

Salee Colour Public Company Limited and its subsidiaries  
Review report and interim financial statements  
For the three-month and nine-month periods ended  
30 September 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 September 2016, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-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: 14 November 2016

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

**Statement of financial position**

**As at 30 September 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		13,295	20,265	4,733	8,343
Trade and other receivables	3, 4	192,028	171,164	87,453	79,637
Inventories	5	178,228	159,438	101,930	96,909
Value added tax refundable		2,656	2,683	2,461	2,683
Other current assets		3,113	3,579	2,100	3,376
<b>Total current assets</b>		<b>389,320</b>	<b>357,129</b>	<b>198,677</b>	<b>190,948</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	62,817	62,637
Property, plant and equipment	7	708,659	683,829	696,361	670,831
Intangible assets		3,652	3,431	3,652	3,431
Deferred tax assets		5,232	5,179	5,232	5,179
Other non-current assets		13,228	12,268	13,228	12,198
<b>Total non-current assets</b>		<b>730,771</b>	<b>704,707</b>	<b>781,290</b>	<b>754,276</b>
<b>Total assets</b>		<b>1,120,091</b>	<b>1,061,836</b>	<b>979,967</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 September 2016**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2016	31 December 2015	30 September 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	88,349	90,447	30,997	39,211
Trade and other payables	3	192,096	135,009	94,506	63,139
Short-term loans from related parties	3	-	-	31,200	7,200
Current portion of long-term loans from banks	9	57,459	51,444	57,459	51,444
Current portion of liabilities under finance leases	7	1,847	2,859	1,847	2,859
Other current liabilities		1,237	1,244	946	988
<b>Total current liabilities</b>		<b>340,988</b>	<b>281,003</b>	<b>216,955</b>	<b>164,841</b>
<b>Non-current liabilities</b>					
Long-term loans from banks	9	37,213	63,881	37,213	63,881
Liabilities under finance leases	7	3,602	3,688	3,602	3,688
Provision for long-term employee benefits		4,922	4,349	4,605	4,071
<b>Total non-current liabilities</b>		<b>45,737</b>	<b>71,918</b>	<b>45,420</b>	<b>71,640</b>
<b>Total liabilities</b>		<b>386,725</b>	<b>352,921</b>	<b>262,375</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
Advances received from share subscriptions as a result of warrants exercised	10	400	-	400	-
Capital reserve for share-based payments	11	6,015	4,636	6,015	4,636
Retained earnings					
Appropriated - statutory reserve		4,020	4,020	4,020	4,020
Unappropriated		33,669	12,132	17,895	11,960
<b>Total shareholders' equity</b>		<b>733,366</b>	<b>708,915</b>	<b>717,592</b>	<b>708,743</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,120,091</b>	<b>1,061,836</b>	<b>979,967</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 September 2016**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		238,823	210,633	106,953	88,439
Other income		1,319	936	20,550	12,110
<b>Total revenues</b>		<b>240,142</b>	<b>211,569</b>	<b>127,503</b>	<b>100,549</b>
<b>Expenses</b>					
Cost of sales and services		195,746	167,874	87,722	73,323
Selling and service expenses		18,771	17,033	14,158	12,695
Administrative expenses		18,389	17,287	21,422	19,824
<b>Total expenses</b>		<b>232,906</b>	<b>202,194</b>	<b>123,302</b>	<b>105,842</b>
<b>Profit (loss) before finance cost and income tax expenses</b>		<b>7,236</b>	<b>9,375</b>	<b>4,201</b>	<b>(5,293)</b>
Finance cost		(1,905)	(2,731)	(1,674)	(2,285)
<b>Profit (loss) before income tax expenses</b>		<b>5,331</b>	<b>6,644</b>	<b>2,527</b>	<b>(7,578)</b>
Tax income	12	114	72	114	72
<b>Profit (loss) for the period</b>		<b>5,445</b>	<b>6,716</b>	<b>2,641</b>	<b>(7,506)</b>
<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		-	-	-	-
(Less): Income tax effect		-	-	-	-
<b>Other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>5,445</b>	<b>6,716</b>	<b>2,641</b>	<b>(7,506)</b>

