

Salee Colour Public Company Limited and its subsidiaries  
Review report and interim financial statements  
For the three-month and six-month periods ended  
30 June 2016

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

To the Shareholders of Salee Colour Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Salee Colour Public Company Limited and its subsidiaries as at 30 June 2016, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Salee Colour Public Company Limited for the same period. 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*.

Sumalee Reewarabandith  
Certified Public Accountant (Thailand) No. 3970

EY Office Limited  
Bangkok: 15 August 2016

**Salee Colour Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 June 2016**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		9,452	20,265	3,844	8,343
Trade and other receivables	3, 4	189,314	171,164	88,422	79,637
Inventories	5	149,846	159,438	86,815	96,909
Value added tax refundable		1,820	2,683	1,820	2,683
Other current assets		3,144	3,579	2,420	3,376
<b>Total current assets</b>		<b>353,576</b>	<b>357,129</b>	<b>183,321</b>	<b>190,948</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	62,757	62,637
Property, plant and equipment	7	677,390	683,829	664,894	670,831
Intangible assets		3,018	3,431	3,018	3,431
Deferred tax assets		5,118	5,179	5,118	5,179
Advances for purchases of machinery and equipment		15,765	-	15,765	-
Other non-current assets		14,998	12,268	14,998	12,198
<b>Total non-current assets</b>		<b>716,289</b>	<b>704,707</b>	<b>766,550</b>	<b>754,276</b>
<b>Total assets</b>		<b>1,069,865</b>	<b>1,061,836</b>	<b>949,871</b>	<b>945,224</b>

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

**Salee Colour Public Company Limited and its subsidiaries**

**Statement of financial position (continued)**

**As at 30 June 2016**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2016	31 December 2015	30 June 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	8	84,191	90,447	30,391	39,211
Trade and other payables	3	156,830	135,009	76,062	63,139
Short-term loans from related parties	3	-	-	28,200	7,200
Current portion of long-term loans from banks	9	53,342	51,444	53,342	51,444
Current portion of liabilities under finance leases	7	2,093	2,859	2,093	2,859
Other current liabilities		969	1,244	618	988
<b>Total current liabilities</b>		<b>297,425</b>	<b>281,003</b>	<b>190,706</b>	<b>164,841</b>
<b>Non-current liabilities</b>					
Long-term loans from banks	9	36,749	63,881	36,749	63,881
Liabilities under finance leases	7	4,011	3,688	4,011	3,688
Provision for long-term employee benefits		4,726	4,349	4,422	4,071
<b>Total non-current liabilities</b>		<b>45,486</b>	<b>71,918</b>	<b>45,182</b>	<b>71,640</b>
<b>Total liabilities</b>		<b>342,911</b>	<b>352,921</b>	<b>235,888</b>	<b>236,481</b>
<b>Shareholders' equity</b>					
Share capital	10				
Registered					
652,343,752 ordinary shares of Baht 1 each		652,344	652,344	652,344	652,344
Issued and paid-up					
583,189,107 ordinary shares of Baht 1 each (31 December 2015: 582,537,368 ordinary shares of Baht 1 each)		583,189	582,537	583,189	582,537
Premium on ordinary shares		106,073	105,590	106,073	105,590
Capital reserve for share-based payments	11	5,447	4,636	5,447	4,636
Retained earnings					
Appropriated - statutory reserve		4,020	4,020	4,020	4,020
Unappropriated		28,225	12,132	15,254	11,960
<b>Total shareholders' equity</b>		<b>726,954</b>	<b>708,915</b>	<b>713,983</b>	<b>708,743</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,069,865</b>	<b>1,061,836</b>	<b>949,871</b>	<b>945,224</b>
		-	-	-	-

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

Directors

(Unaudited but reviewed)

