569,142** |
| **Balance at 30 September 2019** | | **300,000** | **930,000** | **30,000** | **19,099,800** | **(1,758,311)** | **6,066** | **(1,752,245)** | **18,607,555** |

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

## Birla Carbon (Thailand) Public Company Limited

**Statement of changes in equity (Unaudited)**

| | | Separate financial statements | | | | |
|---|---|---|---|---|---|---|
| | | | | Retained earnings | | |
| | *Note* | Issued and paid share capital | Share premium | Legal reserve | Unappropriated | Total equity |
| | | | | *(in thousand Baht)* | | |
| **Six-month period ended 30 September 2018** | | | | | | |
| **Balance at 1 April 2018** | | **300,000** | **930,000** | **30,000** | **11,251,824** | **12,511,824** |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| Dividend to owners of the Company | *13* | - | - | - | (300,000) | (300,000) |
| **Total transactions with owners, recorded directly in equity** | | **-** | **-** | **-** | **(300,000)** | **(300,000)** |
| **Comprehensive income for the period** | | | | | | |
| Profit | | - | - | - | 1,201,801 | 1,201,801 |
| **Total comprehensive income for the period** | | **-** | **-** | **-** | **1,201,801** | **1,201,801** |
| **Balance at 30 September 2018** | | **300,000** | **930,000** | **30,000** | **12,153,625** | **13,413,625** |

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

## Birla Carbon (Thailand) Public Company Limited

**Statement of changes in equity (Unaudited)**

| | | Separate financial statements | | | | |
|---|---|---|---|---|---|---|
| | | | | Retained earnings | | |
| | *Note* | Issued and paid share capital | Share premium | Legal reserve | Unappropriated | Total equity |
| | | | | *(in thousand Baht)* | | |
| **Six-month period ended 30 September 2019** | | | | | | |
| **Balance at 1 April 2019** | | **300,000** | **930,000** | **30,000** | **12,920,225** | **14,180,225** |
| **Transactions with owners, recorded directly in equity** | | | | | | |
| Dividend to owners of the Company | *13* | - | - | - | (330,000) | (330,000) |
| **Total transactions with owners, recorded directly in equity** | | **-** | **-** | **-** | **(330,000)** | **(330,000)** |
| **Comprehensive income for the period** | | | | | | |
| Profit | | - | - | - | 676,688 | 676,688 |
| **Total comprehensive income for the period** | | **-** | **-** | **-** | **676,688** | **676,688** |
| **Balance at 30 September 2019** | | **300,000** | **930,000** | **30,000** | **13,266,913** (1) | **14,526,913** |

(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

### Statement of cash flows (Unaudited)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | Six-month period ended 30 September | | Six-month period ended 30 September | |
| | *Note* | 2019 | 2018 | 2019 | 2018 |
| | | *(in thousand Baht)* | | | |
| ***Cash flows from operating activities*** | | | | | |
| Profit for the period | | 725,790 | 1,541,496 | 676,688 | 1,201,801 |
| *Adjustments to reconcile profit to cash receipts* | | | | | |
| Depreciation and amortisation | | 116,006 | 107,922 | 116,006 | 107,922 |
| Losses on inventories devaluation | *6* | - | 1,767 | - | 1,767 |
| Dividend income | *3, 7* | - | (47,292) | (25,491) | (72,783) |
| Interest income | | (268,458) | (246,779) | (268,458) | (246,779) |
| Finance costs | | 392 | 20 | 392 | 20 |
| Unrealised loss (gain) on exchange rate | | 408,825 | (293,691) | 408,825 | (293,682) |
| Unrealised loss on derivatives | | 2,500 | 19,893 | 2,500 | 19,893 |
| Share of profit of associates, net of tax | *7* | (74,674) | (365,374) | - | - |
| Provision for employee benefits | | 6,389 | 5,022 | 6,389 | 5,022 |
| Tax expense | | 162,794 | 256,107 | 162,794 | 256,107 |
| | | 1,079,564 | 979,091 | 1,079,645 | 979,288 |
| *Changes in operating assets and liabilities* | | | | | |
| Trade accounts receivable | | 148,910 | 38,723 | 148,910 | 38,723 |
| Other receivables | | (58,060) | (46,018) | (58,057) | (45,986) |
| Inventories | | (248,811) | (682,691) | (248,811) | (682,691) |
| Other non-current assets | | 81 | 18 | 81 | 18 |
| Trade accounts payable | | (299,517) | 580,784 | (299,517) | 580,784 |
| Other payables | | (50,392) | (16,476) | (50,381) | (16,611) |
| Net cash generated from operating | | 571,775 | 853,431 | 571,870 | 853,525 |
| Employee benefit paid | | - | (652) | - | (652) |
| Tax paid | | (197,237) | (73,891) | (197,237) | (73,891) |
| **Net cash from operating activities** | | **374,538** | **778,888** | **374,633** | **778,982** |

