

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 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 30 June 2017, 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 (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 August 2017

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

**Statement of financial position**

**As at 30 June 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		5,818	11,253	4,849	3,309
Trade and other receivables	3, 4	209,686	191,707	201,912	97,606
Inventories	5	193,378	178,941	141,395	100,190
Value added tax refundable		17,351	4,921	12,417	4,185
Other current assets		2,723	3,449	1,428	2,215
<b>Total current assets</b>		<b>428,956</b>	<b>390,271</b>	<b>362,001</b>	<b>207,505</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	74,173	62,855
Property, plant and equipment	7	775,077	724,521	762,961	711,981
Intangible assets		3,431	3,433	3,431	3,433
Deferred tax assets		979	1,893	979	1,893
Other non-current assets		8,367	10,165	8,289	10,165
<b>Total non-current assets</b>		<b>787,854</b>	<b>740,012</b>	<b>849,833</b>	<b>790,327</b>
<b>Total assets</b>		<b>1,216,810</b>	<b>1,130,283</b>	<b>1,211,834</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 30 June 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017	31 December 2016	30 June 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	183,050	124,813	89,400	70,387
Trade and other payables	3	190,989	157,020	265,166	61,364
Short-term loans from related parties	3	-	-	18,700	21,200
Current portion of long-term loans from banks	9	57,749	60,172	57,749	60,172
Current portion of liabilities under finance leases	7	1,464	1,694	1,464	1,694
Other current liabilities		2,572	2,533	2,175	1,287
<b>Total current liabilities</b>		<b>435,824</b>	<b>346,232</b>	<b>434,654</b>	<b>216,104</b>
<b>Non-current liabilities</b>					
Long-term loans from banks	9	51,190	40,069	51,190	40,069
Liabilities under finance leases	7	2,553	3,192	2,553	3,192
Provision for long-term employee benefits		3,855	8,120	2,542	6,926
<b>Total non-current liabilities</b>		<b>57,598</b>	<b>51,381</b>	<b>56,285</b>	<b>50,187</b>
<b>Total liabilities</b>		<b>493,422</b>	<b>397,613</b>	<b>490,939</b>	<b>266,291</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					
587,530,446 ordinary shares of Baht 1 each (31 December 2016: 583,511,702 ordinary shares of Baht 1 each)		587,530	583,512	587,530	583,512
Premium on ordinary shares		109,273	106,311	109,273	106,311
Capital reserve for share-based payments	11	4,910	6,215	4,910	6,215
Retained earnings					
Appropriated - statutory reserve		5,050	5,050	5,050	5,050
Unappropriated		16,625	31,582	14,132	30,453
<b>Total shareholders' equity</b>		<b>723,388</b>	<b>732,670</b>	<b>720,895</b>	<b>731,541</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,216,810</b>	<b>1,130,283</b>	<b>1,211,834</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 30 June 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		248,117	225,958	241,905	107,380
Other income		1,092	1,301	17,936	19,051
<b>Total revenues</b>		<b>249,209</b>	<b>227,259</b>	<b>259,841</b>	<b>126,431</b>
<b>Expenses</b>					
Cost of sales and services		208,428	183,170	218,833	86,643
Selling and service expenses		18,386	16,875	17,030	13,131
Administrative expenses		17,707	17,966	20,569	20,419
<b>Total expenses</b>		<b>244,521</b>	<b>218,011</b>	<b>256,432</b>	<b>120,193</b>
<b>Profit before finance cost and tax income</b>					
(income tax expenses)		4,688	9,248	3,409	6,238
Finance cost		(2,608)	(1,930)	(1,949)	(1,758)
<b>Profit before tax income (income tax expenses)</b>		<b>2,080</b>	<b>7,318</b>	<b>1,460</b>	<b>4,480</b>
Tax income (income tax expenses)	12	140	(59)	140	(59)
<b>Profit for the period</b>		<b>2,220</b>	<b>7,259</b>	<b>1,600</b>	<b>4,421</b>
<b>Other comprehensive income for the period</b>					
		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>2,220</b>	<b>7,259</b>	<b>1,600</b>	<b>4,421</b>

(Unit: Baht)

<b>Earnings per share</b>					
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company	13	0.0038	0.0124	0.0027	0.0076
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		0.0038	0.0124	0.0027	0.0076