**Salee Colour Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the three-month period ended 30 June 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2016	2015	2016	2015
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		225,958	228,958	107,380	108,731
Other income		1,301	975	19,051	11,577
<b>Total revenues</b>		<u>227,259</u>	<u>229,933</u>	<u>126,431</u>	<u>120,308</u>
<b>Expenses</b>					
Cost of sales and services		183,170	185,017	86,643	88,268
Selling and service expenses		16,875	14,671	13,131	11,224
Administrative expenses		17,966	15,568	20,419	19,041
<b>Total expenses</b>		<u>218,011</u>	<u>215,256</u>	<u>120,193</u>	<u>118,533</u>
<b>Profit before finance cost and income tax expenses</b>		<u>9,248</u>	<u>14,677</u>	<u>6,238</u>	<u>1,775</u>
Finance cost		(1,930)	(2,673)	(1,758)	(2,422)
<b>Profit (loss) before income tax expenses</b>		<u>7,318</u>	<u>12,004</u>	<u>4,480</u>	<u>(647)</u>
Tax income (income tax expenses)	12	(59)	1,774	(59)	1,774
<b>Profit for the period</b>		<u>7,259</u>	<u>13,778</u>	<u>4,421</u>	<u>1,127</u>
<b>Other comprehensive income for the period</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gains		-	646	-	720
(Less): Income tax effect		-	(144)	-	(144)
<b>Other comprehensive income for the period</b>		<u>-</u>	<u>502</u>	<u>-</u>	<u>576</u>
<b>Total comprehensive income for the period</b>		<u>7,259</u>	<u>14,280</u>	<u>4,421</u>	<u>1,703</u>

(Unit: Baht)

<b>Earnings per share</b>	13				
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		<u>0.0124</u>	<u>0.0237</u>	<u>0.0076</u>	<u>0.0019</u>
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		<u>0.0124</u>	<u>0.0236</u>	<u>0.0076</u>	<u>0.0019</u>

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

(Unaudited but reviewed)

**Salee Colour Public Company Limited and its subsidiaries**

**Statement of comprehensive income**

**For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2016	2015	2016	2015
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		467,043	442,294	214,843	203,034
Other income		2,197	2,110	34,555	34,150
<b>Total revenues</b>		<u>469,240</u>	<u>444,404</u>	<u>249,398</u>	<u>237,184</u>
<b>Expenses</b>					
Cost of sales and services		379,259	355,267	175,615	165,565
Selling and service expenses		33,641	29,232	25,479	22,214
Administrative expenses		36,091	30,271	41,319	37,443
<b>Total expenses</b>		<u>448,991</u>	<u>414,770</u>	<u>242,413</u>	<u>225,222</u>
<b>Profit before finance cost and income tax expenses</b>		<u>20,249</u>	<u>29,634</u>	<u>6,985</u>	<u>11,962</u>
Finance cost		(4,095)	(5,698)	(3,630)	(5,000)
<b>Profit before income tax expenses</b>		<u>16,154</u>	<u>23,936</u>	<u>3,355</u>	<u>6,962</u>
Tax income (income tax expenses)	12	(61)	35	(61)	35
<b>Profit for the period</b>		<u>16,093</u>	<u>23,971</u>	<u>3,294</u>	<u>6,997</u>
<b>Other comprehensive income for the period</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial gains		-	646	-	720
(Less): Income tax effect		-	(144)	-	(144)
<b>Other comprehensive income for the period</b>		<u>-</u>	<u>502</u>	<u>-</u>	<u>576</u>
<b>Total comprehensive income for the period</b>		<u>16,093</u>	<u>24,473</u>	<u>3,294</u>	<u>7,573</u>

(Unit: Baht)

<b>Earnings per share</b>	13				
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		<u>0.0276</u>	<u>0.0412</u>	<u>0.0057</u>	<u>0.0120</u>
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		<u>0.0276</u>	<u>0.0412</u>	<u>0.0056</u>	<u>0.0120</u>

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

(Unaudited but reviewed)

