

Salee Colour Public Company Limited and its subsidiaries  
Review report and interim consolidated financial statements  
For the three-month and nine-month periods ended  
30 September 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 September 2017, 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 (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: 13 November 2017

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

**Statement of financial position**

**As at 30 September 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		9,143	11,253	8,585	3,309
Trade and other receivables	3, 4	239,867	191,707	229,016	97,606
Inventories	5	211,285	178,941	144,234	100,190
Value added tax refundable		18,394	4,921	12,417	4,185
Other current assets		5,548	3,449	2,258	2,215
<b>Total current assets</b>		<b>484,237</b>	<b>390,271</b>	<b>396,510</b>	<b>207,505</b>
<b>Non-current assets</b>					
Investments in subsidiaries	6	-	-	74,211	62,855
Property, plant and equipment	7	766,717	724,521	754,729	711,981
Intangible assets		3,201	3,433	3,201	3,433
Deferred tax assets		1,030	1,893	1,030	1,893
Other non-current assets		6,373	10,165	6,293	10,165
<b>Total non-current assets</b>		<b>777,321</b>	<b>740,012</b>	<b>839,464</b>	<b>790,327</b>
<b>Total assets</b>		<b>1,261,558</b>	<b>1,130,283</b>	<b>1,235,974</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 September 2017**

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2017	31 December 2016	30 September 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from banks	8	182,885	124,813	117,879	70,387
Trade and other payables	3	249,342	157,020	276,579	61,364
Short-term loans from related parties	3	-	-	14,600	21,200
Current portion of long-term loans from banks	9	44,183	60,172	44,183	60,172
Current portion of liabilities under finance leases	7	1,688	1,694	1,688	1,694
Other current liabilities		1,275	2,533	788	1,287
<b>Total current liabilities</b>		<b>479,373</b>	<b>346,232</b>	<b>455,717</b>	<b>216,104</b>
<b>Non-current liabilities</b>					
Long-term loans from banks					
- net of current portion	9	45,940	40,069	45,940	40,069
Liabilities under finance leases					
- net of current portion	7	1,920	3,192	1,920	3,192
Provision for long-term employee benefits		4,086	8,120	2,701	6,926
<b>Total non-current liabilities</b>		<b>51,946</b>	<b>51,381</b>	<b>50,561</b>	<b>50,187</b>
<b>Total liabilities</b>		<b>531,319</b>	<b>397,613</b>	<b>506,278</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
Advances received from share subscriptions					
as a result of warrants exercised		453	-	453	-
Capital reserve for share-based payments	11	5,243	6,215	5,243	6,215
Retained earnings					
Appropriated - statutory reserve		5,050	5,050	5,050	5,050
Unappropriated		22,690	31,582	22,147	30,453
<b>Total shareholders' equity</b>		<b>730,239</b>	<b>732,670</b>	<b>729,696</b>	<b>731,541</b>
<b>Total liabilities and shareholders' equity</b>		<b>1,261,558</b>	<b>1,130,283</b>	<b>1,235,974</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 September 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		276,116	238,823	265,834	106,953
Other income		1,593	1,319	21,507	20,550
<b>Total revenues</b>		<u>277,709</u>	<u>240,142</u>	<u>287,341</u>	<u>127,503</u>
<b>Expenses</b>					
Cost of sales and services		233,850	195,746	240,117	87,722
Selling and service expenses		19,737	18,771	18,282	14,158
Administrative expenses		15,277	18,389	18,711	21,422
<b>Total expenses</b>		<u>268,864</u>	<u>232,906</u>	<u>277,110</u>	<u>123,302</u>
<b>Profit before finance cost and tax income</b>		<u>8,845</u>	<u>7,236</u>	<u>10,231</u>	<u>4,201</u>
Finance cost		(2,831)	(1,905)	(2,267)	(1,674)
<b>Profit before tax income</b>		<u>6,014</u>	<u>5,331</u>	<u>7,964</u>	<u>2,527</u>
Tax income	12	51	114	51	114
<b>Profit for the period</b>		<u>6,065</u>	<u>5,445</u>	<u>8,015</u>	<u>2,641</u>
<b>Other comprehensive income for the period</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>6,065</u>	<u>5,445</u>	<u>8,015</u>	<u>2,641</u>
(Unit: Baht)					
<b>Earnings per share</b>					
13					
<b>Basic earnings per share</b>					
Profit attributable to equity holders of the Company		<u>0.0103</u>	<u>0.0093</u>	<u>0.0136</u>	<u>0.0045</u>
<b>Diluted earnings per share</b>					
Profit attributable to equity holders of the Company		<u>0.0103</u>	<u>0.0093</u>	<u>0.0136</u>	<u>0.0045</u>