(Unit: Baht)

**Earnings per share**

13

**Basic earnings per share**

Profit (loss) attributable to equity holders of the Company	0.0093	0.0115	0.0045	(0.0129)
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**Diluted earnings per share**

Profit (loss) attributable to equity holders of the Company	0.0093	0.0115	0.0045	(0.0129)
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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 nine-month period ended 30 September 2016**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2016	2015	2016	2015
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		705,866	652,927	321,796	291,473
Other income		3,516	3,046	55,105	46,260
<b>Total revenues</b>		<b>709,382</b>	<b>655,973</b>	<b>376,901</b>	<b>337,733</b>
<b>Expenses</b>					
Cost of sales and services		575,005	523,141	263,337	238,888
Selling and service expenses		52,412	46,265	39,637	34,909
Administrative expenses		54,481	47,558	62,741	57,267
<b>Total expenses</b>		<b>681,898</b>	<b>616,964</b>	<b>365,715</b>	<b>331,064</b>
<b>Profit before finance cost and income tax expenses</b>		<b>27,484</b>	<b>39,009</b>	<b>11,186</b>	<b>6,669</b>
Finance cost		(6,000)	(8,429)	(5,304)	(7,285)
<b>Profit (loss) before income tax expenses</b>		<b>21,484</b>	<b>30,580</b>	<b>5,882</b>	<b>(616)</b>
Tax income	12	53	107	53	107
<b>Profit (loss) for the period</b>		<b>21,537</b>	<b>30,687</b>	<b>5,935</b>	<b>(509)</b>
<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>		<b>-</b>	<b>502</b>	<b>-</b>	<b>576</b>
<b>Total comprehensive income for the period</b>		<b>21,537</b>	<b>31,189</b>	<b>5,935</b>	<b>67</b>

(Unit: Baht)

<b>Earnings per share</b>	13				
<b>Basic earnings per share</b>					
Profit (loss) attributable to equity holders of the Company		0.0369	0.0527	0.0102	(0.0009)
<b>Diluted earnings per share</b>					
Profit (loss) attributable to equity holders of the Company		0.0369	0.0527	0.0102	(0.0009)