**Salee Colour Public Company Limited and its subsidiaries**

**Statement of cash flows**

**For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Profit before tax	16,154	23,936	3,355	6,962
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	25,551	26,047	24,963	25,459
Bad debts and allowance for doubtful debts (reversal)	(6)	(160)	(6)	5
Reduction of cost of inventories to net realisable value (reversal)	(829)	4,216	(1,395)	4,513
Provision for long-term employee benefits	377	644	351	573
(Gain) loss on sales and write-off equipment and intangible assets	852	(213)	852	(213)
Expenses in relation to share-based payments	1,134	1,905	1,014	1,780
Interest income	(19)	(132)	(9)	(104)
Interest expense	4,095	5,698	3,630	5,000
Profit from operating activities before changes in operating assets and liabilities	47,309	61,941	32,755	43,975
Decrease (increase) in operating assets				
Trade and other receivables	(18,144)	(28,523)	(12,779)	(5,474)
Inventories	10,421	(39,908)	11,489	(16,626)
Other current assets	1,298	1,245	1,819	1,428
Other non-current assets	(1,557)	(218)	(1,564)	(232)
Increase (decrease) in operating liabilities				
Trade and other payables	21,852	46,417	12,949	23,566
Other current liabilities	(275)	279	(370)	136
Cash flows from operating activities	60,904	41,233	44,299	46,773
Cash paid for income tax	(1,173)	(1,467)	(1,236)	(1,404)
<b>Net cash from operating activities</b>	<b>59,731</b>	<b>39,766</b>	<b>43,063</b>	<b>45,369</b>

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

(Unaudited but reviewed)

**Salee Colour Public Company Limited and its subsidiaries**

**Statement of cash flows (continued)**

**For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
Interest received	19	132	9	104
Dividend received from a subsidiary	-	-	4,000	-
Increase in short-term loans to a related party	-	-	-	(6,500)
Acquisitions of building and equipment	(18,261)	(3,100)	(18,175)	(3,100)
Advances for purchases of machinery and equipment	(15,765)	-	(15,765)	-
Proceeds from sales of equipment	41	227	41	227
Acquisitions of intangible assets	(76)	(28)	(76)	(28)
<b>Net cash used in investing activities</b>	<b>(34,042)</b>	<b>(2,769)</b>	<b>(29,966)</b>	<b>(9,297)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from banks	(6,256)	(12,066)	(8,820)	(6,907)
Increase in short-term loans from related parties	-	-	21,000	-
Repayment of long-term loans from banks	(25,234)	(21,690)	(25,234)	(19,710)
Repayment of liabilities under finance leases	(1,698)	(1,759)	(1,698)	(1,759)
Cash receipts from share subscriptions as a result of warrant exercised	812	561	812	561
Cash paid for interest expense	(4,126)	(5,707)	(3,656)	(5,012)
<b>Net cash used in financing activities</b>	<b>(36,502)</b>	<b>(40,661)</b>	<b>(17,596)</b>	<b>(32,827)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(10,813)</b>	<b>(3,664)</b>	<b>(4,499)</b>	<b>3,245</b>
Cash and cash equivalents at beginning of period	20,265	22,522	8,343	10,981
<b>Cash and cash equivalents at end of period</b>	<b>9,452</b>	<b>18,858</b>	<b>3,844</b>	<b>14,226</b>
	-		-	
<b>Supplemental cash flows information:</b>				
Non-cash transactions				
Acquisitions of motor vehicles by finance leases	1,255	3,261	1,255	3,261
Increase in investment in a subsidiary through the issuance of warrants to purchase the Company's ordinary shares to directors and/or employees of the subsidiary	-	-	120	125
Actuarial gains	-	646	-	720

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



(Unaudited but reviewed)