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

(Unaudited but reviewed)

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

**Statement of comprehensive income**

**For the nine-month period ended 30 September 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	783,132	705,866	744,627	321,796
Other income	4,920	3,516	60,930	55,105
<b>Total revenues</b>	<u>788,052</u>	<u>709,382</u>	<u>805,557</u>	<u>376,901</u>
<b>Expenses</b>				
Cost of sales and services	658,413	575,005	672,453	263,337
Selling and service expenses	58,266	52,412	53,576	39,637
Administrative expenses	51,113	54,481	60,178	62,741
<b>Total expenses</b>	<u>767,792</u>	<u>681,898</u>	<u>786,207</u>	<u>365,715</u>
<b>Profit before finance cost and income tax expenses</b>	<u>20,260</u>	<u>27,484</u>	<u>19,350</u>	<u>11,186</u>
Finance cost	(7,726)	(6,000)	(6,230)	(5,304)
<b>Profit before income tax expenses</b>	<u>12,534</u>	<u>21,484</u>	<u>13,120</u>	<u>5,882</u>
(Income tax expenses) income	12 (863)	53	(863)	53
<b>Profit for the period</b>	<u>11,671</u>	<u>21,537</u>	<u>12,257</u>	<u>5,935</u>
<b>Other comprehensive income for the period</b>	-	-	-	-
<b>Total comprehensive income for the period</b>	<u>11,671</u>	<u>21,537</u>	<u>12,257</u>	<u>5,935</u>
				(Unit: Baht)
<b>Earnings per share</b>	13			
<b>Basic earnings per share</b>				
Profit attributable to equity holders of the Company	<u>0.0199</u>	<u>0.0369</u>	<u>0.0209</u>	<u>0.0102</u>
<b>Diluted earnings per share</b>				
Profit attributable to equity holders of the Company	<u>0.0198</u>	<u>0.0369</u>	<u>0.0208</u>	<u>0.0102</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 nine-month period ended 30 September 2017**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<b>Cash flows from operating activities</b>				
Profit before tax	12,534	21,484	13,120	5,882
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	40,197	38,569	39,553	37,783
Reversal of allowance for doubtful debts	-	(9)	-	(9)
Reduction of cost of inventories to net realisable value (reversal)	122	490	221	(966)
Provision for long-term employee benefits	1,618	573	1,403	534
Loss (gain) on sales and write-off of equipment	(101)	865	(101)	865
Expenses in relation to share-based payments	1,026	1,702	913	1,522
Interest income	(27)	(19)	(10)	(9)
Interest expense	7,726	6,000	6,230	5,304
Profit from operating activities before changes in operating assets and liabilities	63,095	69,655	61,329	50,906
Decrease (increase) in operating assets				
Trade and other receivables	(48,160)	(20,855)	(146,410)	(11,807)
Inventories	(32,466)	(19,280)	(44,265)	(4,055)
Other current assets	(15,572)	493	(8,275)	1,498
Other non-current assets	(1,129)	871	(1,052)	864
Increase (decrease) in operating liabilities				
Trade and other payables	74,894	49,563	197,833	23,841
Other current liabilities	(1,258)	(7)	(499)	(42)
Cash flows from operating activities	39,404	80,440	58,661	61,205
Cash paid for income tax	(1,889)	(1,831)	(1,886)	(1,894)
Cash received from income tax	6,810	-	6,810	-
Cash paid for employee benefit	(5,652)	-	(5,628)	-
<b>Net cash from operating activities</b>	<b>38,673</b>	<b>78,609</b>	<b>57,957</b>	<b>59,311</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 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 a subsidiary	-	-	(11,243)	-
Acquisitions of building and equipment	(63,938)	(54,718)	(63,846)	(54,632)
Proceeds from sales of equipment	113	41	113	41
Acquisitions of intangible assets	(446)	(926)	(446)	(926)
<b>Net cash used in investing activities</b>	<b>(64,244)</b>	<b>(55,584)</b>	<b>(60,412)</b>	<b>(51,508)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term loans from banks	58,072	(2,098)	47,492	(8,214)
Increase in short-term loans from related parties	-	-	24,000	24,000
Repayment of short-term loans from related parties	-	-	(30,600)	-
Cash receipts from long-term loan from bank	39,080	17,930	39,080	17,930
Repayment of long-term loans from banks	(49,198)	(38,583)	(49,198)	(38,583)
Repayment of liabilities under finance leases	(1,278)	(2,353)	(1,278)	(2,353)
Cash receipts from share subscriptions as a result of warrants exercised	5,435	1,212	5,435	1,212
Cash paid for interest expense	(8,087)	(6,103)	(6,637)	(5,405)
Dividend paid	(20,563)	-	(20,563)	-
<b>Net cash from (used in) financing activities</b>	<b>23,461</b>	<b>(29,995)</b>	<b>7,731</b>	<b>(11,413)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,110)</b>	<b>(6,970)</b>	<b>5,276</b>	<b>(3,610)</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>9,143</b>	<b>13,295</b>	<b>8,585</b>	<b>4,733</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions				
Acquisitions of motor vehicles by finance leases	-	1,255	-	1,255
Increase (decrease) in other payables from acquisitions of building and equipment	17,428	7,546	17,428	7,546
Interest expense capitalised as cost of assets	361	81	361	81
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	-	-	113	180

