

TOA Paint (Thailand) Public Company Limited
and its subsidiaries
(Formerly known as “TOA Paint (Thailand) Company Limited”)
Report and interim consolidated 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 TOA Paint (Thailand) Public Company Limited
(Formerly known as "TOA Paint (Thailand) Company Limited")

I have reviewed the accompanying consolidated statement of financial position of TOA Paint (Thailand) 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 ended 30 June 2017, 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 TOA Paint (Thailand) Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 8 August 2017

TOA Paint (Thailand) Public Company Limited and its subsidiaries

(Formerly known as “TOA Paint (Thailand) Company Limited”)

Statement of financial position

As at 30 June 2017

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	30 June 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
Assets					
Current assets					
Cash and cash equivalents		1,515,599	1,713,375	358,393	824,258
Investments in trading securities - mutual fund		525,678	442,351	405,430	414,344
Trade and other receivables	3	2,605,035	2,839,606	2,406,516	2,457,275
Current portion of long-term hire purchase receivables	4	101,177	122,122	96,220	117,756
Short-term loans to related parties and interest receivable	2	-	-	8,291	-
Inventories		2,229,701	2,018,568	1,610,231	1,419,100
Other current assets		167,162	160,888	105,170	94,202
Total current assets		7,144,352	7,296,910	4,990,251	5,326,935
Non-current assets					
Pledged bank deposits		68,358	-	-	-
Long-term hire purchase receivables, net of current portion	4	138,309	146,346	130,819	136,760
Investments in subsidiaries	5	-	-	2,397,122	2,062,600
Other long-term investments		5,010	5,010	5,010	5,010
Investment properties		18,325	19,639	18,325	19,639
Property, plant and equipment	6	1,870,819	1,935,422	1,266,080	1,302,925
Intangible assets		151,455	158,103	46,386	44,922
Deferred tax assets		55,684	50,720	24,218	20,037
Other non-current assets		36,237	32,254	4,767	6,287
Total non-current assets		2,344,197	2,347,494	3,892,727	3,598,180
Total assets		9,488,549	9,644,404	8,882,978	8,925,115

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

TOA Paint (Thailand) Public Company Limited and its subsidiaries

(Formerly known as “TOA Paint (Thailand) Company Limited”)

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)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	7	2,788,990	3,560,000	2,550,000	3,350,000
Trade and other payables		3,415,127	3,602,196	2,940,987	3,027,037
Current portion of long-term loan from financial institution	7	166,800	166,800	166,800	166,800
Dividend payables - related parties	2	-	688,500	-	688,500
Income tax payable		220,006	329,639	211,109	314,356
Other current liabilities		74,888	93,526	28,365	34,949
Total current liabilities		6,665,811	8,440,661	5,897,261	7,581,642
Non-current liabilities					
Long-term loan from financial institution, net of current portion	7	83,000	166,400	83,000	166,400
Provision for long-term employee benefits		246,144	242,242	211,159	210,036
Other non-current liabilities		15,732	17,082	-	-
Total non-current liabilities		344,876	425,724	294,159	376,436
Total liabilities		7,010,687	8,866,385	6,191,420	7,958,078

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

TOA Paint (Thailand) Public Company Limited and its subsidiaries

(Formerly known as “TOA Paint (Thailand) Company Limited”)

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)
Shareholders' equity					
Share capital					
Registered					
2,029,000,000 ordinary shares of Baht 1 each	8	2,029,000	900,000	2,029,000	900,000
(31 December 2016: 900,000 ordinary shares of Baht 1,000 each)					
Issued and fully paid					
1,775,000,000 ordinary shares of Baht 1 each	8	1,775,000	900,000	1,775,000	900,000
(31 December 2016: 900,000 ordinary shares of Baht 1,000 each)					
Retained earnings					
Appropriated - statutory reserve		90,000	90,000	90,000	90,000
Unappropriated		1,104,626	211,535	862,851	13,330
Other components of shareholders' equity		(472,635)	(398,657)	(36,293)	(36,293)
Equity attributable to owners of the Company		2,496,991	802,878	2,691,558	967,037
Non-controlling interests of the subsidiaries		(19,129)	(24,859)	-	-
Total shareholders' equity		2,477,862	778,019	2,691,558	967,037
Total liabilities and shareholders' equity		9,488,549	9,644,404	8,882,978	8,925,115

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

Directors

(Unaudited but reviewed)

TOA Paint (Thailand) Public Company Limited and its subsidiaries
(Formerly known as “TOA Paint (Thailand) Company Limited”)