**Salee Colour Public Company Limited and its subsidiaries**

**Statement of changes in shareholders' equity**

**For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	Consolidated financial statements					
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payments	Retained earnings Appropriated - statutory reserve	Unappropriated (Deficit)	Total
<b>Balance as at 1 January 2015</b>	581,655	104,940	1,864	3,702	(21,234)	670,927
Profit for the period	-	-	-	-	23,971	23,971
Other comprehensive income for the period	-	-	-	-	502	502
Total comprehensive income for the period	-	-	-	-	24,473	24,473
Issuance of ordinary shares as a result of warrants exercised	452	334	(225)	-	-	561
Share-based payments (Note 11)	-	-	1,905	-	-	1,905
Unappropriated retained earnings transferred to statutory reserve	-	-	-	318	(318)	-
<b>Balance as at 30 June 2015</b>	<u>582,107</u>	<u>105,274</u>	<u>3,544</u>	<u>4,020</u>	<u>2,921</u>	<u>697,866</u>
<b>Balance as at 1 January 2016</b>	582,537	105,590	4,636	4,020	12,132	708,915
Total comprehensive income for the period	-	-	-	-	16,093	16,093
Issuance of ordinary shares as a result of warrants exercised (Note 10)	652	483	(323)	-	-	812
Share-based payments (Note 11)	-	-	1,134	-	-	1,134
<b>Balance as at 30 June 2016</b>	<u>583,189</u>	<u>106,073</u>	<u>5,447</u>	<u>4,020</u>	<u>28,225</u>	<u>726,954</u>
	-	-	-	-	-	-
	-	-	-	-	-	-

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

(Unaudited but reviewed)

**Salee Colour Public Company Limited and its subsidiaries**  
**Statement of changes in shareholders' equity (continued)**  
**For the six-month period ended 30 June 2016**

(Unit: Thousand Baht)

	Separate financial statements					Total
	Issued and paid-up share capital	Premium on ordinary shares	Capital reserve for share-based payments	Retained earnings Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2015</b>	581,655	104,940	1,864	3,702	14,289	706,450
Profit for the period	-	-	-	-	6,997	6,997
Other comprehensive income for the period	-	-	-	-	576	576
Total comprehensive income for the period	-	-	-	-	7,573	7,573
Issuance of ordinary shares as a result of warrants exercised	452	334	(225)	-	-	561
Share-based payments (Note 11)	-	-	1,905	-	-	1,905
Unappropriated retained earnings transferred to statutory reserve	-	-	-	318	(318)	-
<b>Balance as at 30 June 2015</b>	<u>582,107</u>	<u>105,274</u>	<u>3,544</u>	<u>4,020</u>	<u>21,544</u>	<u>716,489</u>
<b>Balance as at 1 January 2016</b>	582,537	105,590	4,636	4,020	11,960	708,743
Total comprehensive income for the period	-	-	-	-	3,294	3,294
Issuance of ordinary shares as a result of warrants exercised (Note 10)	652	483	(323)	-	-	812
Share-based payments (Note 11)	-	-	1,134	-	-	1,134
<b>Balance as at 30 June 2016</b>	<u>583,189</u>	<u>106,073</u>	<u>5,447</u>	<u>4,020</u>	<u>15,254</u>	<u>713,983</u>
	-	-	-	-	-	-
	-	-	-	-	-	-

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

**Salee Colour Public Company Limited and its subsidiaries**

**Notes to interim consolidated financial statements**

**For the three-month and six-month periods ended 30 June 2016**

**1. General information**

**1.1 Corporate information**

Salee Colour Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is VIV Interchem Company Limited, which was incorporated in Thailand. The Company is principally engaged in the manufacture and distribution of pigment pellets and pigment powders. The registered office of the Company is at 858 Moo 2 Soi 1C/1 Bangpu Industrial Estate, Bangpumai, Muang Samutprakan, Samutprakan.

**1.2 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standards No. 34 (revised 2015) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

**1.3 Basis of interim consolidation**

These interim consolidated financial statements include the financial statements of Salee Colour Public Company Limited and its subsidiaries (hereinafter called “the Group”), and have been prepared on the same basis as applied for the consolidated financial statements for the year ended 31 December 2015. There have been no changes in the composition of the subsidiaries in the current period.