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

## Birla Carbon (Thailand) Public Company Limited

### Statement of cash flows (Unaudited)

| | | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|---|
| | | Six-month period ended 30 September | | Six-month period ended 30 September | |
| | *Note* | 2019 | 2018 | 2019 | 2018 |
| | | *(in thousand Baht)* | | | |
| ***Cash flows from investing activities*** | | | | | |
| Increase in short-term deposits at financial institutions | | (1,504,705) | - | (1,504,705) | - |
| Proceeds from redemption of other long-term investments | | - | 1,357,400 | - | 1,357,400 |
| Interest received | | 50,193 | 12,810 | 50,193 | 12,810 |
| Dividend received | | 25,491 | 72,783 | 25,491 | 72,783 |
| Acquisition of property, plant and equipment | | (97,045) | (49,675) | (97,045) | (49,675) |
| Advance for purchase of machinery and equipment | | (5,179) | (56,246) | (5,179) | (56,246) |
| Proceeds from sale of property, plant and equipment | | - | 10 | - | 10 |
| Proceeds from repayment of long-term loans to related parties | *3* | 4,175 | - | 4,175 | - |
| **Net cash from (used in) investing activities** | | **(1,527,070)** | **1,337,082** | **(1,527,070)** | **1,337,082** |
| ***Cash flows from financing activities*** | | | | | |
| Interest paid | | (392) | (20) | (392) | (20) |
| Dividend paid | *13* | (330,020) | (300,000) | (330,020) | (300,000) |
| Payment for reduction of the outstanding liability relating to finance leases | *3* | (2,593) | - | (2,593) | - |
| Proceeds from borrowings | | 134,000 | - | 134,000 | - |
| Repayment of borrowings | | (134,000) | - | (134,000) | - |
| **Net cash used in financing activities** | | **(333,005)** | **(300,020)** | **(333,005)** | **(300,020)** |
| Net (decrease) increase in cash and cash equivalents, before effect of exchange rates | | (1,485,537) | 1,815,950 | (1,485,442) | 1,816,044 |
| Effect of exchange rate changes on cash and cash equivalents | | (23) | 22,616 | (23) | 22,616 |
| **Net (decrease) increase in cash and cash equivalents** | | **(1,485,560)** | **1,838,566** | **(1,485,465)** | **1,838,660** |
| Cash and cash equivalents at 1 April | | 1,722,202 | 381,348 | 1,722,056 | 381,185 |
| **Cash and cash equivalents at 30 September** | | **236,642** | **2,219,914** | **236,591** | **2,219,845** |
| ***Non-cash transactions*** | | | | | |
| Payables for purchases of machinery and equipment | | 70,925 | 49,830 | 70,925 | 49,830 |
| Accrued dividend | | 7,876 | 6,420 | 7,876 | 6,420 |
| Right-of-use assets (buildings and constructions) | | 11,812 | - | 11,812 | - |

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

| Note | Contents |
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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 Board of Directors on 12 November 2019.

## 1 General information

The principal activities of the Group are the manufacture and sale of carbon black. Details of the Company's subsidiary and associates as at 30 September 2019 and 31 March 2019 are given in notes 7 and 8.

## 2 Basis of preparation of the financial statements

### *(a) Statement of compliance*

The condensed primary interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting,* guidelines promulgated by the Federation of Accounting Professions 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 2019. 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 2019.