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 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income		507,016	467,043	478,793	214,843
Other income		3,327	2,197	39,423	34,555
<b>Total revenues</b>		<b>510,343</b>	<b>469,240</b>	<b>518,216</b>	<b>249,398</b>
<b>Expenses</b>					
Cost of sales and services		424,563	379,259	432,336	175,615
Selling and service expenses		38,529	33,641	35,294	25,479
Administrative expenses		35,836	36,091	41,467	41,319
<b>Total expenses</b>		<b>498,928</b>	<b>448,991</b>	<b>509,097</b>	<b>242,413</b>
<b>Profit before finance cost and income tax expenses</b>		<b>11,415</b>	<b>20,249</b>	<b>9,119</b>	<b>6,985</b>
Finance cost		(4,895)	(4,095)	(3,963)	(3,630)
<b>Profit before income tax expenses</b>		<b>6,520</b>	<b>16,154</b>	<b>5,156</b>	<b>3,355</b>
Income tax expenses	12	(914)	(61)	(914)	(61)
<b>Profit for the period</b>		<b>5,606</b>	<b>16,093</b>	<b>4,242</b>	<b>3,294</b>
<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>5,606</b>	<b>16,093</b>	<b>4,242</b>	<b>3,294</b>

(Unit: Baht)

<b>Earnings per share</b>	13				
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		0.0096	0.0276	0.0072	0.0057
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		0.0095	0.0276	0.0072	0.0056

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 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit before tax	6,520	16,154	5,156	3,355
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	26,117	25,551	25,693	24,963
Reversal of allowance for doubtful debts	-	(6)	-	(6)
Reduction of cost of inventories to net realisable value (reversal)	374	(829)	895	(1,395)
Provision for long-term employee benefits	1,078	377	935	351
Loss (gain) on sales and write-off of equipment	(47)	852	(47)	852
Expenses in relation to share-based payments	693	1,134	618	1,014
Interest income	(27)	(19)	(10)	(9)
Interest expense	4,895	4,095	3,963	3,630
Profit from operating activities before changes in operating assets and liabilities	39,603	47,309	37,203	32,755
Decrease (increase) in operating assets				
Trade and other receivables	(17,979)	(18,144)	(119,306)	(12,779)
Inventories	(14,811)	10,421	(42,100)	11,489
Other current assets	(11,704)	1,298	(7,445)	1,819
Other non-current assets	(1,240)	(1,557)	(1,164)	(1,564)
Increase in operating liabilities				
Trade and other payables	21,605	21,852	191,427	12,949
Other current liabilities	39	(275)	888	(370)
Cash flows from operating activities	15,513	60,904	59,503	44,299
Cash paid for income tax	(1,250)	(1,173)	(1,248)	(1,236)
Cash received from income tax	4,288	-	4,288	-
Cash paid for employee benefit	(5,343)	-	(5,319)	-
<b>Net cash from operating activities</b>	<b>13,208</b>	<b>59,731</b>	<b>57,224</b>	<b>43,063</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 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from investing activities</b>				
Interest received	27	19	10	9
Dividend received from a subsidiary	-	-	15,000	4,000
Cash paid for investment in subsidiary	-	-	(11,243)	-
Acquisitions of building and equipment	(63,482)	(18,261)	(63,482)	(18,175)
Advances for purchases of machinery and equipment	-	(15,765)	-	(15,765)
Proceeds from sales of equipment	57	41	57	41
Acquisitions of intangible assets	(446)	(76)	(446)	(76)
<b>Net cash used in investing activities</b>	<b>(63,844)</b>	<b>(34,042)</b>	<b>(60,104)</b>	<b>(29,966)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term loans from banks	58,237	(6,256)	19,013	(8,820)
Increase in short-term loans from related parties	-	-	23,500	21,000
Repayment of short-term loans from related parties	-	-	(26,000)	-
Cash receipt from long-term loans from banks	39,080	-	39,080	-
Repayment of long-term loans from banks	(30,382)	(25,234)	(30,382)	(25,234)
Repayment of liabilities under finance leases	(869)	(1,698)	(869)	(1,698)
Cash receipts from share subscriptions as				
a result of warrant exercised	4,982	812	4,982	812
Cash paid for interest expense	(5,284)	(4,126)	(4,341)	(3,656)
Dividend paid	(20,563)	-	(20,563)	-
<b>Net cash from (used in ) financing activities</b>	<b>45,201</b>	<b>(36,502)</b>	<b>4,420</b>	<b>(17,596)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,435)</b>	<b>(10,813)</b>	<b>1,540</b>	<b>(4,499)</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>5,818</b>	<b>9,452</b>	<b>4,849</b>	<b>3,844</b>
	-		-	
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Decrease in other payables from acquisitions				
of building and equipment	12,392	1,255	12,392	1,255
Interest expense capitalisation as cost of assets	361	-	361	-
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	-	-	75	120