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 nine-month period ended 30 September 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	21,484	30,580	5,882	(616)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	38,569	39,369	37,783	38,482
Bad debts and allowance for doubtful debts (reversal)	(9)	(143)	(9)	22
Reduction of cost of inventories to net realisable value (reversal)	490	2,642	(966)	2,980
Provision for long-term employee benefits	573	1,011	534	933
(Gain) loss on sales and write-off equipment and intangible assets	865	(132)	865	(132)
Expenses in relation to share-based payments	1,702	2,721	1,522	2,555
Interest income	(19)	(194)	(9)	(218)
Interest expense	6,000	8,429	5,304	7,285
Profit from operating activities before changes in operating assets and liabilities	69,655	84,283	50,906	51,291
Decrease (increase) in operating assets				
Trade and other receivables	(20,855)	(1,418)	(11,807)	23,102
Inventories	(19,280)	(48,827)	(4,055)	(17,772)
Other current assets	493	2,304	1,498	1,860
Other non-current assets	871	253	864	(274)
Increase (decrease) in operating liabilities				
Trade and other payables	49,563	28,883	23,841	13,613
Other current liabilities	(7)	(62)	(42)	20
Cash flows from operating activities	80,440	65,416	61,205	71,840
Cash paid for income tax	(1,831)	(2,135)	(1,894)	(2,072)
<b>Net cash from operating activities</b>	<b>78,609</b>	<b>63,281</b>	<b>59,311</b>	<b>69,768</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 nine-month period ended 30 September 2016**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2016	2015	2016	2015
<b>Cash flows from investing activities</b>				
Interest received	19	194	9	218
Dividend received from a subsidiary	-	-	4,000	-
Increase in short-term loans to a related party	-	-	-	(5,000)
Acquisitions of building and equipment	(54,718)	(5,501)	(54,632)	(5,501)
Proceeds from sales of equipment	41	468	41	468
Acquisitions of intangible assets	(926)	(26)	(926)	(26)
<b>Net cash used in investing activities</b>	<b>(55,584)</b>	<b>(4,865)</b>	<b>(51,508)</b>	<b>(9,841)</b>
<b>Cash flows from financing activities</b>				
Decrease in short-term loans from banks	(2,098)	(18,964)	(8,214)	(26,282)
Increase in short-term loans from related parties	-	-	24,000	-
Cash receipts from long-term loan from bank	17,930	-	17,930	-
Repayment of long-term loans from banks	(38,583)	(32,535)	(38,583)	(29,565)
Repayment of liabilities under finance leases	(2,353)	(2,751)	(2,353)	(2,751)
Cash receipts from share subscriptions as a result of warrants exercised	1,212	1,094	1,212	1,094
Cash paid for interest expense	(6,103)	(8,436)	(5,405)	(7,300)
<b>Net cash used in financing activities</b>	<b>(29,995)</b>	<b>(61,592)</b>	<b>(11,413)</b>	<b>(64,804)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6,970)</b>	<b>(3,176)</b>	<b>(3,610)</b>	<b>(4,877)</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>13,295</b>	<b>19,346</b>	<b>4,733</b>	<b>6,104</b>
	-		-	
<b>Supplemental cash flows information:</b>				
Non-cash transactions				
Acquisitions of motor vehicles by finance leases	1,255	5,377	1,255	5,377
Increase in other payables from acquisitions of building and equipment	7,546	218	7,546	218
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	-	-	180	166
Interest expense capitalised as cost of assets	81	-	81	-
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 nine-month period ended 30 September 2016**

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Issued and paid-up share capital	Premium on ordinary shares	Advances received for share subscriptions	Capital reserve for share-based payments	Retained earnings		
					Appropriated - statutory reserve	Unappropriated (Deficit)	
<b>Balance as at 1 January 2015</b>	581,655	104,940	-	1,864	3,702	(21,234)	670,927
Profit for the period	-	-	-	-	-	30,687	30,687
Other comprehensive income for the period	-	-	-	-	-	502	502
Total comprehensive income for the period	-	-	-	-	-	31,189	31,189
Issuance of ordinary shares as a result of warrants exercised	452	334	-	(225)	-	-	561
Advances received as a result of warrants exercised	-	-	533	-	-	-	533
Share-based payments (Note 11)	-	-	-	2,721	-	-	2,721
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	318	(318)	-
<b>Balance as at 30 September 2015</b>	<b>582,107</b>	<b>105,274</b>	<b>533</b>	<b>4,360</b>	<b>4,020</b>	<b>9,637</b>	<b>705,931</b>
<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	-	-	-	-	-	21,537	21,537
Issuance of ordinary shares as a result of warrants exercised (Note 10)	652	483	-	(323)	-	-	812
Advances received as a result of warrants exercised (Note 10)	-	-	400	-	-	-	400
Share-based payments (Note 11)	-	-	-	1,702	-	-	1,702
<b>Balance as at 30 September 2016</b>	<b>583,189</b>	<b>106,073</b>	<b>400</b>	<b>6,015</b>	<b>4,020</b>	<b>33,669</b>	<b>733,366</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 changes in shareholders' equity (continued)**  
**For the nine-month period ended 30 September 2016**

(Unit: Thousand Baht)