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 2017**

(Unit: Thousand Baht)

	Consolidated financial statements						
	Issued and paid-up share capital	Premium on ordinary shares	Advances received for share subscriptions as a result of warrants exercised	Capital reserve for share-based payments	Retained earnings		Total
				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	652	483	-	(323)	-	-	812
Advances received as a result of warrants exercised	-	-	400	-	-	-	400
Share-based payments (Note 11)	-	-	-	1,702	-	-	1,702
Total comprehensive income for the period	-	-	-	-	-	21,537	21,537
<b>Balance as at 30 September 2016</b>	<u>583,189</u>	<u>106,073</u>	<u>400</u>	<u>6,015</u>	<u>4,020</u>	<u>33,669</u>	<u>733,366</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
Advances received for share subscriptions as a result of warrants exercised (Note 10)	-	-	453	-	-	-	453
Share-based payments (Note 11)	-	-	-	1,026	-	-	1,026
Dividend paid (Note 15)	-	-	-	-	-	(20,563)	(20,563)
Total comprehensive income for the period	-	-	-	-	-	11,671	11,671
<b>Balance as at 30 September 2017</b>	<u>587,530</u>	<u>109,273</u>	<u>453</u>	<u>5,243</u>	<u>5,050</u>	<u>22,690</u>	<u>730,239</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 nine-month period ended 30 September 2017**

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and paid-up share capital	Premium on ordinary shares	Advances received for share subscriptions as a result of warrants exercised	Capital reserve for share-based payments	Retained earnings		Total
				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	652	483	-	(323)	-	-	812
Advances received as a result of warrants exercised	-	-	400	-	-	-	400
Share-based payments (Note 11)	-	-	-	1,702	-	-	1,702
Total comprehensive income for the period	-	-	-	-	-	5,935	5,935
<b>Balance as at 30 September 2016</b>	<u>583,189</u>	<u>106,073</u>	<u>400</u>	<u>6,015</u>	<u>4,020</u>	<u>17,895</u>	<u>717,592</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
Advances received for share subscriptions as a result of warrants exercised (Note 10)	-	-	453	-	-	-	453
Share-based payments (Note 11)	-	-	-	1,026	-	-	1,026
Dividend paid (Note 15)	-	-	-	-	-	(20,563)	(20,563)
Total comprehensive income for the period	-	-	-	-	-	12,257	12,257
<b>Balance as at 30 September 2017</b>	<u>587,530</u>	<u>109,273</u>	<u>453</u>	<u>5,243</u>	<u>5,050</u>	<u>22,147</u>	<u>729,696</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 nine-month periods ended 30 September 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% (31 December 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
Petchsiam (Thailand) Company Limited	Related companies (related by common shareholders)
Salee Printing Public Company Limited	Related companies (related by common shareholders and director)
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)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	7,378	3,733
Rental and service income	-	-	20,903	20,012
Purchases of goods	-	-	133,851	6,689
Interest expense	-	-	186	207
<u>Transactions with related parties</u>				
Sales of goods	10,520	19,283	10,520	10,803
Purchases of goods	12,118	10,332	11,678	10,184

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	2017	2016	2017	2016
<u>Transactions with subsidiaries</u>				
(eliminated from the consolidated financial statements)				
Sales of goods	-	-	14,733	8,218
Rental and service income	-	-	58,992	53,227
Purchases of goods	-	-	414,737	18,674
Interest expense	-	-	434	576
<u>Transactions with related parties</u>				
Sales of goods	34,750	38,914	33,354	14,683
Purchases of goods	46,637	22,554	45,961	22,406