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 2017**

(Unit: Thousand Baht)

	Consolidated 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 2016</b>	582,537	105,590	4,636	4,020	12,132	708,915
Issuance of ordinary shares as a result of warrant exercised (Note 10)	652	483	(323)	-	-	812
Share-based payments (Note 11)	-	-	1,134	-	-	1,134
Total comprehensive income for the period	-	-	-	-	16,093	16,093
<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>
<b>Balance as at 1 January 2017</b>	583,512	106,311	6,215	5,050	31,582	732,670
Issuance of ordinary shares as a result of warrant exercised (Note 10)	4,018	2,962	(1,998)	-	-	4,982
Share-based payments (Note 11)	-	-	693	-	-	693
Dividend paid (Note 15)	-	-	-	-	(20,563)	(20,563)
Total comprehensive income for the period	-	-	-	-	5,606	5,606
<b>Balance as at 30 June 2017</b>	<u>587,530</u>	<u>109,273</u>	<u>4,910</u>	<u>5,050</u>	<u>16,625</u>	<u>723,388</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 2017**

(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 2016</b>	582,537	105,590	4,636	4,020	11,960	708,743
Issuance of ordinary shares as a result of warrant exercised (Note 10)	652	483	(323)	-	-	812
Share-based payments (Note 11)	-	-	1,134	-	-	1,134
Total comprehensive income for the period	-	-	-	-	3,294	3,294
<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>
<b>Balance as at 1 January 2017</b>	583,512	106,311	6,215	5,050	30,453	731,541
Issuance of ordinary shares as a result of warrant exercised (Note 10)	4,018	2,962	(1,998)	-	-	4,982
Share-based payments (Note 11)	-	-	693	-	-	693
Dividend paid (Note 15)	-	-	-	-	(20,563)	(20,563)
Total comprehensive income for the period	-	-	-	-	4,242	4,242
<b>Balance as at 30 June 2017</b>	<u>587,530</u>	<u>109,273</u>	<u>4,910</u>	<u>5,050</u>	<u>14,132</u>	<u>720,895</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 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, 20.97% (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 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	5,879	2,353
Rental and service income	-	-	17,507	18,268
Purchases of goods	-	-	122,111	5,326
Interest expense	-	-	126	266
<u>Transactions with related companies</u>				
Sales of goods	12,590	8,231	12,589	1,827
Purchases of goods	15,649	7,008	15,413	7,008

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	7,355	4,485
Rental and service income	-	-	38,089	33,215
Purchases of goods	-	-	279,457	11,985
Interest expense	-	-	248	369
<u>Transactions with related companies</u>				
Sales of goods	23,470	19,631	22,073	3,880
Purchases of goods	34,353	12,222	34,117	12,222

(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	Per contract
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
	2017	2016	2017	2016
<b><u>Trade and other receivables - related parties (Note 4)</u></b>				
<b>Trade receivables - related parties</b>				
Major shareholder	7,485	6,525	7,485	148
Subsidiary	-	-	1	132
Related companies (related by common directors)	2,645	1,181	2,645	674
Total trade receivables - related parties	10,130	7,706	10,131	954
<b>Other receivables - related parties</b>				
Subsidiary	-	-	2,784	18,656
Total other receivables - related parties	-	-	2,784	18,656
Total trade and other receivables - related parties	10,130	7,706	12,915	19,610
<b><u>Trade and other payables - related parties</u></b>				
<b>Trade payables - related parties</b>				
Subsidiary	-	-	169,312	1,542
Related companies (related by common directors)	10,504	2,675	10,252	2,494
Total trade payables - related parties	10,504	2,675	179,564	4,036
<b>Other payables - related parties</b>				
Subsidiaries	-	-	61	71
Related company (its director related to the Company's director)	-	5,941	-	5,941
Total other payables - related parties	-	5,941	61	6,012
Total trade and other payables - related parties	10,504	8,616	179,625	10,048
<b><u>Short-term loans from related parties</u></b>				
Subsidiaries	-	-	18,700	21,200
Total short-term loans from related parties	-	-	18,700	21,200

(Unaudited but reviewed)

### Short-term loans from related parties

During the six-month period ended 30 June 2017, movements of short-term loans from subsidiaries were as follows.