	Separate financial statements						Total
	Issued and paid-up share capital	Premium on ordinary shares	Advances received for share subscriptions	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
Loss for the period	-	-	-	-	-	(509)	(509)
Other comprehensive income for the period	-	-	-	-	-	576	576
Total comprehensive income for the period	-	-	-	-	-	67	67
Issuance of ordinary shares as a result of warrants exercised	452	334	-	(225)	-	-	561
Advances received as a result of warrants exercised	-	-	533	-	-	-	533
Share-based payments (Note 11)	-	-	-	2,721	-	-	2,721
Unappropriated retained earnings transferred to statutory reserve	-	-	-	-	318	(318)	-
<b>Balance as at 30 September 2015</b>	<b>582,107</b>	<b>105,274</b>	<b>533</b>	<b>4,360</b>	<b>4,020</b>	<b>14,038</b>	<b>710,332</b>
<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	-	-	-	-	-	5,935	5,935
Issuance of ordinary shares as a result of warrants exercised (Note 10)	652	483	-	(323)	-	-	812
Advances received as a result of warrants exercised (Note 10)	-	-	400	-	-	-	400
Share-based payments (Note 11)	-	-	-	1,702	-	-	1,702
<b>Balance as at 30 September 2016</b>	<b>583,189</b>	<b>106,073</b>	<b>400</b>	<b>6,015</b>	<b>4,020</b>	<b>17,895</b>	<b>717,592</b>
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

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 nine-month periods ended 30 September 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
Kor Sang 14 Company Limited	The director related to the Company's director

(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 September			
	2016	2015	2016	2015
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	3,733	2,447
Rental and service income	-	-	20,012	10,986
Interest income	-	-	-	91
Purchases of goods	-	-	6,689	4,902
Interest expense	-	-	207	73
<u>Transactions with related companies</u>				
Sales of goods	19,283	-	10,803	1,764
Purchases of goods	10,332	-	10,184	3,368

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the nine-month periods ended 30 September			
	2016	2015	2016	2015
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	8,218	5,873
Rental and service income	-	-	53,227	43,563
Interest income	-	-	-	148
Purchases of goods	-	-	18,674	16,226
Interest expense	-	-	576	218
<u>Transactions with related companies</u>				
Sales of goods	38,914	18,160	14,683	6,111
Purchases of goods	22,554	12,289	22,406	11,789

(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 financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
<b><u>Trade and other receivables - related parties (Note 4)</u></b>				
<b>Trade receivables - related parties</b>				
Major shareholder	5,840	5,193	1,287	767
Subsidiary	-	-	97	304
Related companies (related by common directors)	1,615	1,714	1,132	1,011
Total trade receivables - related parties	7,455	6,907	2,516	2,082
<b>Other receivables - related parties</b>				
Subsidiary	-	-	4,447	7,836
Total other receivables - related parties	-	-	4,447	7,836
Total trade and other receivables - related parties	7,455	6,907	6,963	9,918
<b><u>Trade and other payables - related parties</u></b>				
<b>Trade payables - related parties</b>				
Subsidiary	-	-	3,572	3,390
Related companies (related by common directors)	6,778	3,525	6,620	3,525
Total trade payables - related parties	6,778	3,525	10,192	6,915
<b>Other payables - related parties</b>				
Subsidiaries	-	-	40	24
Related company (related by director related to the Company's director)	7,546	-	7,546	-
Total other payables - related parties	7,546	-	7,586	24
Total trade and other payables - related parties	14,324	3,525	17,778	6,939
<b><u>Short-term loans from related parties</u></b>				
Subsidiaries	-	-	31,200	7,200
Total short-term loans from related parties	-	-	31,200	7,200

(Unaudited but reviewed)

### Short-term loans from related parties

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

(Unit: Thousand Baht)

Company	Separate financial statements			Balance as at 30 September 2016
	Balance as at	During the period		
	31 December 2015	Increase	Decrease	
PolyMerit Asia Company Limited	-	68,500	44,500	24,000
CompositeAsia Company Limited	3,600	-	-	3,600
Poly Polymer Company Limited	3,600	-	-	3,600
Total	7,200	68,500	44,500	31,200

As at 30 September 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 nine-month periods ended 30 September 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 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Short-term employee benefits	9,072	5,742	26,531	16,973
Post-employment benefits	26	51	78	154
Share-based payments	253	387	759	1,162
Total	9,351	6,180	27,368	18,289

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Short-term employee benefits	8,704	5,442	25,388	16,573
Post-employment benefits	25	48	74	148
Share-based payments	239	365	716	1,140
Total	8,968	5,855	26,178	17,861