(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 September	31 December	30 September	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	6,721	6,525	6,721	148
Subsidiary	-	-	231	132
Related companies (related by common shareholders and directors)	3,078	1,181	3,078	674
Total trade receivables - related parties	9,799	7,706	10,030	954
<b>Other receivables - related parties</b>				
Subsidiaries	-	-	4,038	18,656
Total other receivables - related parties	-	-	4,038	18,656
Total trade and other receivables - related parties	9,799	7,706	14,068	19,610
<b><u>Trade and other payables - related parties</u></b>				
<b>Trade payables - related parties</b>				
Subsidiaries	-	-	151,137	1,542
Related companies (related by common shareholders and directors)	12,959	2,675	12,488	2,494
Total trade payables - related parties	12,959	2,675	163,625	4,036
<b>Other payables - related parties</b>				
Subsidiaries	-	-	23	71
Related company (its director related to the Company's director)	-	5,941	-	5,941
Total other payables - related parties	-	5,941	23	6,012
Total trade and other payables - related parties	12,959	8,616	163,648	10,048
<b><u>Short-term loans from related parties</u></b>				
Subsidiaries	-	-	14,600	21,200
Total short-term loans from related parties	-	-	14,600	21,200

**Short-term loans from related parties**

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

(Unit: Thousand Baht)

Company	Separate financial statements			30 September 2017
	31 December 2016	Increase	Decrease	
PolyMerit Asia Company Limited	14,000	12,000	(26,000)	-
CompositeAsia Company Limited	3,600	11,500	(4,600)	10,500
Poly Polymer Company Limited	3,600	500	-	4,100
<b>Total</b>	<b>21,200</b>	<b>24,000</b>	<b>(30,600)</b>	<b>14,600</b>

As at 30 September 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 nine-month periods ended 30 September 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 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Short-term employee benefits	6,142	9,072	19,108
Post-employment benefits	313	26	939	78
Share-based payments	160	253	479	759
<b>Total</b>	<b>6,615</b>	<b>9,351</b>	<b>20,526</b>	<b>27,368</b>

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
	Short-term employee benefits	5,784	8,704	18,044
Post-employment benefits	304	25	911	74
Share-based payments	151	239	452	716
<b>Total</b>	<b>6,239</b>	<b>8,968</b>	<b>19,407</b>	<b>26,178</b>

**Guarantee obligations with related parties**

The Company has guaranteed bank credit facilities of subsidiaries 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 a subsidiary. No guarantee fee is charged by that subsidiary.

**4. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
<b>Trade receivables - related parties</b>				
Aged on the basis of due dates				
Not yet due	9,575	7,696	9,806	944
Past due				
Up to 3 months	224	10	224	10
Total trade receivables - related parties	9,799	7,706	10,030	954
<b>Trade receivables - unrelated parties</b>				
Aged on the basis of due dates				
Not yet due	185,353	143,805	172,386	56,508
Past due				
Up to 3 months	41,714	39,311	39,675	20,649
3 - 6 months	1,625	13	1,625	13
6 - 12 months	1,054	-	1,054	-
Total trade receivables - unrelated parties	229,746	183,129	214,740	77,170
Total trade receivables	239,545	190,835	224,770	78,124
<b>Other receivables</b>				
Other receivables - related parties	-	-	4,038	18,656
Other receivables - unrelated parties	322	872	208	826
Total other receivables	322	872	4,246	19,482
Total trade and other receivables	239,867	191,707	229,016	97,606



## 5. Inventories

Movements in the reduction of cost of inventories to net realisable value account during the nine-month period ended 30 September 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	3,010	1,692
Less: Reversal during the period	(2,888)	(1,471)
Balance as at 30 September 2017	<u>4,698</u>	<u>2,995</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
	2017	2016	2017	2016	2017	2016
			%	%		
PolyMerit Asia Company Limited	50,000	50,000	100	100	55,454	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>74,211</u>	<u>62,855</u>

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

During the second quarter of 2017, 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.

(Unaudited but reviewed)

On 30 August 2017, the Extraordinary General Meeting No. 1/2017 of the shareholders of a subsidiary, Poly Polymer Company Limited, passed a resolution to dissolve the Company on 5 September 2017. At present, the subsidiary is in the process of dissolution. This subsidiary is not a significant segment of the Group, therefore, there is no significant impact on consolidated financial statements.

## 7. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 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	81,366	81,274
Disposal/write-off during period - net book value at disposal/write-off date	(12)	(12)
Capitalised interest	361	361
Depreciation for period	(39,519)	(38,875)
Net book value as at 30 September 2017	<u>766,717</u>	<u>754,729</u>

As at 30 September 2017, the Company had motor vehicles and equipment under finance lease agreements with net book values of Baht 3 million (31 December 2016: Baht 5 million).