**1.4 New financial reporting standards**

During the period, the Group has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

**2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2015.

**3. Related party transactions**

The relationship between the Company and related parties are summarised below.

Name	Relationship
PolyMerit Asia Company Limited	Subsidiary
CompositeAsia Company Limited	Subsidiary
Poly Polymer Company Limited	Subsidiary
VIV Interchem Company Limited	Major shareholder, 21.13% of shares held in the Company (31 December 2015: 21.15%)
Salee Industry Public Company Limited	Common directors
Diverse Chemicals Company Limited	Common directors
VIV Holding Company Limited	Common directors

(Unaudited but reviewed)

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June			
	2016	2015	2016	2015
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	2,363	1,723
Rental and service income	-	-	18,268	10,944
Interest income	-	-	-	57
Purchases of goods	-	-	5,326	6,043
Interest expense	-	-	266	72
<u>Transactions with related companies</u>				
Sales of goods	8,231	6,700	1,827	1,284
Purchases of goods	7,008	4,710	7,008	4,309

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June			
	2016	2015	2016	2015
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	4,485	3,426
Rental and service income	-	-	33,215	32,577
Interest income	-	-	-	57
Purchases of goods	-	-	11,985	11,324
Interest expense	-	-	369	145
<u>Transactions with related companies</u>				
Sales of goods	19,631	12,293	3,880	4,347
Purchases of goods	12,222	8,822	12,222	8,421

(Unaudited but reviewed)

Transfer pricing policy for significant business transactions with related parties are summarised below.

Transactions	Transfer pricing policy
Sales of goods	
Goods sold without further processing	Cost plus margin of not less than 1%
Goods produced and sold in large quantities	Cost plus margin of not less than 10%
Goods produced and sold in small quantities	Cost plus margin of not less than 30%
Rental and service income	Close to cost
Purchases of goods	Market price
Interest expense	4% per annum

The balances of the accounts between the Company and those related parties are as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2016	2015	2016	2015
<b><u>Trade and other receivables - related parties (Note 4)</u></b>				
<b>Trade receivables - related parties</b>				
Major shareholder	6,232	5,193	860	767
Subsidiary	-	-	782	304
Related companies (related by common directors)	1,310	1,714	1,011	1,011
Total trade receivables - related parties	<u>7,542</u>	<u>6,907</u>	<u>2,653</u>	<u>2,082</u>
<b>Other receivables - related parties</b>				
Subsidiary	-	-	3,883	7,836
Total other receivables - related parties	-	-	3,883	7,836
Total trade and other receivables - related parties	<u>7,542</u>	<u>6,907</u>	<u>6,536</u>	<u>9,918</u>
<b><u>Trade and other payables - related parties</u></b>				
<b>Trade payables - related parties</b>				
Subsidiary	-	-	2,739	3,390
Related companies (related by common directors)	7,499	3,525	7,499	3,525
Total trade payables - related parties	<u>7,499</u>	<u>3,525</u>	<u>10,238</u>	<u>6,915</u>
<b>Other payables - related parties</b>				
Subsidiaries	-	-	75	24
Total other payables - related parties	-	-	75	24
Total trade and other payables - related parties	<u>7,499</u>	<u>3,525</u>	<u>10,313</u>	<u>6,939</u>
<b><u>Short-term loans from related parties</u></b>				
Subsidiaries	-	-	28,200	7,200
Total short-term loans from related parties	<u>-</u>	<u>-</u>	<u>28,200</u>	<u>7,200</u>

(Unaudited but reviewed)

### Short-term loans from related parties

During the six-month period ended 30 June 2016, movements of short-term loans from related parties were as follows.

