

**Thai Poly Acrylic Public Company Limited**  
**Notes to interim financial statements**  
**For the three-month period ended 31 March 2017**

**1. General information**

**1.1 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard 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 interim financial statements.

**1.2 New financial reporting standards**

During the period, the Company 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 Company's financial statements.

**1.3 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.

## 2. Related party transactions

During the periods, the Company 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 Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 31 March		Pricing policies
	<u>2017</u>	<u>2016</u>	
<u>Transactions with related parties</u>			
Sales of goods	1	3	With reference to market price
Purchases of raw materials	151	93	As agreed with reference to market price
Service expenses	2	1	Contract price and as agreed

The balances of the accounts between the Company and those related parties as at 31 March 2017 and 31 December 2016 are as follows:

(Unit: Thousand Baht)

	<u>31 March 2017</u>	<u>31 December 2016</u>
		(Audited)
<b><u>Trade and other receivables - related parties (Note 3)</u></b>		
Fellow subsidiaries	<u>1,445</u>	<u>2,059</u>
<b><u>Trade and other payables - related parties (Note 6)</u></b>		
Fellow subsidiaries	6,853	5,440
Subsidiaries of ultimate parent		
Thai MMA Company Limited	185,008	164,480
Others	<u>3,726</u>	<u>3,505</u>
<b>Total trade and other payables - related parties</b>	<u>195,587</u>	<u>173,425</u>

### Directors and management's remunerations

During the three-month period ended 31 March 2017, the Company had employee benefits of its directors and management recognised as expenses totaling Baht 6 million (2016: Baht 5 million).

**3. Trade and other receivables**

	(Unit: Thousand Baht)	
	31 March 2017	31 December 2016
		(Audited)
<b>Trade receivables - related parties</b>		
Aged on the basis of due dates		
Not yet due	-	2,059
Past due		
Up to 3 months	1,196	-
Total trade receivables - related parties	1,196	2,059
<b>Trade receivables - unrelated parties</b>		
Aged on the basis of due dates		
Not yet due	231,701	189,780
Past due		
Up to 3 months	9,900	44,936
3 - 6 months	1,531	728
6 - 12 months	1,563	1,441
Over 12 months	7,442	7,668
Total	252,137	244,553
Less: Allowance for doubtful debts	(7,442)	(7,668)
Total trade receivables - unrelated parties, net	244,695	236,885
Total trade receivables, net	245,891	238,944
<b>Other receivables</b>		
Other receivables - related parties	249	-
Other receivables - unrelated parties	815	323
Total other receivables	1,064	323
Total trade and other receivables, net	246,955	239,267

**4. Reduce cost of inventories to net realisable value**

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

	(Unit: Thousand Baht)
<b>Balance as at 1 January 2017</b>	15,045
Less: Reversal of reduce cost of inventories to net realisable value during the period	<u>(734)</u>
<b>Balance as at 31 March 2017</b>	<u><u>14,311</u></u>

**5. 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)
<b>Net book value as at 1 January 2017</b>	376,260
Add: Acquisitions during the period - at cost	2,300
Less: Disposals during the period - net book value as at disposal date	(5)
Depreciation for the period	<u>(5,151)</u>
<b>Net book value as at 31 March 2017</b>	<u><u>373,404</u></u>

The Company had a piece of land with a carrying value of approximately Baht 104 million which is currently not being used in its operation.

**6. Trade and other payables**

	(Unit: Thousand Baht)	
	<u>31 March 2017</u>	<u>31 December 2016</u>
		(Audited)
Trade payables - related parties	192,881	170,586
Trade payables - unrelated parties	77,935	68,373
Amounts due to related parties	2,706	2,839
Other payables	11,089	8,735
Accrued expenses	<u>22,786</u>	<u>25,032</u>
<b>Total trade and other payables</b>	<u><u>307,397</u></u>	<u><u>275,565</u></u>

## 7. Provision for long-term employee benefits

Movements of the provision for long-term employee benefits account during the three-month period ended 31 March 2017 are summarised below.

(Unit: Thousand Baht)

	Legal severance payment plan	Long service awards	Total
<b>Balance as at 1 January 2017</b>	21,821	1,112	22,933
Recognition during the period	870	85	955
Benefits paid during the period	(792)	-	(792)
<b>Balance as at 31 March 2017</b>	<u>21,899</u>	<u>1,197</u>	<u>23,096</u>

## 8. Income tax

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

(Unit: Thousand Baht)

	<u>2017</u>	<u>2016</u>
<b>Current income tax:</b>		
Interim corporate income tax charge	122	3,475
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	<u>482</u>	<u>1,935</u>
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>604</u>	<u>5,410</u>

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

## 9. Earnings per share

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

**10. Segment information**

The Company is engaged principally in the manufacture and sale of Acrylic sheets, Acrylonitrile Butadiene Styrene sheets, High Impact Polystyrene sheets and other extruded plastic sheets. Each of these products is considered part of the same line of business, which is regarded as a single operating segment. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment.

Geographic information

Revenues from sales and service income are based on locations of the customers for the three-month periods ended 31 March 2017 and 2016 are as follows:

	(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>
Segment in Thailand	162	127
Segment in overseas	115	103
Total	<u>277</u>	<u>230</u>

**11. Commitments and contingent liabilities****11.1 Capital commitments**

As at 31 March 2017, the Company had capital commitments of Baht 1 million (31 December 2016: Nil), relating to the acquisitions of equipment.

**11.2 Operating lease and service commitments**

The Company has entered into lease agreements in respect of the lease of buildings and equipment and several service agreements. The terms of the agreements are generally between 1 to 3 years.

Future minimum payments required under these non-cancellable operating lease and service agreements were as follows.

	(Unit: Million Baht)	
	<u>31 March 2017</u>	<u>31 December 2016</u>
Payable:		
In up to 1 year	2	2

### 11.3 Bank guarantees

As at 31 March 2017, there were outstanding bank guarantees of Baht 7 million (31 December 2016: Baht 7 million) issued by a bank on behalf of the Company in respect of certain performance bonds as required in the normal course of business to guarantee electricity usage and others.

### 12. Foreign currency risk

The balances of financial assets and liabilities of the Company denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016	31 March 2017	31 December 2016
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	2.4	2.1	1.1	0.6	34.4501	35.8307
Australian dollar	0.5	0.8	-	0.1	26.3511	25.9362
Japanese yen	-	-	10.5	14.2	0.3077	0.3080
Euro	-	-	0.1	0.1	36.7904	37.7577

The outstanding forward exchange contracts of the Company are summarised below.

As at 31 March 2017			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.4	34.8500 - 34.9200	3 July 2017 to 14 July 2017

  

As at 31 December 2016			
Foreign currency	Sold amount	Contractual exchange rate	Contractual maturity date
	(Million)	(Baht per 1 foreign currency unit)	
US dollar	1.1	34.7944 - 35.6150	31 March 2017 to 15 May 2017

### 13. Event after the reporting period

On 27 April 2017, the Annual General Meeting of the Company's shareholders passed a resolution to approve dividend payment of a total of Baht 0.50 per share, or a total of Baht 60.75 million, from the retained earnings. The Company will pay and record such dividend in the second quarter of the current year.

### 14. Approval of interim financial statements

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