Statement of comprehensive income

For the three-month period ended 30 June 2017

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Continued operation					
Profit or loss:					
Revenues					
Sales		3,766,535	4,120,061	3,084,355	3,410,385
Dividend income		45	70	45	70
Other income		19,880	69,080	40,542	83,321
Total revenues		3,786,460	4,189,211	3,124,942	3,493,776
Expenses					
Cost of sales		2,478,857	2,533,168	2,110,629	2,150,326
Selling expenses		508,901	512,458	314,257	348,825
Administrative expenses		282,353	303,952	213,867	279,987
Total expenses		3,270,111	3,349,578	2,638,753	2,779,138
Profit before finance cost and income tax		516,349	839,633	486,189	714,638
Finance cost		-19,232	-25,183	(17,783)	(23,507)
Profit before income tax		497,117	814,450	468,406	691,131
Income tax	9	-98,849	-165,883	(87,433)	(151,228)
Profit from continued operation for the period		398,268	648,567	380,973	539,903
Discontinued operation					
Profit from discontinued operation for the period		-	1,872	-	-
Profit for the period		398,268	650,439	380,973	539,903
Continued operation					
Other comprehensive income:					
<i>Other comprehensive income to be reclassified</i>					
<i>to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements					
in foreign currency, net of income tax effect		(8,006)	(2,760)	-	-
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods - net of income tax		(8,006)	(2,760)	-	-
Other comprehensive income from continued operation for the period		(8,006)	(2,760)	-	-
Discontinued operation					
Other comprehensive income from discontinued					
operation for the period		-	-	-	-
Other comprehensive income for the period		(8,006)	(2,760)	-	-
Total comprehensive income for the period		390,262	647,679	380,973	539,903

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

(Unaudited but reviewed)

TOA Paint (Thailand) Public Company Limited and its subsidiaries
(Formerly known as “TOA Paint (Thailand) Company Limited”)

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2017

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit attributable to:				
Equity holders of the Company				
Profit from continued operation	396,099	652,507	380,973	539,903
Profit from discontinued operation	-	1,872	-	-
	<u>396,099</u>	<u>654,379</u>	<u>380,973</u>	<u>539,903</u>
Non-controlling interests of the subsidiaries				
Profit (Loss) from continued operation	2,169	(3,940)		
Profit from discontinued operation	-	-		
	<u>2,169</u>	<u>(3,940)</u>		
	<u>398,268</u>	<u>650,439</u>		
Total comprehensive income attributable to:				
Equity holders of the Company				
Total comprehensive income from continued operation	387,894	650,184	380,973	539,903
Total comprehensive income from discontinued operation	-	1,872	-	-
	<u>387,894</u>	<u>652,056</u>	<u>380,973</u>	<u>539,903</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income from continued operation	2,368	(4,377)		
Total comprehensive income from discontinued operation	-	-		
	<u>2,368</u>	<u>(4,377)</u>		
	<u>390,262</u>	<u>647,679</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company				
Profit per share from continued operation	0.22	0.73	0.21	0.60
Profit per share from discontinued operation	-	-	-	-
Total	<u>10 0.22</u>	<u>0.73</u>	<u>0.21</u>	<u>0.60</u>

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

(Unaudited but reviewed)

TOA Paint (Thailand) Public Company Limited and its subsidiaries
(Formerly known as “TOA Paint (Thailand) Company Limited”)

Statement of comprehensive income

For the six-month period ended 30 June 2017

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
Continued operation					
Profit or loss:					
Revenues					
Sales		7,717,920	8,340,462	6,559,829	7,034,988
Dividend income		45	70	45	70
Other income		46,293	132,379	65,751	200,707
Total revenues		7,764,258	8,472,911	6,625,625	7,235,765
Expenses					
Cost of sales		5,020,388	5,092,208	4,435,097	4,416,783
Selling expenses		981,524	941,815	638,066	655,065
Administrative expenses		609,120	652,805	458,415	569,761
Total expenses		6,611,032	6,686,828	5,531,578	5,641,609
Profit before finance cost and income tax		1,153,226	1,786,083	1,094,047	1,594,156
Finance cost		(40,333)	(48,107)	(37,598)	(44,740)
Profit before income tax		1,112,893	1,737,976	1,056,449	1,549,416
Income tax	9	(218,353)	(332,368)	(206,928)	(321,721)
Profit from continued operation for the period		894,540	1,405,608	849,521	1,227,695
Discontinued operation					
Profit from discontinued operation for the period		-	2,645	-	-
Profit for the period		894,540	1,408,253	849,521	1,227,695
Continued operation					
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods:</i>					
Exchange differences on translation of financial statements in foreign currency, net of income tax effect		(72,866)	(1,691)	-	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(72,866)	(1,691)	-	-
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Actuarial losses, net of income tax effect		(210)	-	-	-
Other comprehensive income from continued operation for the period		(73,076)	(1,691)	-	-
Discontinued operation					
Other comprehensive income from discontinued operation for the period		-	5,729	-	-
Other comprehensive income for the period		(73,076)	4,038	-	-
Total comprehensive income for the period		821,464	1,412,291	849,521	1,227,695