(Unaudited but reviewed)

### 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	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due	7,455	6,497	2,516	2,078
Past due				
Up to 3 months	-	410	-	4
Total trade receivables - related parties	7,455	6,907	2,516	2,082
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	153,987	129,993	66,759	54,997
Past due				
Up to 3 months	30,377	34,157	13,590	14,672
3 - 6 months	55	-	55	-
Over 12 months	755	755	-	-
Total	185,174	164,905	80,404	69,669
Less: Allowance for doubtful debts	755	(755)	-	-
Total trade receivables - unrelated parties, net	184,419	164,150	80,404	69,669
Total trade receivables - net	191,874	171,057	82,920	71,751
<b>Other receivables</b>				
Other receivables - related parties	-	-	4,447	7,836
Other receivables - unrelated parties	373	335	305	278
Total other receivables	373	335	4,752	8,114
Less: Allowance for doubtful debts	(219)	(228)	(219)	(228)
Total other receivables - net	154	107	4,533	7,886
Total trade and other receivables - net	192,028	171,164	87,453	79,637



(Unaudited but reviewed)

## 5. Inventories

Movements in the reduction of cost of inventories to net realisable value account during the nine-month period ended 30 September 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	1,456	-
Less: Reversal of reduction of cost of inventories for inventories disposed and used during the period	(966)	(966)
Balance as at 30 September 2016	<u>4,533</u>	<u>2,770</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 September	31 December	30 September	31 December	30 September	31 December
	2016	2015	2016	2015	2016	2015
			%	%		
PolyMerit Asia Company Limited	50,000	50,000	100	100	55,303	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>62,817</u>	<u>62,637</u>

During the nine-month periods ended 30 September 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.

(Unaudited but reviewed)

## 7. Property, plant and equipment

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

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2016	683,829	670,831
Acquisitions during period - at cost	63,519	63,433
Disposal and write-off during period - net book value at write-off date	(813)	(813)
Capitalised interest	81	81
Depreciation for period	(37,957)	(37,171)
Net book value as at 30 September 2016	<u>708,659</u>	<u>696,361</u>

As at 30 September 2016, the Company had motor vehicles and equipment under finance lease agreements with net book values of Baht 5 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 September 2016 of Baht 484 million (31 December 2015: Baht 502 million), and the separate balance of the Company amounted to Baht 472 million (31 December 2015: Baht 489 million), as collateral to secure bank credit facilities.

## 8. Short-term loans from banks

As at 30 September 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

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements	
	30 September 2016	31 December 2015
Long-term loans from banks	94,672	115,325
Less: Portion due within one year	(57,459)	(51,444)
Portion due more than one year	<u>37,213</u>	<u>63,881</u>

(Unaudited but reviewed)

Movements in the long-term loans from banks account during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Thousand Baht) Consolidated financial statements / Separate financial statements
Balance as at 1 January 2016	115,325
Add: Additions	17,930
Less: Repayment	(38,583)
Balance as at 30 September 2016	<u>94,672</u>

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 nine-month period ended 30 September 2016 are as follows.

	Number of share:	Baht
Ordinary shares at 1 January 2016	582,537,368	582,537,368
Issued ordinary shares as a result of warrants (COLOR-W1) exercised (Note 11)	1,771	1,771
Issued ordinary shares as a result of warrants (ESOP-W1) exercised (Note 11)	649,968	649,968
Ordinary shares at 30 September 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.

As at 30 September 2016, cash receipts amounting to Baht 0.40 million (31 December 2015: None), from the exercise of right to purchase the Company's share, were recorded as cash receipts from share subscriptions in shareholders' equity because the Company registered its paid-up capital increase with the Ministry of Commerce on 10 October 2016.

**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 nine-month period ended 30 September 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 September 2016	<u><u>-</u></u>

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

During the three-month and nine-month periods ended 30 September 2016, the Group recorded expenses of Baht 0.6 million and Baht 1.7 million, respectively (2015: Baht 0.8 million and Baht 2.7 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 nine-month period ended 30 September 2016 are as follows.

