

Salee Colour Public Company Limited and its subsidiaries  
Review report and interim financial statements  
For the three-month period ended 31 March 2017

## **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 31 March 2017, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-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 (revised 2016) *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 (revised 2016) *Interim Financial Reporting*.

Sumalee Reewarabandith

Certified Public Accountant (Thailand) No. 3970

EY Office Limited

Bangkok: 11 May 2017

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

**Statement of financial position**

**As at 31 March 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		8,531	11,253	6,926	3,309
Trade and other receivables	3, 4	207,964	191,707	193,878	97,606
Inventories	5	193,169	178,941	139,524	100,190
Value added tax refundable		10,099	4,921	8,144	4,185
Other current assets		11,246	3,449	8,117	2,215
<b>Total current assets</b>		<b>431,009</b>	<b>390,271</b>	<b>356,589</b>	<b>207,505</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	62,893	62,855
Property, plant and equipment	7	752,860	724,521	740,528	711,981
Intangible assets		3,646	3,433	3,646	3,433
Deferred tax assets		2,025	1,893	2,025	1,893
Other non-current assets		5,723	10,165	5,722	10,165
<b>Total non-current assets</b>		<b>764,254</b>	<b>740,012</b>	<b>814,814</b>	<b>790,327</b>
<b>Total assets</b>		<b>1,195,263</b>	<b>1,130,283</b>	<b>1,171,403</b>	<b>997,832</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 31 March 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from banks	8	182,487	124,813	120,079	70,387
Trade and other payables	3	166,019	157,020	201,532	61,364
Short-term loans from related parties	3	-	-	7,200	21,200
Current portion of long-term loans from banks	9	58,115	60,172	58,115	60,172
Current portion of liabilities under finance leases	7	1,552	1,694	1,552	1,694
Other current liabilities		4,279	2,533	3,253	1,287
<b>Total current liabilities</b>		<b>412,452</b>	<b>346,232</b>	<b>391,731</b>	<b>216,104</b>
<b>Non-current liabilities</b>					
Long-term loans from banks	9	29,900	40,069	29,900	40,069
Liabilities under finance leases	7	2,866	3,192	2,866	3,192
Provision for long-term employee benefits		8,660	8,120	7,394	6,926
<b>Total non-current liabilities</b>		<b>41,426</b>	<b>51,381</b>	<b>40,160</b>	<b>50,187</b>
<b>Total liabilities</b>		<b>453,878</b>	<b>397,613</b>	<b>431,891</b>	<b>266,291</b>
<b>Shareholders' equity</b>					
Share capital					
Registered					
652,343,752 ordinary shares of Baht 1 each		652,344	652,344	652,344	652,344
Issued and paid-up					
583,511,702 ordinary shares of Baht 1 each		583,512	583,512	583,512	583,512
Premium on ordinary shares		106,311	106,311	106,311	106,311
Advances received from share subscriptions					
as a result of warrants exercised	10	4,982	-	4,982	-
Capital reserve for share-based payments	10	6,562	6,215	6,562	6,215
Retained earnings					
Appropriated - statutory reserve		5,050	5,050	5,050	5,050
Unappropriated		34,968	31,582	33,095	30,453
<b>Total shareholders' equity</b>		<b>741,385</b>	<b>732,670</b>	<b>739,512</b>	<b>731,541</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,195,263</b>	<b>1,130,283</b>	<b>1,171,403</b>	<b>997,832</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 31 March 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		258,899	241,085	236,888	107,463
Other income		2,235	896	21,487	15,504
<b>Total revenues</b>		<u>261,134</u>	<u>241,981</u>	<u>258,375</u>	<u>122,967</u>
<b>Expenses</b>					
Cost of sales and services		216,135	196,089	213,503	88,972
Selling and service expenses		20,143	16,766	18,264	12,348
Administrative expenses		18,129	18,125	20,898	20,900
<b>Total expenses</b>		<u>254,407</u>	<u>230,980</u>	<u>252,665</u>	<u>122,220</u>
<b>Profit before finance cost and income tax expenses</b>		6,727	11,001	5,710	747
Finance cost		(2,287)	(2,165)	(2,014)	(1,872)
<b>Profit (loss) before income tax expenses</b>		4,440	8,836	3,696	(1,125)
Income tax expenses	11	(1,054)	(2)	(1,054)	(2)
<b>Profit (loss) for the period</b>		<u>3,386</u>	<u>8,834</u>	<u>2,642</u>	<u>(1,127)</u>
<b>Other comprehensive income for the period</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>3,386</u>	<u>8,834</u>	<u>2,642</u>	<u>(1,127)</u>