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

(Unaudited but reviewed)

TOA Paint (Thailand) Public Company Limited and its subsidiaries

(Formerly known as “TOA Paint (Thailand) Company Limited”)

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht, except earnings per share expressed in Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Profit attributable to:				
Equity holders of the Company				
Profit from continued operation	893,091	1,409,388	849,521	1,227,695
Profit from discontinued operation	-	1,872	-	-
	<u>893,091</u>	<u>1,411,260</u>	<u>849,521</u>	<u>1,227,695</u>
Non-controlling interests of the subsidiaries				
Profit (Loss) from continued operation	1,449	(3,780)		
Profit from discontinued operation	-	773		
	<u>1,449</u>	<u>(3,007)</u>		
	<u>894,540</u>	<u>1,408,253</u>		
Total comprehensive income attributable to:				
Equity holders of the Company				
Total comprehensive income from continued operation	819,113	1,407,456	849,521	1,227,695
Total comprehensive income from discontinued operation	-	1,872	-	-
	<u>819,113</u>	<u>1,409,328</u>	<u>849,521</u>	<u>1,227,695</u>
Non-controlling interests of the subsidiaries				
Total comprehensive income from continued operation	2,351	(3,539)		
Total comprehensive income from discontinued operation	-	6,502		
	<u>2,351</u>	<u>2,963</u>		
	<u>821,464</u>	<u>1,412,291</u>		
Basic earnings per share				
Profit attributable to equity holders of the Company				
Profit per share from continued operation	0.63	1.57	0.60	1.36
Profit per share from discontinued operation	-	-	-	-
Total	<u>10 0.63</u>	<u>1.57</u>	<u>0.60</u>	<u>1.36</u>

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

(Unaudited but reviewed)

TOA Paint (Thailand) Public Company Limited and its subsidiaries
(Formerly known as “TOA Paint (Thailand) Company Limited”)

Cash flow statement

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cash flows from operating activities				
Profit before tax from continued operation	1,112,893	1,737,976	1,056,449	1,549,416
Profit before tax from discontinued operation	-	9,950	-	-
Profit before tax	1,112,893	1,747,926	1,056,449	1,549,416
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	168,253	181,536	119,993	122,818
Increase (decrease) in allowance for doubtful accounts	16,107	46,720	(33,000)	83,327
Increase (decrease) in allowance for inventory diminution	1,363	(67,701)	(3,569)	(43,095)
Loss (gain) on disposals of plant and equipment	447	187	(1,041)	(3,565)
Gain on disposals of investments in trading securities	(4,216)	(3,827)	(3,726)	(3,197)
Loss (gain) on sales of assets held for sale	-	22,292	-	(61,825)
Gain on liquidation of subsidiary	-	-	-	(1,589)
Long-term employee benefit expenses	14,453	14,358	11,248	11,100
Unrealised loss on exchange	17,397	7,482	48,991	20,249
Unrealised gain on changes in value of investments in trading securities	(131)	(225)	(62)	(258)
Dividend income	(45)	(70)	(45)	(70)
Interest income	(1,772)	(63,634)	(2,443)	(63,474)
Interest expenses	40,333	47,994	37,598	44,740
Profit from operating activities before changes in operating assets and liabilities	1,365,082	1,933,038	1,230,393	1,654,577
Operating assets (increase) decrease:				
Trade and other receivables	220,278	(17,017)	(11,123)	14,843
Hire purchase receivables	26,587	16,411	24,371	15,886
Inventories	(220,453)	52,742	(189,654)	(16,297)
Other current assets	(4,574)	(173,450)	(9,274)	(168,374)
Other non-current assets	(5,684)	(5,844)	1,520	397
Operating liabilities increase (decrease):				
Trade and other payables	(188,168)	(335,301)	(87,579)	(306,858)
Other current liabilities	(18,638)	(16,932)	(6,584)	(741)
Provision for long-term employee benefits	(10,458)	(841)	(10,125)	(703)
Other non-current liabilities	(1,350)	(301)	-	-
Cash flows from operating activities	1,162,622	1,452,505	941,945	1,192,730
Cash paid for corporate income tax	(336,022)	(370,324)	(316,051)	(360,169)
Net cash flows from operating activities	826,600	1,082,181	625,894	832,561

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

(Unaudited but reviewed)