(Unit: Thousand Baht)

Company	Separate financial statements			
	Balance as at	During the period		Balance as at
	31 December 2015	Increase	Decrease	30 June 2016
PolyMerit Asia Company Limited	-	43,000	(22,000)	21,000
CompositeAsia Company Limited	3,600	-	-	3,600
Poly Polymer Company Limited	3,600	-	-	3,600
Total	7,200	43,000	(22,000)	28,200

As at 30 June 2016 and 31 December 2015, short-term loans from the subsidiaries are in the form of unsecured promissory notes carrying interest at a rate of 4% per annum and payable on demand.

### Directors and management's benefits

During the three-month and six-month periods ended 30 June 2016 and 2015, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2016	2015	2016	2015
Short-term employee benefits	9,072	5,758	17,459	11,231
Post-employment benefits	26	57	52	108
Share-based payments	253	388	506	775
Total	9,351	6,203	18,017	12,114

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2016	2015	2016	2015
Short-term employee benefits	8,704	5,658	16,684	11,131
Post-employment benefits	24	49	49	100
Share-based payments	238	388	477	775
Total	8,966	6,095	17,210	12,006

**Guarantee obligations with related parties**

The Company had outstanding guarantees obligations to secure credit facilities of its subsidiary as described in Note 15.3 b), to the financial statements. No guarantee fee is charged by the Company.

**4. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due	7,427	6,497	2,538	2,078
Past due				
Up to 3 months	115	410	115	4
Total trade receivables - related parties	<u>7,542</u>	<u>6,907</u>	<u>2,653</u>	<u>2,082</u>
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	146,630	129,993	65,746	54,997
Past due				
Up to 3 months	34,952	34,157	16,040	14,672
Over 12 months	755	755	-	-
Total	<u>182,337</u>	<u>164,905</u>	<u>81,786</u>	<u>69,669</u>
Less: Allowance for doubtful debts	<u>(755)</u>	<u>(755)</u>	<u>-</u>	<u>-</u>
Total trade receivables - unrelated parties, net	<u>181,582</u>	<u>164,150</u>	<u>81,786</u>	<u>69,669</u>
Total trade receivables - net	<u>189,124</u>	<u>171,057</u>	<u>84,439</u>	<u>71,751</u>
<b>Other receivables</b>				
Other receivables - related parties	-	-	3,883	7,836
Other receivables - unrelated parties	412	335	322	278
Total other receivables	412	335	4,205	8,114
Less: Allowance for doubtful debts	<u>(222)</u>	<u>(228)</u>	<u>(222)</u>	<u>(228)</u>
Total other receivables - net	<u>190</u>	<u>107</u>	<u>3,983</u>	<u>7,886</u>
Total trade and other receivables - net	<u><u>189,314</u></u>	<u><u>171,164</u></u>	<u><u>88,422</u></u>	<u><u>79,637</u></u>



(Unaudited but reviewed)

## 5. Inventories

Movements in the reduction of cost of inventories to net realisable value account during the six-month period ended 30 June 2016 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2016	4,043	3,736
Add: Reduction of cost of inventories to net realisable value	566	-
Less: Reversal of reduction of cost of inventories for inventories disposed and used during the period	(1,395)	(1,395)
Balance as at 30 June 2016	<u>3,214</u>	<u>2,341</u>

## 6. Investments in subsidiaries

Details of investments in subsidiaries as presented in the separate financial statements are as follows.

(Unit: Thousand Baht)

Company	Paid-up capital		Shareholding percentage		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December
	2016	2015	2016	2015	2016	2015
			%	%		
PolyMerit Asia Company Limited	50,000	50,000	100	100	55,243	55,123
CompositeAsia Company Limited	3,758	3,758	100	100	3,757	3,757
Poly Polymer Company Limited	3,758	3,758	100	100	3,757	3,757
Total					<u>62,757</u>	<u>62,637</u>

During the six-month periods ended 30 June 2016 and 2015, the Company had no dividend received from its subsidiaries.

The change in cost of investments in subsidiaries is a result of the Company issuing warrants to purchase its ordinary shares to directors and/or employees of the subsidiary.