(Unit: Baht)

<b>Earnings per share</b>	12				
<b>Basic earnings per share</b>					
Profit (loss) attributable to equity holders of the Company		<u>0.0058</u>	<u>0.0151</u>	<u>0.0045</u>	<u>(0.0019)</u>
<b>Diluted earnings per share</b>					
Profit (loss) attributable to equity holders of the Company		<u>0.0058</u>	<u>0.0151</u>	<u>0.0045</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 cash flows**

**For the three-month period ended 31 March 2017**

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit (loss) before tax	4,440	8,836	3,696	(1,125)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	13,391	12,876	13,183	12,590
Reversal of allowance for doubtful debts	-	(6)	-	(6)
Reduction of cost of inventories to net realisable value (reversal)	(274)	(309)	700	(543)
Provision for long-term employee benefits	540	196	468	183
Loss (gain) on sales and write-off of equipment	(49)	831	(49)	831
Expenses in relation to share-based payments	347	587	309	527
Interest income	(10)	-	-	-
Interest expense	2,287	2,165	2,014	1,872
Profit from operating activities before changes in operating assets and liabilities	20,672	25,176	20,321	14,329
Decrease (increase) in operating assets				
Trade and other receivables	(16,257)	(13,857)	(111,272)	(8,396)
Inventories	(13,954)	1,371	(40,034)	3,279
Other current assets	(12,976)	194	(9,860)	91
Other non-current assets	(376)	359	(375)	359
Increase in operating liabilities				
Trade and other payables	14,921	38,146	146,127	23,933
Other current liabilities	1,746	27	1,966	63
Cash flows from (used in) operating activities	(6,224)	51,416	6,873	33,658
Cash paid for income tax	(656)	(560)	(656)	(560)
Cash received from income tax	4,288	-	4,288	-
<b>Net cash from (used in) operating activities</b>	<b>(2,592)</b>	<b>50,856</b>	<b>10,505</b>	<b>33,098</b>
<b>Cash flows from investing activities</b>				
Interest received	10	-	-	-
Dividend received from a subsidiary	-	-	15,000	4,000
Acquisitions of building and equipment	(47,434)	(13,230)	(47,434)	(13,230)
Proceeds from sales of equipment	57	-	57	-
Acquisitions of intangible assets	(433)	(76)	(433)	(76)
<b>Net cash used in investing activities</b>	<b>(47,800)</b>	<b>(13,306)</b>	<b>(32,810)</b>	<b>(9,306)</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 three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from banks	57,674	(36,931)	49,692	(28,620)
Increase (decrease) in short-term loans from related parties	-	-	(14,000)	15,000
Cash receipts of long-term loans from banks	2,640	-	2,640	-
Repayment of long-term loans from banks	(14,866)	(12,861)	(14,866)	(12,861)
Repayment of liabilities under finance leases	(468)	(1,150)	(468)	(1,150)
Cash receipts from share subscriptions as				
a result of warrant exercises	4,982	806	4,982	806
Cash paid for interest expense	(2,292)	(2,192)	(2,058)	(1,892)
<b>Net cash from (used in ) financing activities</b>	<b>47,670</b>	<b>(52,328)</b>	<b>25,922</b>	<b>(28,717)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,722)</b>	<b>(14,778)</b>	<b>3,617</b>	<b>(4,925)</b>
Cash and cash equivalents at beginning of period	11,253	20,265	3,309	8,343
<b>Cash and cash equivalents at end of period</b>	<b>8,531</b>	<b>5,487</b>	<b>6,926</b>	<b>3,418</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Decrease in other payables from acquisitions				
of building and equipment	(5,941)	-	(5,941)	-
Interest expense capitalisation as cost of assets	25	-	25	-
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	-	-	38	60