TOA Paint (Thailand) Public Company Limited and its subsidiaries

(Formerly known as "TOA Paint (Thailand) Company Limited")

Cash flow statement (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Increase in pledged bank deposits	(71,049)	-	-	-
Decrease (Increase) in short-term loans to related parties	-	(2,060,590)	54,675	(2,060,590)
Decrease (Increase) in investments in trading securities	(78,981)	(256,916)	12,702	(87,030)
Increase in investments in subsidiaries	-	-	(334,521)	-
Acquisition of plant and equipment	(106,629)	(176,891)	(67,349)	(92,061)
Acquisition of intangible assets	(9,479)	(10,051)	(9,304)	(7,587)
Proceeds from sales of plant and equipment	2,330	598	1,043	9,272
Proceeds from sales of assets held for sale, net	-	594,756	-	61,825
Cash received from liquidation of subsidiary	-	-	-	802,076
Interest income	1,772	56,082	2,410	54,789
Dividend income	45	70	45	70
Net cash flows used in investing activities	(261,991)	(1,852,942)	(340,299)	(1,319,236)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(771,010)	37,000	(800,000)	100,000
Cash received from long-term loans from financial institution	-	151,126	-	148,812
Repayment of long-term loans from financial institution	(83,400)	(83,400)	(83,400)	(83,400)
Repayment of long-term loan from related party	-	(1,478)	-	-
Proceeds from share subscription from non-controlling interests	3,379	1,856	-	-
Proceeds from increase in share capital	875,000	-	875,000	-
Interest expenses	(42,346)	(47,529)	(39,612)	(44,384)
Dividend paid	(688,500)	-	(688,500)	-
Net cash flows from (used in) financing activities	(706,877)	57,575	(736,512)	121,028
Effect of exchange rate on cash and cash equivalents	(12,428)	(1,425)	(14,948)	(5,007)
Increase (decrease) in translation adjustments	(43,080)	16,763	-	-
Net decrease in cash and cash equivalents	(197,776)	(697,848)	(465,865)	(370,654)
Decrease in cash and cash equivalents classified as assets held for sale	-	424,523	-	-
Cash and cash equivalents at beginning of period	1,713,375	2,240,967	824,258	1,827,368
Cash and cash equivalents at end of period	1,515,599	1,967,642	358,393	1,456,714
	-	-	-	-
Supplemental disclosure of cash flows information				
Non-cash transactions				
Transfer of inventories to equipment	9,200	4,593	2,092	4,593
Transfer of equipment to inventories	-	522	-	312
Acquisition of assets under financial leases	-	21,265	-	21,265
Acquisition of investments in subsidiaries for which no cash has been paid	-	-	-	468,730

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

(Unaudited but reviewed)

TOA Paint (Thailand) Public Company Limited and its subsidiaries

(Formerly known as "TOA Paint (Thailand) Company Limited")

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
Other components of equity												
Other comprehensive income												
Issued and fully paid-up share capital	Retained earnings		Exchange differences		Total other comprehensive income	Differences on business combination under common control	Differences on the changes in the ownership interests in subsidiaries	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity	
	Appropriated - statutory reserve	Unappropriated	on translation of financial statements in foreign currency	Actuarial losses, net of income tax effect								
Balance as at 1 January 2016	900,000	90,000	4,897,243	(65,114)	(33,988)	(99,102)	(170,400)	(150,821)	(420,323)	5,466,920	107,891	5,574,811
Profit (loss) for the period	-	-	1,411,260	-	-	-	-	-	-	1,411,260	(3,007)	1,408,253
Other comprehensive income for the period	-	-	-	(1,932)	-	(1,932)	-	-	(1,932)	(1,932)	5,970	4,038
Total comprehensive income for the period	-	-	1,411,260	(1,932)	-	(1,932)	-	-	(1,932)	1,409,328	2,963	1,412,291
Sale of investment in subsidiary with loss of control	-	-	-	25,121	(100)	25,021	(24,494)	-	527	527	(130,699)	(130,172)
Increase in equity attributable to non-controlling interests of the subsidiaries from additional investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	6,711	6,711
Balance as at 30 June 2016	<u>900,000</u>	<u>90,000</u>	<u>6,308,503</u>	<u>(41,925)</u>	<u>(34,088)</u>	<u>(76,013)</u>	<u>(194,894)</u>	<u>(150,821)</u>	<u>(421,728)</u>	<u>6,876,775</u>	<u>(13,134)</u>	<u>6,863,641</u>
Balance as at 1 January 2017	900,000	90,000	211,535	(18,855)	(34,088)	(52,943)	(194,893)	(150,821)	(398,657)	802,878	(24,859)	778,019
Increase share capital (Note 8)	875,000	-	-	-	-	-	-	-	-	875,000	-	875,000
Profit for the period	-	-	893,091	-	-	-	-	-	-	893,091	1,449	894,540
Other comprehensive income for the period	-	-	-	(73,822)	(156)	(73,978)	-	-	(73,978)	(73,978)	902	(73,076)
Total comprehensive income for the period	875,000	-	893,091	(73,822)	(156)	(73,978)	-	-	(73,978)	1,694,113	2,351	1,696,464
Increase in equity attributable to non-controlling interests of the subsidiaries from additional investments in subsidiaries	-	-	-	-	-	-	-	-	-	-	3,379	3,379
Balance as at 30 June 2017	<u>1,775,000</u>	<u>90,000</u>	<u>1,104,626</u>	<u>(92,677)</u>	<u>(34,244)</u>	<u>(126,921)</u>	<u>(194,893)</u>	<u>(150,821)</u>	<u>(472,635)</u>	<u>2,496,991</u>	<u>(19,129)</u>	<u>2,477,862</u>