### *(b) Use of judgments, estimates and accounting policies*

In preparing these interim financial statements, judgements and estimates are 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 2019.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the consolidated and separate financial statements for the year ended 31 March 2019 except that the Group has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2019 and adopted TFRS 16 that is effective for annual periods beginning on or after 1 January 2020.

The primary changes are that the Group has initially adopted TFRS 15 *Revenue from Contracts with Customers* ("TFRS 15"), which replaced TAS 18 *Revenue* ("TAS 18") and related interpretations and TFRS 16 *Leases* ("TFRS 16"), which replaced TAS 17 *Leases* ("TAS 17") and related interpretations.

Under TFRS 15, the Group recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the consolidated and separate financial statements.

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Whereas, under TAS 17, the Group recognises payments made under operating leases in profit or loss on a straight line basis over the term of the lease. Such change in accounting policy has no material impacts on the consolidated and separate financial statements.

In addition, the Group has not early adopted a number of new and revised TFRS which are not yet effective for current period in preparing these interim financial statements before the effective date except TFRS 16. Those new and revised TFRS that are relevant to the Group's operations are disclosed in note 15.

## 3 Related parties

Relationships with subsidiary and associates are described in note 7 and 8.

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

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| ***Three-month period ended 30 September*** | 2019 | 2018 | 2019 | 2018 |
| | *(in thousand Baht)* | | | |
| **Associates** | | | | |
| Interest income | 111,769 | 112,505 | 111,769 | 112,505 |
| Dividend income | - | - | 25,491 | - |
| Purchase of goods | 28 | - | 28 | - |
| **Key management personnel** | | | | |
| Interest income | 64 | - | 64 | - |
| Key management personnel compensation | | | | |
| Short-term employee benefit | 12,086 | 7,609 | 12,086 | 7,609 |
| Total key management personnel compensation | 12,086 | 7,609 | 12,086 | 7,609 |
| **Directors' remuneration** | **858** | **848** | **858** | **848** |
| **Other related parties** | | | | |
| Cost reduction from sales of electricity and steam generated from manufacturing process | 98,074 | 78,404 | 98,074 | 78,404 |
| Expenses charged to related parties | 37,869 | 16,128 | 37,869 | 16,128 |
| Purchase of goods | - | 1,072,119 | - | 1,072,119 |
| Expenses charged by related parties | 2,334 | 2,599 | 2,334 | 2,599 |
| Royalty expense | 29,772 | 26,381 | 29,772 | 26,381 |
| Rental expenses | - | 810 | - | 810 |
| Finance cost | 104 | - | 104 | - |

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| ***Six-month period ended 30 September*** | 2019 | 2018 | 2019 | 2018 |
| | *(in thousand Baht)* | | | |
| **Associates** | | | | |
| Interest income | 228,153 | 218,727 | 228,153 | 218,727 |
| Dividend income | - | - | 25,491 | 25,491 |
| Purchase of goods | 84 | - | 84 | - |
| **Key management personnel** | | | | |
| Interest income | 134 | - | 134 | - |
| Key management personnel compensation | | | | |
| Short-term employee benefit | 18,310 | 15,656 | 18,310 | 15,656 |
| Total key management personnel compensation | 18,310 | 15,656 | 18,310 | 15,656 |
| **Directors' remuneration** | **1,741** | **1,731** | **1,741** | **1,731** |
| **Other related parties** | | | | |
| Cost reduction from sales of electricity and steam generated from manufacturing process | 184,549 | 157,237 | 184,549 | 157,237 |
| Expenses charged to related parties | 62,392 | 47,958 | 62,392 | 47,958 |
| Purchase of goods | - | 1,239,231 | - | 1,239,231 |
| Expenses charged by related parties | 14,753 | 15,902 | 14,753 | 15,902 |
| Royalty expense | 55,714 | 51,585 | 55,714 | 51,585 |
| Rental expenses | - | 1,620 | - | 1,620 |
| Finance cost | 218 | - | 218 | - |