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 three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Issued and paid-up share capital	Premium on ordinary shares	Advances received from share subscriptions	Capital reserve for share-based payments	Retained earnings Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2016</b>	582,537	105,590	-	4,636	4,020	12,132	708,915
Share-based payments (Note 10)	-	-	-	587	-	-	587
Advances received from share subscriptions as a result of warrant exercised (Note 10)	-	-	806	-	-	-	806
Total comprehensive income for the period	-	-	-	-	-	8,834	8,834
<b>Balance as at 31 March 2016</b>	<u>582,537</u>	<u>105,590</u>	<u>806</u>	<u>5,223</u>	<u>4,020</u>	<u>20,966</u>	<u>719,142</u>
<b>Balance as at 1 January 2017</b>	583,512	106,311	-	6,215	5,050	31,582	732,670
Share-based payments (Note 10)	-	-	-	347	-	-	347
Advances received from share subscriptions as a result of warrant exercised (Note 10)	-	-	4,982	-	-	-	4,982
Total comprehensive income for the period	-	-	-	-	-	3,386	3,386
<b>Balance as at 31 March 2017</b>	<u>583,512</u>	<u>106,311</u>	<u>4,982</u>	<u>6,562</u>	<u>5,050</u>	<u>34,968</u>	<u>741,385</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 three-month period ended 31 March 2017**

(Unit: Thousand Baht)

	Separate financial statements						Total
	Issued and paid-up share capital	Premium on ordinary shares	Advances received from share subscriptions	Capital reserve for share-based payments	Retained earnings Appropriated - statutory reserve	Unappropriated	
<b>Balance as at 1 January 2016</b>	582,537	105,590	-	4,636	4,020	11,960	708,743
Share-based payments (Note 10)	-	-	-	587	-	-	587
Advances received from share subscriptions as a result of warrant exercised (Note 10)	-	-	806	-	-	-	806
Total comprehensive income for the period	-	-	-	-	-	(1,127)	(1,127)
<b>Balance as at 31 March 2016</b>	<u>582,537</u>	<u>105,590</u>	<u>806</u>	<u>5,223</u>	<u>4,020</u>	<u>10,833</u>	<u>709,009</u>
<b>Balance as at 1 January 2017</b>	583,512	106,311	-	6,215	5,050	30,453	731,541
Share-based payments (Note 10)	-	-	-	347	-	-	347
Advances received from share subscriptions as a result of warrant exercised (Note 10)	-	-	4,982	-	-	-	4,982
Total comprehensive income for the period	-	-	-	-	-	2,642	2,642
<b>Balance as at 31 March 2017</b>	<u>583,512</u>	<u>106,311</u>	<u>4,982</u>	<u>6,562</u>	<u>5,050</u>	<u>33,095</u>	<u>739,512</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 period ended 31 March 2017**

**1. General information**

**1.1 The Company's general 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 2016) "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 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 2016. 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 financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. 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 2016.

**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, 21.12% (2016: 21.12%) of shares held in the Company
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

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.

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	1,476	2,132
Rental and service income	-	-	20,582	14,947
Purchases of goods	-	-	157,346	6,659
Interest expense	-	-	122	103
<u>Transactions with related parties</u>				
Sales of goods	10,880	11,400	9,484	2,053
Purchases of goods	18,704	5,214	18,704	5,214

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

<u>Transactions</u>	<u>Transfer pricing policy</u>
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	Per contract
Purchases of goods	Market price
Interest expense	4% per annum

(Unaudited but reviewed)

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<b><u>Trade and other receivables - related parties (Note 4)</u></b>				
<b>Trade receivables - related parties</b>				
Major shareholder	5,356	6,525	5,356	148
Subsidiary	-	-	120	132
Related companies (related by common directors)	1,364	1,181	1,364	674
Total trade receivables - related parties	6,720	7,706	6,840	954
<b>Other receivables - related parties</b>				
Subsidiary	-	-	4,506	18,656
Total other receivables - related parties	-	-	4,506	18,656
Total trade and other receivables - related parties	6,720	7,706	11,346	19,610
<b><u>Trade and other payables - related parties</u></b>				
<b>Trade payables - related parties</b>				
Subsidiary	-	-	139,188	1,542
Related companies (related by common directors)	3,420	2,675	3,401	2,494
Total trade payables - related parties	3,420	2,675	142,589	4,036
<b>Other payables - related parties</b>				
Subsidiaries	-	-	24	71
Related company (its director related to the Company's director)	-	5,941	-	5,941
Total other payables - related parties	-	5,941	24	6,012
Total trade and other payables - related parties	3,420	8,616	142,613	10,048
<b><u>Short-term loans from related parties</u></b>				
Subsidiaries	-	-	7,200	21,200
Total short-term loans from related parties	-	-	7,200	21,200

**Short-term loans from related parties**

During the three-month period ended 31 March 2017, movements of short-term loans from subsidiaries were as follows.