(Unit: Thousand Baht)

Company	Separate financial statements			30 June 2017
	31 December 2016	Increase	Decrease	
PolyMerit Asia Company Limited	14,000	12,000	(26,000)	-
CompositeAsia Company Limited	3,600	11,500	-	15,100
Poly Polymer Company Limited	3,600	-	-	3,600
Total	21,200	23,500	(26,000)	18,700

As at 30 June 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 and six-month periods ended 30 June 2017 and 2016, 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	
	2017	2016	2017	2016
Short-term employee benefits	6,431	9,072	12,966	17,459
Post-employment benefits	313	26	626	52
Share-based payments	159	253	319	506
Total	6,903	9,351	13,911	18,017

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
Short-term employee benefits	6,072	8,704	12,260	16,684
Post-employment benefits	303	24	607	49
Share-based payments	150	238	301	477
Total	6,525	8,966	13,168	17,210

**Guarantee obligations with related parties**

The Company has guaranteed bank credit facilities of a subsidiary as described in Note 16.3 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.

**4. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due	10,130	7,696	10,131	944
Past due				
Up to 3 months	-	10	-	10
Total trade receivables - related parties	10,130	7,706	10,131	954
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	163,282	143,805	152,808	56,508
Past due				
Up to 3 months	33,946	39,311	33,946	20,649
3 - 6 months	2,074	13	2,074	13
Total trade receivables - unrelated parties	199,302	183,129	188,828	77,170
Total trade receivables	209,432	190,835	198,959	78,124
<b>Other receivables</b>				
Other receivables - related parties	-	-	2,784	18,656
Other receivables - unrelated parties	254	872	169	826
Total other receivables	254	872	2,953	19,482
Total trade and other receivables	209,686	191,707	201,912	97,606



(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 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Balance as at 1 January 2017	4,576	2,774
Add: Addition during the period	2,436	1,539
Less: Reversal during the period	(2,062)	(644)
Balance as at 30 June 2017	<u>4,950</u>	<u>3,669</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
	2017	2016	2017	2016	2017	2016
			%	%		
PolyMerit Asia Company Limited	50,000	50,000	100	100	55,416	55,341
CompositeAsia Company Limited	15,000	3,758	100	100	15,000	3,757
Poly Polymer Company Limited	3,758	3,758	100	100	3,757	3,757
Total					<u>74,173</u>	<u>62,855</u>

During the six-month periods ended 30 June 2017 and 2016, the Company had no dividend received from its subsidiaries.

During the current period, CompositeAsia Company Limited called up the remaining 75 percent of the registered capital, and the Company made additional payment for the shares in proportion to its shareholding, amounting to Baht 11.2 million, in May 2017. The subsidiary registered the increase in its paid-in capital with the Ministry of Commerce on 11 July 2017.

The change in cost of investments in PolyMerit Asia Company Limited 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 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	75,874	75,874
Disposal/write-off during period - net book value at disposal/write-off date	(10)	(10)
Capitalised interest	361	361
Depreciation for period	(25,669)	(25,245)
Net book value as at 30 June 2017	<u>775,077</u>	<u>762,961</u>

As at 30 June 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).

As at 30 June 2017, the Company had machinery for rent by a subsidiary, for use in the subsidiary's operations, with net book values of Baht 193 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 30 June 2017 of Baht 511 million (31 December 2016: Baht 478 million), and the separate balance of the Company amounted to Baht 500 million (31 December 2016: Baht 466 million), as collateral to secure bank credit facilities.

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

As at 30 June 2017 and 31 December 2016, short-term loans from banks are secured by a guarantee provided by a subsidiary and machinery of a subsidiary.