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

(Unaudited but reviewed)

TOA Paint (Thailand) Public Company Limited and its subsidiaries

(Formerly known as “TOA Paint (Thailand) Company Limited”)

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Retained earnings		Other components of equity		
		Appropriated - statutory reserve	Unappropriated	Other comprehensive income	Total other components of shareholders' equity	
Balance as at 1 January 2016	900,000	90,000	5,047,862	(36,293)	(36,293)	6,001,569
Profit for the period	-	-	1,227,695	-	-	1,227,695
Total comprehensive income for the period	-	-	1,227,695	-	-	1,227,695
Balance as at 30 June 2016	<u>900,000</u>	<u>90,000</u>	<u>6,275,557</u>	<u>(36,293)</u>	<u>(36,293)</u>	<u>7,229,264</u>
Balance as at 1 January 2017	900,000	90,000	13,330	(36,293)	(36,293)	967,037
Increase share capital (Note 8)	875,000	-	-	-	-	875,000
Profit for the period	-	-	849,521	-	-	849,521
Total comprehensive income for the period	-	-	849,521	-	-	849,521
Balance as at 30 June 2017	<u>1,775,000</u>	<u>90,000</u>	<u>862,851</u>	<u>(36,293)</u>	<u>(36,293)</u>	<u>2,691,558</u>

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

**TOA Paint (Thailand) Public Company Limited and its subsidiaries
(Formerly known as “TOA Paint (Thailand) Company Limited”)
Notes to interim consolidated financial statements
For the three-month and six-month periods ended 30 June 2017**

1. General information

1.1 Basis for 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 financial statements.

1.2 Basis of consolidation

The interim consolidated financial statements included the financial statements of the Company and its subsidiaries and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2016, with no significant changes in structure related to subsidiaries occurring during the current period.

1.3 New Financial Reporting Standards

During the period, the Company and its subsidiaries adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which were 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 did not have any significant impact on the financial statements of the Company and its subsidiaries.

(Unaudited but reviewed)

1.4 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 and its subsidiaries 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, its subsidiaries and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	2017	2016	2017	2016	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	154	132	Reference to market price
Purchases of goods	-	-	311	253	Reference to market price
Promotion expenses	-	-	79	82	Contract price
Service income	-	-	4	7	Contract price
Rental income	-	-	2	3	Contract price
Other income	-	-	14	16	Contract price
Interest income	-	-	1	1	3.00% - 7.00% per annum
<u>Transaction with parent company</u>					
Interest income	-	11	-	11	3.00% per annum
<u>Transactions with related parties</u>					
Sales of goods	167	135	166	134	Reference to market price
Purchases of goods	195	188	194	188	Reference to market price
Service income	2	3	2	3	Contract price
Rental income	2	1	2	1	Contract price
Rental expenses	29	27	29	27	Contract price
Other income	-	2	-	2	Contract price
Interest income	-	16	-	16	3.00% per annum
<u>Transactions with directors</u>					
Interest income	-	8	-	8	3.00% per annum

(Unaudited but reviewed)

(Unit: Million Baht)

	For the six-month periods ended 30 June				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	307	299	Reference to market price
Purchases of goods	-	-	672	637	Reference to market price
Promotion expenses	-	-	162	162	Contract price
Service income	-	-	9	9	Contract price
Rental income	-	-	4	8	Contract price
Other income	-	-	16	22	Contract price
Interest income	-	-	2	2	3.00% - 7.00% per annum
<u>Transaction with parent company</u>					
Interest income	-	15	-	15	3.00% per annum
<u>Transactions with related parties</u>					
Sales of goods	306	234	303	231	Reference to market price
Purchases of goods	350	318	349	317	Reference to market price
Service income	4	5	3	5	Contract price
Rental income	4	3	4	3	Contract price
Rental expenses	59	53	59	53	Contract price
Other income	1	4	1	4	Contract price
Subcontractor expenses	1	1	1	1	Contract price
Interest income	-	28	-	28	3.00% per annum
<u>Transactions with directors</u>					
Interest income	-	16	-	16	3.00% per annum