**7. Property, plant and equipment**

Movements of the property, plant and equipment account during the six-month period ended 30 June 2016 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
	<u>          </u>	<u>          </u>
Net book value as at 1 January 2016	683,829	670,831
Acquisitions during period - at cost	19,516	19,430
Write-off during period - net book value at write-off date	(800)	(800)
Depreciation for period	<u>(25,155)</u>	<u>(24,567)</u>
Net book value as at 30 June 2016	<u><u>677,390</u></u>	<u><u>664,894</u></u>

As at 30 June 2016, the Company had motor vehicles and equipment under finance lease agreements with net book values of Baht 6 million (31 December 2015: Baht 6 million).

The Group has mortgaged land and buildings and pledged machinery with a total net book value as at 30 June 2016 of Baht 490 million (31 December 2015: Baht 502 million), and the separate balance of the Company amounted to Baht 478 million (31 December 2015: Baht 489 million), as collateral to secure bank credit facilities.

**8. Short-term loans from banks**

As at 30 June 2016 and 31 December 2015, short-term loans from banks are secured by a guarantee provided by a subsidiary and machinery of a subsidiary. No guarantee fee is charged by the subsidiary.

**9. Long-term loans from banks**

The long-term loan agreements contain covenants as specified in the agreements that, among other things, require the Company to maintain debt to equity and debt service coverage ratios according to the agreements.

**10. Share capital**

Reconciliations of the issued and paid-up share capital for the six-month period ended 30 June 2016 are as follows.

	<u>Number of share:</u>	<u>Baht</u>
Ordinary shares at 1 January 2016	582,537,368	582,537,368
Issued ordinary shares as a result of warrants (ESOP-W1) exercised (Note 11)	649,968	649,968
Issued ordinary shares as a result of warrants (COLOR-W1) exercised (Note 11)	<u>1,771</u>	<u>1,771</u>
Ordinary shares at 30 June 2016	<u>583,189,107</u>	<u>583,189,107</u>

The Company registered the paid-up share capital increase with the Ministry of Commerce on 8 April 2016 and 24 June 2016, respectively.

**11. Warrants****a) Warrants allocated to the existing shareholders of the Company (COLOR-W1)**

The warrants to purchase the Company's ordinary shares were due for the last exercise date on 16 June 2016. During the six-month period ended 30 June 2016, warrants were exercised as follows.

	(Units: Units)
Outstanding units as at 1 January 2016	48,416,270
Exercised during the period	(1,372)
Expired	<u>(48,414,898)</u>
Outstanding units as at 30 June 2016	<u>-</u>

**b) Warrants allocated to the directors and employees of the Group (ESOP-W1)**

During the three-month and six-month periods ended 30 June 2016, the Group recorded expenses of Baht 0.5 million and Baht 1.1 million, respectively (2015: Baht 0.9 million and Baht 1.9 million, respectively), in relation to the warrants scheme as personnel expenses, together with a corresponding increase in "Capital reserve for share-based payments" in shareholders' equity.

Reconciliations of number of warrants for the six-month period ended 30 June 2016 are as follows.

	(Unit: Units)
Number of warrants as at 1 January 2016	12,900,288
Exercised during the period	<u>(503,615)</u>
Number of warrants as at 30 June 2016	<u>12,396,673</u>

**12. Income tax**

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month and six-month periods ended 30 June 2016 and 2015 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2016	2015	2016	2015
<b>Current income tax:</b>				
Interim corporate income tax charge	-	(1,038)	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	59	(736)	61	(35)
<b>Tax expense (income) reported in the statements of comprehensive income</b>	<b>59</b>	<b>(1,774)</b>	<b>61</b>	<b>(35)</b>

**13. Earnings per share**

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

(Unaudited but reviewed)