(Unaudited but reviewed)

## 9. Long-term loans from banks

(Unit: Thousand Baht)

	Consolidated / Separate financial statements	
	30 June 2017	31 December 2016
Long-term loans from banks	108,939	100,241
Less: Portion due within one year	(57,749)	(60,172)
Portion due more than one year	<u>51,190</u>	<u>40,069</u>

Movements in the long-term loans from banks account during the six-month period ended 30 June 2017 are summarised below.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements
Balance as at 1 January 2017	100,241
Add: Additions during the period	39,080
Less: Repayment during the period	(30,382)
Balance as at 30 June 2017	<u>108,939</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 six-month period ended 30 June 2017 are as follows.

	Number of shares	Baht
Ordinary shares at 1 January 2017	583,511,702	583,511,702
Issued ordinary shares as a result of warrants (ESOP-W1) exercised (Note 11)	<u>4,018,744</u>	<u>4,018,744</u>
Ordinary shares at 30 June 2017	<u>587,530,446</u>	<u>587,530,446</u>

The Company registered the paid-up share capital increase with the Ministry of Commerce on 5 April 2017.

**11. Warrants**

During the three-month and six-month periods ended 30 June 2017, the Group recorded expenses of Baht 0.35 million and Baht 0.69 million, respectively (2016: Baht 0.5 million and Baht 1.1 million, respectively), 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 six-month period ended 30 June 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 30 June 2017	<u>8,252,178</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 (income) for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated / Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Interim corporate income tax charge	(1,185)	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>1,045</u>	<u>59</u>	<u>914</u>	<u>61</u>
<b>Tax expense (income) reported in the statements of comprehensive income</b>	<u>(140)</u>	<u>59</u>	<u>914</u>	<u>61</u>

**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.

Consolidated financial statements					
For the three-month periods ended 30 June					
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					
2,220	7,259	587,530	583,188	<u>0.0038</u>	<u>0.0124</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	1,355	999		
<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>2,220</u>	<u>7,259</u>	<u>588,885</u>	<u>584,187</u>	<u>0.0038</u>	<u>0.0124</u>

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 30 June						
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						
1,600	4,421	587,530	583,188	<u>0.0027</u>	<u>0.0076</u>	
<b>Effect of dilutive potential ordinary share</b>						
Warrants ESOP-W1						
-	-	1,355	999			
<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>1,600</u>	<u>4,421</u>	<u>588,885</u>	<u>584,187</u>	<u>0.0027</u>	<u>0.0076</u>	
Consolidated financial statements						
For the six-month periods ended 30 June						
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						
5,606	16,093	585,598	582,872	<u>0.0096</u>	<u>0.0276</u>	
<b>Effect of dilutive potential ordinary share</b>						
Warrants ESOP-W1						
-	-	2,653	1,087			
<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>5,606</u>	<u>16,093</u>	<u>588,251</u>	<u>583,959</u>	<u>0.0095</u>	<u>0.0276</u>	

(Unaudited but reviewed)

Separate financial statements					
For the six-month periods ended 30 June					
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					
4,242	3,294	585,598	582,872	<u>0.0072</u>	<u>0.0057</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	2,653	1,087		
<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>4,242</u>	<u>3,294</u>	<u>588,251</u>	<u>583,959</u>	<u>0.0072</u>	<u>0.0056</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 2017 and 2016, the Group has no major customer with revenue of 10% or more of the entity's revenues.

(Unaudited but reviewed)

## 15. Dividends

		(Unit: Million Baht)	
Dividends	Approved by	Total dividends	Dividend per share
Final dividends for 2016	Annual General Meeting of the shareholders on 24 April 2017	21	0.035
Total for 2017		21	0.035

## 16. Commitments and contingent liabilities

### 16.1 Capital commitments

As at 30 June 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).

### 16.2 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 financial statements		Separate financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Payable:				
In up to 1 year	8,045	6,044	7,573	6,044
In over 1 and up to 4 years	9,049	5,662	8,601	5,662



**16.3 Guarantees**

- a) As at 30 June 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 30 June 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.

**16.4 Forward foreign currency contracts**

Forward foreign currency contracts outstanding are summarised below.

As at 30 June 2017			
Foreign currency	Bought amount	Contractual exchange rate bought	Contractual maturity date
	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	520	34.68	6 November 2017

  

As at 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

**17. Approval of financial statements**

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