As at 30 September 2017, the Company had machinery for rent by subsidiaries, for use in the subsidiaries' operations, with net book values of Baht 236 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 September 2017 of Baht 504 million (31 December 2016: Baht 478 million), and the separate balance of the Company amounted to Baht 493 million (31 December 2016: Baht 466 million), as collateral to secure bank credit facilities.

## 8. Bank overdrafts and short-term loans from banks

As at 30 September 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 September 2017	31 December 2016
Long-term loans from banks	90,123	100,241
Less: Portion due within one year	(44,183)	(60,172)
Portion due more than one year	45,940	40,069

Movements in the long-term loans from banks account during the nine-month period ended 30 September 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	(49,198)
Balance as at 30 September 2017	90,123

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 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)	4,018,744	4,018,744
Ordinary shares at 30 September 2017	587,530,446	587,530,446

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

As at 30 September 2017, cash receipts amounting to Bath 0.45 million (31 December 2016: Nil) from the exercise of right to purchase the Company's share, were recorded as "advance received from share subscriptions as a result of warrants exercised" in shareholders' equity because the company registered its paid-up capital increase with the Ministry of Commerce on 6 October 2017.

## 11. Warrants

During the three-month and nine-month periods ended 30 September 2017, the Group recorded expenses of Baht 0.3 million and Baht 1 million, respectively (2016: Baht 0.6 million and Baht 1.7 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 nine-month period ended 30 September 2017 are as follows.

	(Unit: Units)
Number of warrants as at 1 January 2017	11,584,462
Exercised during the period	(3,397,111)
Cancelled during the period	<u>(534,416)</u>
Number of warrants as at 30 September 2017	<u><u>7,652,935</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.

Income tax expenses (income) for the three-month and nine-month periods ended 30 September 2017 and 2016 are made up as follows.

	(Unit: Thousand Baht)			
	Consolidated / Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2017	2016	2017	2016
<b>Current income tax:</b>				
Interim corporate income tax charge	-	-	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(51)</u>	<u>(114)</u>	<u>863</u>	<u>(53)</u>
<b>Income tax expense (income) reported in the statements of comprehensive income</b>	<u>(51)</u>	<u>(114)</u>	<u>863</u>	<u>(53)</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 September					
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					
6,065	5,445	587,530	583,189	<u>0.0103</u>	<u>0.0093</u>
<b>Effect of dilutive potential ordinary share</b>					
Warrants ESOP-W1					
-	-	969	1,317		
<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>6,065</u>	<u>5,445</u>	<u>588,499</u>	<u>584,506</u>	<u>0.0103</u>	<u>0.0093</u>

(Unaudited but reviewed)

Separate financial statements						
For the three-month periods ended 30 September						
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						
8,015	2,641	587,530	583,189	<u>0.0136</u>	<u>0.0045</u>	
<b>Effect of dilutive potential ordinary share</b>						
Warrants ESOP-W1						
-	-	969	1,317			
<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>8,015</u>	<u>2,641</u>	<u>588,499</u>	<u>584,506</u>	<u>0.0136</u>	<u>0.0045</u>	
Consolidated financial statements						
For the nine-month periods ended 30 September						
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						
11,671	21,537	586,249	582,956	<u>0.0199</u>	<u>0.0369</u>	
<b>Effect of dilutive potential ordinary share</b>						
Warrants ESOP-W1						
-	-	2,359	1,077			
<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>11,671</u>	<u>21,537</u>	<u>588,608</u>	<u>584,033</u>	<u>0.0198</u>	<u>0.0369</u>	

(Unaudited but reviewed)

		Separate financial statements					
		For the nine-month periods ended 30 September					
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							
12,257	5,935	586,249	582,956	<u>0.0209</u>	<u>0.0102</u>		
<b>Effect of dilutive potential ordinary share</b>							
Warrants ESOP-W1							
-	-	2,359	1,077				
<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>12,257</u>	<u>5,935</u>	<u>588,608</u>	<u>584,033</u>	<u>0.0208</u>	<u>0.0102</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 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 September 2017, the Company had capital commitments of Baht 1.5 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 - 5 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 September 2017	31 December 2016	30 September 2017	31 December 2016
Payable:				
In up to 1 year	6,992	6,044	6,604	6,044
In over 1 and up to 5 years	7,891	5,662	7,481	5,662



**16.3 Guarantees**

- a) As at 30 September 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 September 2017, the Company has guaranteed bank credit facilities of its subsidiaries amounting to Baht 232 million and USD 0.5 million (31 December 2016: 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 September 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 13 November 2017.