Consolidated financial statements					
For the three-month periods ended 30 June					
Profit for the periods		Weighted average number of ordinary shares		Earnings per shares	
2016	2015	2016	2015	2016	2015
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
7,259	13,778	583,188	582,107	<u>0.0124</u>	<u>0.0237</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	999	1,248		
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company assuming the conversion of warrants ESOP-W1 to ordinary shares					
<u>7,259</u>	<u>13,778</u>	<u>584,184</u>	<u>583,355</u>	<u>0.0124</u>	<u>0.0236</u>

Separate financial statements					
For the three-month periods ended 30 June					
Profit for the periods		Weighted average number of ordinary shares		Earnings per shares	
2016	2015	2016	2015	2016	2015
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
4,421	1,127	583,188	582,107	<u>0.0076</u>	<u>0.0019</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	999	1,248		
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company assuming the conversion of warrants ESOP-W1 to ordinary shares					
<u>4,421</u>	<u>1,127</u>	<u>584,187</u>	<u>583,355</u>	<u>0.0076</u>	<u>0.0019</u>

(Unaudited but reviewed)

Consolidated financial statements					
For the six-month periods ended 30 June					
Profit for the periods		Weighted average number of ordinary shares		Earnings per shares	
2016	2015	2016	2015	2016	2015
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
16,093	23,971	582,872	581,890	<u>0.0276</u>	<u>0.0412</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	1,087	491		
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company assuming the conversion of warrants ESOP-W1 to ordinary shares					
<u>16,093</u>	<u>23,971</u>	<u>583,959</u>	<u>582,381</u>	<u>0.0276</u>	<u>0.0412</u>

Separate financial statements					
For the six-month periods ended 30 June					
Profit for the periods		Weighted average number of ordinary shares		Earnings per shares	
2016	2015	2016	2015	2016	2015
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
3,294	6,997	582,872	581,890	<u>0.0057</u>	<u>0.0120</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	1,087	491		
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company assuming the conversion of warrants ESOP-W1 to ordinary shares					
<u>3,294</u>	<u>6,997</u>	<u>583,959</u>	<u>582,381</u>	<u>0.0056</u>	<u>0.0120</u>

**14. Segment information**

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group has one main reportable operating segment in the manufacture and distribution of masterbatch and compound and operates in the main geographical area in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

For the three-month and six-month periods ended 30 June 2016 and 2015, the Group has no major customer with revenue of 10% or more of the entity's revenues.

**15. Commitments and contingent liabilities****15.1 Capital commitments**

As at 30 June 2016, the Company had capital commitments of USD 1.0 million or Baht 36.7 million, relating to the acquisition of machinery (31 December 2015: USD 0.21 million or Baht 7.7 million).

**15.2 Rental and service agreement commitments**

The Group has entered into operating lease agreements in respect of the leases of motor vehicles and equipment with terms of 3 - 4 years and service agreements with terms of 1 - 2 years. The lease agreements can be extended.

Future minimum payments regarded under these agreements were as follows.

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	30 June 2016	31 December 2015
Payable:		
In up to 1 year	6,442	5,295
In over 1 and up to 4 years	5,164	3,588

### **15.3 Guarantees**

- a) As at 30 June 2016 and 31 December 2015, there were outstanding bank guarantees of Baht 3 million issued by banks on behalf of the Group to guarantee electricity use.
- b) As at 30 June 2016 and 31 December 2015, the Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 257 million and USD 0.5 million.

### **15.4 Forward foreign currency contracts**

As at 30 June 2016, the Group had no forward foreign currency contracts outstanding.

### **16. Events after the reporting period**

- 16.1 On 12 July 2016, the Company entered into a Baht 42 million agreement to construct a warehouse building with a related company, arose in the ordinary course of business, in order to support the Company's future operations.
- 16.2 On 27 July 2016, the Company entered into a long-term loan agreement with a bank, granting a loan of Baht 65 million to fund the acquisition of machinery, and secured the loan with that machinery. The agreement contains covenants pertaining to the maintenance of certain financial ratios stipulated in the agreement, such as debt to equity and debt service coverage ratios.

### **17. Approval of financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 15 August 2016.