Balances as at 30 September 2019 and 31 March 2019 with related parties were as follows:

| ***Trade accounts receivable - related party*** | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | | | |
| Other related party | 67,352 | 54,300 | 67,352 | 54,300 |
| **Total** | **67,352** | **54,300** | **67,352** | **54,300** |

| ***Other receivables - related parties*** | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | | | |
| Associate | 19 | - | 19 | - |
| Other related parties | 5,503 | 4,835 | 5,503 | 4,835 |
| **Total** | **5,522** | **4,835** | **5,522** | **4,835** |

| ***Interest receivables - related party*** | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | | | |
| Associate | 2,318,160 | 2,178,143 | 2,318,160 | 2,178,143 |
| **Total** | **2,318,160** | **2,178,143** | **2,318,160** | **2,178,143** |

| ***Long-term loans to related parties*** | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | | | |
| Associate | 5,260,450 | 5,472,700 | 5,260,450 | 5,472,700 |
| Key management personnel | | | | |
| Current portion | 4,750 | 4,750 | 4,750 | 4,750 |
| Non-current portion | 8,492 | 12,667 | 8,492 | 12,667 |
| Total | 13,242 | 17,417 | 13,242 | 17,417 |
| **Total** | **5,273,692** | **5,490,117** | **5,273,692** | **5,490,117** |

Movements during the six-month period ended 30 September of long-term loan to related party were as follows:

| ***Long-term loans to related parties*** | **Interest rate** | **Consolidated financial statements** | **Separate financial statements** |
|---|---|---|---|
| | | 2019 | 2019 |
| | *(% per annum)* | *(in thousand Baht)* | |
| ***Associate*** | LIBOR+3.5 | | |
| At 1 April | | 5,472,700 | 5,472,701 |
| Unrealised loss on exchange | | (212,250) | (185,324) |
| **At 30 September** | | **5,260,450** | **5,287,377** |
| | | | |
| ***Key management personnel*** | 1.8 | | |
| At 1 April | | 17,417 | 17,417 |
| Decrease | | (4,175) | (4,175) |
| **At 30 September** | | **13,242** | **13,242** |

| ***Trade accounts payable - related parties*** | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | | | |
| Other related parties | - | 36,408 | - | 36,408 |
| **Total** | **-** | **36,408** | **-** | **36,408** |

| ***Other payables - related parties*** | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | | | |
| Other related parties | 27,762 | 85,532 | 27,762 | 85,532 |
| **Total** | **27,762** | **85,532** | **27,762** | **85,532** |

| ***Lease liabilities - related party*** | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | | | |
| Other related party | | | | |
| Current portion | 2,941 | - | 2,941 | - |
| Non-current portion | 3,132 | - | 3,132 | - |
| **Total** | **6,073** | **-** | **6,073** | **-** |

Movement during the six-month period ended 30 September of lease liabilities were as follows:

| ***Lease liabilities - related party*** | **Consolidated financial statements** | | **Separate financial statements** | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | *(in thousand Baht)* | | | |
| Other related party | | | | |
| At 1 April | - | - | - | - |
| Increase | 7,475 | - | 7,475 | - |
| Decrease | (1,402) | - | (1,402) | - |
| **At 30 September** | **6,073** | **-** | **6,073** | **-** |

## 4 Short-term deposits at financial institutions

As at 30 September 2019, the Company had short-term deposits at local financial institutions, amounting to Baht 2,901 million *(31 March 2019: Baht 1,490 million)*, which was bearing interest at the rate of 1.60 - 2.66% per annum *(31 March 2019: 3.02% per annum)* and matured in October to December 2019.

## 5 Trade accounts receivable

| | Consolidated and separate financial statements | |
|---|---|---|
| | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | |
| **Related party** | | |
| Within credit terms | 67,352 | 54,300 |
| | **67,352** | **54,300** |
| *Less* allowance for doubtful accounts | - | - |
| | **67,352** | **54,300** |
| **Other parties** | | |
| Within credit terms | 980,032 | 1,108,790 |
| Overdue: | | |
| Less than 3 months | 6,485 | 40,478 |
| | **986,517** | **1,149,268** |
| *Less* allowance for doubtful accounts | - | - |
| | **986,517** | **1,149,268** |
| **Net** | **1,053,869** | **1,203,568** |