(Unaudited but reviewed)

As at 30 June 2017 and 31 December 2016, the balances of the accounts between the Company, its subsidiaries and those related companies were as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
		(Audited)		(Audited)
<u>Trade and other receivables - related parties (Note 3)</u>				
Subsidiaries	-	-	627,533	517,294
Related companies (being under common director/shareholder)	219,802	170,619	217,660	170,212
Total trade and other receivables - related parties	<u>219,802</u>	<u>170,619</u>	<u>845,193</u>	<u>687,506</u>
<u>Trade and other payables - related parties</u>				
Subsidiaries	-	-	285,550	244,408
Related companies (being under common director/shareholder)	218,840	179,948	214,411	177,722
Total trade and other payables - related parties	<u>218,840</u>	<u>179,948</u>	<u>499,961</u>	<u>422,130</u>
<u>Dividend payable - related parties</u>				
Related companies (being under common director/shareholder)	-	688,500	-	688,500
Total dividend payable - related parties	<u>-</u>	<u>688,500</u>	<u>-</u>	<u>688,500</u>

(Unaudited but reviewed)

Short-term loans to related parties and interest receivable

During the six-month period ended 30 June 2017, movements of short-term loans to related parties and interest receivable were as follows:

(Unit: Thousand Baht)

	Separate financial statements			Balance as at 30 June 2017
	Balance as at 1 January 2017	During the period		
		Increase	Decrease	
<u>Subsidiaries</u>				
Imagica Co., Ltd.	-	1,516	(16)	1,500
TOA Paint (Cambodia) Co., Ltd.	-	6,890	(99)	6,791
PT TOA Paint Indonesia	66,448	1,622	(68,070)	-
Total	66,448	10,028	(68,185)	8,291
Less: Allowance for doubtful debts	(66,448)	-	66,448	-
Total - Net	-	10,028	(1,737)	8,291

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2017 and 2016, the Company and its subsidiaries had employee benefit expenses to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	24	25	48	54
Post-employment benefits	1	1	1	1
Total	25	26	49	55

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	23	25	46	54
Post-employment benefits	1	1	1	1
Total	24	26	47	55

(Unaudited but reviewed)

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
	(Audited)		(Audited)	
<u>Trade receivables - related parties</u>				
Aged on the basis of due dates				
Not yet due	132,804	116,633	346,082	299,296
Past due				
Up to 3 months	53,388	32,720	181,806	128,486
3 - 6 months	12,810	5	65,941	43,601
6 - 12 months	6,008	2	99,907	81,549
Over 12 months	18,288	15,051	383,867	336,387
Total	223,298	164,411	1,077,603	889,319
Less: Allowance for doubtful debts	(18,910)	(15,106)	(332,113)	(295,729)
Total trade receivables - related parties, net	204,388	149,305	745,490	593,590
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	1,901,285	2,003,632	1,325,474	1,440,003
Past due				
Up to 3 months	310,671	395,920	184,644	230,002
3 - 6 months	61,946	58,694	13,364	24,086
6 - 12 months	34,333	66,448	13,104	29,913
Over 12 months	201,372	197,845	70,758	75,912
Total	2,509,607	2,722,539	1,607,344	1,799,916
Less: Allowance for doubtful debts	(174,717)	(171,347)	(68,130)	(74,200)
Total trade receivables - unrelated parties, net	2,334,890	2,551,192	1,539,214	1,725,716
Total trade receivables - net	2,539,278	2,700,497	2,284,704	2,319,306
<u>Other receivables</u>				
Other receivables - related parties	8,479	12,434	16,482	22,495
Other receivables - unrelated parties	15,759	37,909	6,063	1,509
Accrued income - related parties	6,935	8,880	83,221	71,421
Accrued income - unrelated parties	34,584	79,886	16,046	42,544
Total other receivables	65,757	139,109	121,812	137,969
Total trade and other receivables - net	2,605,035	2,839,606	2,406,516	2,457,275

(Unaudited but reviewed)