(Unit: Thousand Baht)

Company	Separate financial statements			31 March 2017
	31 December 2016	Increase	Decrease	
PolyMerit Asia Company Limited	14,000	12,000	(26,000)	-
CompositeAsia Company Limited	3,600	-	-	3,600
Poly Polymer Company Limited	3,600	-	-	3,600
Total	21,200	12,000	(26,000)	7,200

As at 31 March 2017 and 31 December 2016, 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 periods ended 31 March 2017 and 2016, the Group had employee benefit expenses payable to its directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2017	2016	2017	2016
Short-term benefits	6,535	6,833	6,188	6,478
Post-employment benefits	313	26	304	25
Share-based payments	160	253	151	239
Total	7,008	7,112	6,643	6,742

**Guarantee obligations with related parties**

The Company has guaranteed bank credit facilities of a subsidiary as described in Note 14.3 b), to the financial statements. No guarantee fee is charged by the Company.

Short-term loans and long-term loans from banks are secured by guarantee provided by that subsidiary. No guarantee fee is charged by that subsidiary.

(Unaudited but reviewed)

#### 4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
31 March	31 December	31 March	31 December	
2017	2016	2017	2016	
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due	6,720	7,696	6,840	944
Past due				
Up to 3 months	-	10	-	10
Total trade receivables - related parties	6,720	7,706	6,840	954
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	169,629	143,805	153,904	56,508
Past due				
Up to 3 months	31,468	39,311	28,507	20,649
3 - 6 months	-	13	-	13
Total trade receivables - unrelated parties	201,097	183,129	182,411	77,170
Total trade receivables	207,817	190,835	189,251	78,124
<b>Other receivables</b>				
Other receivables - related parties	-	-	4,506	18,656
Other receivables - unrelated parties	147	872	121	826
Total other receivables	147	872	4,627	19,482
Total trade and other receivables	207,964	191,707	193,878	97,606

#### 5. Inventories

Movements in the reduction of cost of inventories to net realisable value account during the three-month period ended 31 March 2017 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2017	4,576	2,774
Add: Addition during the period	1,108	968
Less: Reversal during the period	(1,382)	(268)
Balance as at 31 March 2017	4,302	3,474

## 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	
	31 March	31 December	31 March	31 December	31 March	31 December
	2017	2016	2017	2016	2017	2016
			%	%		
PolyMerit Asia Company Limited	50,000	50,000	100	100	55,379	55,341
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					62,893	62,855

During the three-month periods ended 31 March 2017 and 2016, 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 three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	724,521	711,981
Acquisitions during period - at cost	41,493	41,493
Disposal/write-off during period - net book value at disposal/write-off date	(8)	(8)
Capitalised interest	25	25
Depreciation for period	(13,171)	(12,963)
Net book value as at 31 March 2017	752,860	740,528

As at 31 March 2017, the Company had motor vehicles and equipment under finance lease agreements with net book values of Baht 4 million (31 December 2016: Baht 5 million).



(Unaudited but reviewed)

As at 31 March 2017, the Company had machinery for rent by a subsidiary, for use in the subsidiary's operations, with net book values of Baht 196 million (31 December 2016: Baht 198 million).

The Group has mortgaged land and buildings and pledged machinery with a total net book value as at 31 March 2017 of Baht 516 million (31 December 2016: Baht 478 million), and the separate balance of the Company amounted to Baht 504 million (31 December 2016: Baht 466 million), as collateral to secure bank credit facilities.

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

As at 31 March 2017 and 31 December 2016, short-term loans from banks are secured by a guarantee provided by a subsidiary and machinery of a subsidiary.