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

## 6 Inventories

| | Consolidated and separate financial statements | |
|---|---|---|
| | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | |
| Finished goods | 348,174 | 402,893 |
| Raw materials | 731,737 | 418,341 |
| Factory supplies and spare parts | 114,841 | 124,707 |
| | 1,194,752 | 945,941 |
| *Less* allowance for inventories deterioration | (49,261) | (49,261) |
| **Net** | **1,145,491** | **896,680** |

| ***Six-month period ended 30 September*** | Consolidated and separate financial statements | |
|---|---|---|
| | 2019 | 2018 |
| | *(in thousand Baht)* | |
| Inventories recognised as an expense in 'cost of sales of goods': | | |
| - Cost | 2,864,146 | 3,054,150 |
| - Write-down to net realisable value | - | 1,767 |
| **Total** | **2,864,146** | **3,055,917** |

## 7 Investments in associates

| | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| ***Six-month period ended 30 September*** | 2019 | 2018 | 2019 | 2018 |
| | *(in thousand Baht)* | | | |
| **Associates** | | | | |
| At 1 April | 4,961,091 | 4,599,195 | 770,364 | 770,364 |
| Share of net profits of associates | 74,674 | 365,374 | - | - |
| Share of other comprehensive income, net of tax | 4,245 | 619 | - | - |
| Dividend income | (25,491) | (25,491) | - | - |
| Currency translation differences | (160,894) | (182,701) | - | - |
| **At 30 September** | **4,853,625** | **4,756,996** | **770,364** | **770,364** |

During the six-month period ended 30 September 2019, there were no acquisitions and disposals of investments in associates.

Investments in associates as at 30 September 2019 and 31 March 2019, and dividend income from those investments for the six-month periods ended 30 September were as follows:

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **Consolidated financial statements** | | | | |
| | | | | | | | | | | | | Dividend income for the six-month period ended |
| Type of business | | Country of operation | Ownership interest | | Paid-up capital | | Cost | | Equity | | | |
| | | | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 30 September 2018 |
| | | | *(%)* | | | | *(in thousand Baht)* | | | | | |
| **Associates** | | | | | | | | | | | | |
| P.T. Indo Liberty Textiles | Textiles manufacturing | Indonesia | 40.00 | 40.00 | 515,664 | 515,664 | 196,948 | 196,948 | 315,463 | 336,286 | - | - |
| Aditya Birla Chemicals (Thailand) Limited | Chemical manufacturing | Thailand | 29.99 | 29.99 | 1,700,000 | 1,700,000 | 509,820 | 509,820 | 3,902,217 | 4,026,145 | 25,491 | 25,491 |
| Indigold Carbon (Mauritius) Limited | Investment holding | Mauritius | 20.59 | 20.59 | 308,870 | 308,870 | 63,596 | 63,596 | 635,945 | 598,660 | - | - |
| **Total** | | | | | | | **770,364** | **770,364** | **4,853,625** | **4,961,091** | **25,491** | **25,491** |

| | | | | | | | **Separate financial statements** | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income for the six-month period ended | |
| | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 30 September 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 | 25,491 | 25,491 |
| Indigold Carbon (Mauritius) Limited | 20.59 | 20.59 | 308,870 | 308,870 | 63,596 | 63,596 | - | - | 63,596 | 63,596 | - | - |
| **Total** | | | | | **770,364** | **770,364** | **-** | **-** | **770,364** | **770,364** | **25,491** | **25,491** |

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

## 8 Investments in subsidiary

Investments in subsidiary as at 30 September 2019 and 31 March 2019 and dividend income from the subsidiary for the six-month period ended 30 September were as follows:

| Name of subsidiary | Type of business | Ownership interest | | Paid-up capital | | Cost | | Impairment | | At cost - net | | Dividend income for the six-month period ended | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 31 March 2019 | 30 September 2019 | 30 September 2018 |
| | | *(%)* | | | | *(in thousand Baht)* | | | | | | | |
| **Direct subsidiary** | | | | | | | | | | | | | |
| Birla Carbon Mexico, S.A. DE C.V. | Carbon Manufacturing | 98 | 98 | 12,854 | 12,854 | 12,854 | 12,854 | (12,854) | (12,854) | - | - | - | - |
| **Total** | | | | | | **12,854** | **12,854** | **(12,854)** | **(12,854)** | **-** | **-** | **-** | **-** |