	(Unit: Units)
Outstanding units as at 1 January 2016	12,900,288
Exercised during the period	(753,577)
Cancelled during the period	<u>(562,249)</u>
Outstanding units as at 30 September 2016	<u><u>11,584,462</u></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.

Tax income for the three-month and nine-month periods ended 30 September 2016 and 2015 are made up as follows.

(Unit: Thousand Baht)

	Consolidated financial statements / Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2016	2015	2016	2015
<b>Current income tax:</b>				
Interim corporate income tax charge	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(114)	(72)	(53)	(107)
<b>Tax income reported in the statements of comprehensive income</b>	<u>(114)</u>	<u>(72)</u>	<u>(53)</u>	<u>(107)</u>

**13. Earnings per share**

Basic earnings per share is calculated by dividing profit (loss) 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 (loss) 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 September					
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					
5,445	6,716	583,189	582,112	<u>0.0093</u>	<u>0.0115</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	1,317	220		
<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>5,445</u>	<u>6,716</u>	<u>584,506</u>	<u>582,332</u>	<u>0.0093</u>	<u>0.0115</u>

Separate financial statements					
For the three-month periods ended 30 September					
Profit (loss) for the periods		Weighted average number of ordinary shares		Earnings (loss) 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 (loss) attributable to equity holders of the Company					
2,641	(7,506)	583,189	582,112	<u>0.0045</u>	<u>(0.0129)</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	1,317	220		
<b>Diluted earnings per share</b>					
Profit (loss) attributable to equity holders of the Company assuming the conversion of warrants ESOP-W1 to ordinary shares					
<u>2,641</u>	<u>(7,506)</u>	<u>584,506</u>	<u>582,332</u>	<u>0.0045</u>	<u>(0.0129)</u>

(Unaudited but reviewed)

		Consolidated financial statements					
		For the nine-month periods ended 30 September					
		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		21,537	30,687	582,956	581,968	<u>0.0369</u>	<u>0.0527</u>
<b>Effect of dilutive potential ordinary share</b>							
Warrants ESOP-W1		-	-	1,077	677		
<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>21,537</u>	<u>30,687</u>	<u>584,033</u>	<u>582,645</u>	<u>0.0369</u>	<u>0.0527</u>
		Separate financial statements					
		For the nine-month periods ended 30 September					
		Profit (loss) for the periods		Weighted average number of ordinary shares		Earnings (loss) 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 (loss) attributable to equity holders of the Company		5,935	(509)	582,956	581,968	<u>0.0102</u>	<u>(0.0009)</u>
<b>Effect of dilutive potential ordinary share</b>							
Warrants ESOP-W1		-	-	1,077	677		
<b>Diluted earnings per share</b>							
Profit (loss) attributable to equity holders of the Company assuming the conversion of warrants ESOP-W1 to ordinary shares		<u>5,935</u>	<u>(509)</u>	<u>584,033</u>	<u>582,645</u>	<u>0.0102</u>	<u>(0.0009)</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 nine-month periods ended 30 September 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 September 2016, the Company had capital commitments of USD 1 million and Baht 33 million, relating to the acquisition of machinery and equipment, and a warehouse building (31 December 2015: USD 0.21 million, relating to the acquisition of machinery).

**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 September 2016	31 December 2015
Payable:		
In up to 1 year	6,015	5,295
In over 1 and up to 4 years	4,982	3,588



**15.3 Guarantees**

- a) As at 30 September 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 September 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 September 2016				
Foreign currency	Bought amount (Million)	Contractual exchange rate		Contractual maturity date
		Bought (Baht per 1 foreign currency unit)		
US dollar	1,396	35.02		November 2016

As at 31 December 2015				
Foreign currency	Bought amount (Million)	Contractual exchange rate		Contractual maturity date
		Bought (Baht per 1 foreign currency unit)		
US dollar	363	36.18 - 36.23		May - June 2016

**16. Approval of financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2016.