4. Hire purchase receivables

4.1 Hire purchase receivables aged based on payment dates due per the contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements				Separate financial statements			
	As at 30 June 2017		As at 31 December 2016		As at 30 June 2017		As at 31 December 2016	
			(Audited)				(Audited)	
	Hire		Hire		Hire		Hire	
	purchase	Allowance	purchase	Allowance	purchase	Allowance	purchase	Allowance
	receivables	for doubtful	receivables	for doubtful	receivables	for doubtful	receivables	for doubtful
	balance *	accounts	balance *	accounts	balance *	accounts	balance *	accounts
Current	194	(2)	202	(1)	182	(2)	189	(1)
Past Due								
Not over 1 month	5	-	7	(1)	5	-	7	(1)
1 to 3 months	10	(1)	12	(1)	9	-	12	-
Over 3 months	44	(11)	59	(9)	42	(9)	55	(6)
Total	253	(14)	280	(12)	238	(11)	263	(8)

* Net of unearned interest income and undue output value added tax

4.2 Hire purchase receivables

As at 30 June 2017, receivables of the Company and its subsidiaries under hire purchase agreements comprised hire purchase agreements for tinting machine.

(Unit: Million Baht)

	Consolidated financial statements		
	as at 30 June 2017		
	Amounts of installments due under the contract		
	Less than		
	1 year	1 - 5 years	Total
Hire purchase receivables	143	165	308
Unearned interest income	(19)	(18)	(37)
Undue output value added tax	(9)	(9)	(18)
	115	138	253
Allowance for doubtful accounts	(14)	-	(14)
Hire purchase receivables - net	101	138	239

(Unaudited but reviewed)

(Unit: Million Baht)

Consolidated financial statements
as at 31 December 2016 (Audited)

	Amounts of installments due under the contract		
	Less than 1 year	1 - 5 years	Total
Hire purchase receivables	164	174	338
Unearned interest income	(21)	(18)	(39)
Undue output value added tax	(10)	(9)	(19)
	133	147	280
Allowance for doubtful accounts	(11)	(1)	(12)
Hire purchase receivables - net	122	146	268

(Unit: Million Baht)

Separate financial statements
as at 30 June 2017

	Amounts of installments due under the contract		
	Less than 1 year	1 - 5 years	Total
Hire purchase receivables	134	157	291
Unearned interest income	(19)	(18)	(37)
Undue output value added tax	(8)	(8)	(16)
	107	131	238
Allowance for doubtful accounts	(11)	-	(11)
Hire purchase receivables - net	96	131	227

(Unit: Million Baht)

Separate financial statements
as at 31 December 2016 (Audited)

	Amounts of installments due under the contract		
	Less than 1 year	1 - 5 years	Total
Hire purchase receivables	155	163	318
Unearned interest income	(20)	(18)	(38)
Undue output value added tax	(9)	(8)	(17)
	126	137	263
Allowance for doubtful accounts	(8)	-	(8)
Hire purchase receivables - net	118	137	255

5. Investments in subsidiaries

In May 2017, TOA Coating (Myanmar) Co., Ltd. called up of another 83% of the 12,000,000 registered ordinary shares with a par value of USD 1 each, or a total of USD 9,900,000 (approximately Baht 335 million). The Company paid the called-up share capital on 19 June 2017.

6. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2017	1,935,422	1,302,925
Acquisitions during the period - at cost	112,318	73,516
Disposals during the period - net book value on disposal date	(2,777)	(2)
Transfers in during the period	9,200	2,092
Depreciation for the period	(158,852)	(112,451)
Translation adjustment	(24,492)	-
Net book value as at 30 June 2017	1,870,819	1,266,080

7. Short-term loans and long-term loans from financial institutions

On 5 May 2017, a subsidiary entered into a short-term loan agreement with a financial institution, for the credit facilities of USD 2 million to use as the subsidiary's working capital. The loan is secured by another subsidiary's saving accounts. The loan carries interest at a rate based on the interest rate of the pledged saving accounts and mature within May 2018.

The short-term loans and long-term loans agreements contain certain covenants that, among other things, require the Company to maintain debt to equity ratios stipulated in the agreements. The debt to equity ratio is calculated by annually using the year-end financial statements, as specified in the agreements and clarification letters from financial institutions.

8. Share Capital

On 14 March 2017, the Annual General Meeting of the Company's shareholders approved the increase in the registered share capital of the Company from Baht 900,000,000 (900,000 ordinary shares of Baht 1,000 each) to Baht 1,775,000,000 (1,775,000 ordinary shares of Baht 1,000 per each) by issuing 875,000 new ordinary shares with a par value of Baht 1,000 per share. The Company registered the increase in its share capital with the Ministry of Commerce on 15 March 2017. The Company received proceeds of the additional capital in March 2017.