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

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	31 March 2017	31 December 2016
Long-term loans from banks	88,015	100,241
Less: Portion due within one year	(58,115)	(60,172)
Portion due more than one year	29,900	40,069

Movements in the long-term loans from banks account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements
Balance as at 1 January 2017	100,241
Add: Additions during the period	2,640
Less: Repayment during the period	(14,866)
Balance as at 31 March 2017	88,015

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. Warrants**

During the three-month period ended 31 March 2017, the Group recorded expenses of Baht 0.35 million (2016: Baht 0.59 million), in relation to the warrants scheme allocated to the directors and employees of the Group (ESOP-W1) 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 three-month period ended 31 March 2017 are as follows.

	(Unit: Units)
Number of warrants as at 1 January 2017	11,584,462
Exercised during the period	(3,113,868)
Cancelled during the period	<u>(218,416)</u>
Number of warrants as at 31 March 2017	<u><u>8,252,178</u></u>

Cash receipts amounting to Baht 4.98 million (2016: Baht 0.81 million) from the exercise of right to purchase the Company’s ordinary share on 31 March 2017 was recorded as advances received from share subscriptions in shareholders’ equity because the Company registered its paid-up capital increase with the Ministry of Commerce on 5 April 2017.

**11. Income tax**

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

Income tax expenses for the three-month periods ended 31 March 2017 and 2016 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Interim corporate income tax charge	1,185	-	1,185	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(131)</u>	<u>2</u>	<u>(131)</u>	<u>2</u>
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u><u>1,054</u></u>	<u><u>2</u></u>	<u><u>1,054</u></u>	<u><u>2</u></u>

**12. 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.

Consolidated financial statements					
For the three-month periods ended 31 March					
Profit for the periods		Weighted average number of ordinary shares		Earnings per shares	
2017	2016	2017	2016	2017	2016
Thousand Baht	Thousand Baht	Thousand shares	Thousand shares	Baht	Baht
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company					
3,386	8,834	583,512	582,537	<u>0.0058</u>	<u>0.0151</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	3,029	138		
<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>3,386</u>	<u>8,834</u>	<u>586,541</u>	<u>582,675</u>	<u>0.0058</u>	<u>0.0151</u>

(Unaudited but reviewed)

Separate financial statements					
For the three-month periods ended 31 March					
Profit (loss) for the periods		Weighted average number of ordinary shares		Earnings (loss) per shares	
2017	2016	2017	2016	2017	2016
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					
2,642	(1,127)	583,512	582,537	0.0045	(0.0019)
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	3,029	138		
<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					
2,642	(1,127)	586,541	582,675	0.0045	(0.0019)

### 13. 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 periods ended 31 March 2017 and 2016, the Group has no major customer with revenue of 10% or more of the entity's revenues.

### 14. Commitments and contingent liabilities

#### 14.1 Capital commitments

As at 31 March 2017, the Company had capital commitments of USD 0.5 million and Baht 3 million, relating to the acquisition of machinery and equipment (31 December 2016: the Company had capital commitments of USD 1 million and Baht 11 million, relating to the acquisition of machinery and equipment and a warehouse construction).

**14.2 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 - 3 years. The lease agreements can be extended.

Future minimum payments regarded under these agreements were as follows.

	(Unit: Thousand Baht)	
	Consolidated / Separate financial statements	
	31 March 2017	31 December 2016
Payable:		
In up to 1 year	8,843	6,044
In over 1 and up to 4 years	8,562	5,662

**14.3 Guarantees**

- a) As at 31 March 2017 and 31 December 2016, there were outstanding bank guarantees of Baht 3 million issued by banks on behalf of the Group to guarantee electricity use.
- b) As at 31 March 2017 and 31 December 2016, the Company has guaranteed bank credit facilities of its subsidiary amounting to Baht 217 million and USD 0.5 million.

**14.4 Forward foreign currency contracts**

Forward foreign currency contracts outstanding are summarised below.

As at 31 March 2017 and 31 December 2016			
Foreign currency	Bought amount	Contractual exchange rate bought	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	1,396	35.13	3 May 2017

**15. Events after the reporting period**

On 24 April 2017, the Annual General Meeting of the Company's shareholders for the year 2017 passed resolutions for approving a dividend payment of Baht 0.035 per share, or a total of Baht 20.4 million to shareholders in respect of the 2016 profit and its retained earnings. The dividend will be paid in May 2017.

**16. Approval of financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 11 May 2017.