## 9 Other long-term investments

| | Consolidated and separate financial statements | |
|---|---|---|
| | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | |
| ***Current portion*** | | |
| Long-term deposits at a financial institution | **15,877** | **-** |
| ***Non-current portion*** | | |
| Long-term deposits at a financial institution | - | 15,877 |
| Other non-marketable equity securities | 223,204 | 223,204 |
| **Total** | **223,204** | **239,081** |

*Long-term deposits at a financial institution*

As at 30 September 2019, the Company had long-term deposits at a local financial institution, amounting to Baht 16 million *(31 March 2019: Baht 16 million)*, which was bearing interest at the rate of 1.25% per annum *(31 March 2019: 1.25% per annum)* and matured in March 2020.

| *Other non-marketable equity securities* | Consolidated financial statements | | Separate financial statements | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | *(in thousand Baht)* | | | |
| Cost of investments at 1 April | 386,958 | 1,744,358 | 489,160 | 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 September** | **223,204** | **223,204** | **223,204** | **223,204** |

During the six-month period ended 30 September 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 six-month period ended 30 September were as follows:

| | **Consolidated and separate financial statements** | | | |
|---|---|---|---|---|
| ***Six-month period ended 30 September*** | 2019 | | 2018 | |
| | 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 |
| | | *(in thousand Baht)* | | |
| Buildings and constructions | 11,812 | - | - | - |
| Machinery and equipment | 359,708 | - | 70,736 | (10) |
| Vehicles | 1,406 | - | - | - |
| Furniture and fixtures | 5,802 | - | 82 | - |
| Assets under construction and installation | 14,425 | (363,041) | 34,947 | (62,973) |
| **Total** | **393,153** | **(363,041)** | **105,765** | **(62,983)** |

## 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 six-month periods ended 30 September 2019 and 2018 in the consolidated financial statements were 18.32% and 14.25%, respectively (*separate financial statements for the six-month periods ended 30 September 2019 and 2018: 19.39% and 17.57%, 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) of 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

The dividends paid by the Group to the shareholders are as follows:

| | Approval date | Payment schedule | Dividend rate per share *(Baht)* | Amount *(in million Baht)* |
|---|---|---|---|---|
| *2019* | | | | |
| Annual dividend | 30 July 2019 | August 2019 | **1.10** | **330** |
| *2018* | | | | |
| Annual dividend | 24 July 2018 | August 2018 | **1.00** | **300** |

## 14 Commitments and contingent liabilities with non-related parties

| | **Consolidated and separate financial statements** | |
|---|---|---|
| | 30 September 2019 | 31 March 2019 |
| | *(in thousand Baht)* | |
| ***Capital commitments*** | | |
| Machinery and equipment | 59,176 | 20,966 |
| **Total** | **59,176** | **20,966** |
| ***Non-cancellable operating lease commitments*** | | |
| Within one year | 495 | 3,732 |
| After one year but within five years | 5,797 | 1,838 |
| **Total** | **6,292** | **5,570** |
| ***Other commitments*** | | |
| Bank guarantees for electricity use *(for own performance)* | 13,548 | 13,548 |
| **Total** | **13,548** | **13,548** |

***Operating lease agreements***

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

***Bank guarantee***

As at 30 September 2019, the Company had outstanding bank guarantees issued by the bank for electricity use amounting to Baht 14 million *(31 March 2019: Baht 14 million)* and no outstanding letter of credit issued by the bank to guarantee payments to creditors *(31 March 2019: USD 28.56 million)*.

## 15 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Group's operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

| TFRS | Topic |
|---|---|
| TFRS 7* | Financial Instruments: Disclosures |
| TFRS 9* | Financial Instruments |
| TAS 32* | Financial Instruments: Presentation |
| TFRIC 16* | Hedges of a Net Investment in a Foreign Operation |
| TFRIC 19* | Extinguishing Financial Liabilities with Equity Instruments |

* TFRS - Financial instruments standards

***TFRS - Financial instruments standards***

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

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