(Unaudited but reviewed)

On 24 March 2017, the Extraordinary General Meeting of the Company's shareholders No. 1/2017 passed special resolutions on the following significant matters.

- The change in the par value of the ordinary shares from Baht 1,000 each to Baht 1 each. As a result, the Company's registered and paid-up share capital of Baht 1,775,000,000 comprises 1,775,000,000 ordinary shares of Baht 1 each. The Company registered the change in the par value of its shares with the Ministry of Commerce on 24 March 2017.
- The increase in the registered share capital of the Company from Baht 1,775,000,000 (1,775,000,000 ordinary shares of Baht 1 per each) to Baht 2,029,000,000 (2,029,000,000 ordinary shares of Baht 1 per each) by issuing 254,000,000 new ordinary shares with a par value of Baht 1 per share. The Company registered the increase in the share capital with the Ministry of Commerce on 24 March 2017.

9. Income tax

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

Income tax expenses for the three-month and six-month periods ended 30 June 2017 and 2016 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge for the period	99,247	159,394	92,667	155,356
Deferred tax:				
Relating to origination and reversal of temporary differences	(398)	6,489	(5,234)	(4,128)
Income tax expense reported in the statements of comprehensive income	<u>98,849</u>	<u>165,883</u>	<u>87,433</u>	<u>151,228</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax:				
Current income tax charge for the period	224,691	328,802	211,109	319,752
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>(6,338)</u>	<u>3,566</u>	<u>(4,181)</u>	<u>1,969</u>
Income tax expense reported in the statements of comprehensive income	<u>218,353</u>	<u>332,368</u>	<u>206,928</u>	<u>321,721</u>

10. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period, after adjusting the number of ordinary shares to reflect the impact of the change in the par value of the ordinary shares, as discussed in Note 8 to the financial statements, as if the change in the par value of the ordinary shares had been distributed at the beginning of the earliest period reported.

The following table sets forth the computation of basic earnings per share for the three-month and six-month periods ended 30 June 2017 and 2016:

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Restated)		(Restated)
Profit for the period (Thousand Baht)	396,099	654,379	380,973	539,903
Weighted average number of ordinary shares (Thousand shares)	1,775,000	900,000	1,775,000	900,000
Earnings per share (Baht per share)	0.22	0.73	0.21	0.60

(Unaudited but reviewed)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Restated)		(Restated)
Profit for the period (Thousand Baht)	893,091	1,411,260	849,521	1,227,695
Weighted average number of ordinary shares (Thousand shares)	1,422,099	900,000	1,422,099	900,000
Earnings per share (Baht per share)	0.63	1.57	0.60	1.36

11. Commitments and contingent liabilities

11.1 Capital commitments

As at 30 June 2017, the Company and its subsidiaries had capital commitments of approximately Baht 72 million (31 December 2016: Baht 18 million) (Separate financial statements: Baht 5 million, 31 December 2016: Baht 18 million) relating to the construction of buildings and building improvements and the purchase of machinery.

11.2 Operating lease commitments

The Company and its subsidiaries have entered into several lease agreements in respect of the lease of land, building, motor vehicles and equipment.

Future minimum lease payments required under these operating lease contracts were as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
		(Audited)		(Audited)
Payable within:				
In up to 1 year	169	163	139	136
In over 1 and up to 5 years	335	348	303	323
In over 5 years	264	287	263	285

11.3 Guarantees

- a) The Company and its subsidiaries have guaranteed bank credit facilities as follows:

	<u>30 June 2017</u>	<u>31 December 2016</u> (Audited)
The Company has guaranteed to subsidiaries	442	448
The Company has guaranteed to related companies	4,246	4,536
* The subsidiary has guaranteed to subsidiary	69	-

- * As at 31 December 2016, the amounts include guarantees provided by the Company to a related company totaling Baht 200 million, which the Company (as a guarantor) paid for the related company's loans.

In July 2017, the Company entered in to an amendment agreement with a bank reducing the guarantee facilities provided to a related company by Baht 300 million.

- b) As at 30 June 2017, there were outstanding bank guarantees of approximately Baht 18 million (31 December 2016: Baht 18 million) (Separate financial statements: Baht 17 million, 31 December 2016: Baht 17 million) issued by the banks on behalf of the Company and its subsidiaries in respect of certain performance bonds as required in the normal course of business.

12. Even after the reporting period.

<u>Dividend</u>	<u>Approved by</u>	<u>Total</u> <u>dividends</u> (Million Baht)	<u>Dividend</u> <u>per share</u> (Baht per share)
Interim dividends for 2017	Board of Directors meeting on 8 August 2017	809.4	0.456
Total		<u>809.4</u>	<u>0.456</u>

13. Approval of financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 August 2017.