

Sri Trang Agro-Industry Public Company Limited
and its subsidiaries
Report and interim consolidated financial statements
For the three-month and six-month periods ended
30 June 2018

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Sri Trang Agro-Industry Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries as at 30 June 2018, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2018, and the related 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 Sri Trang Agro-Industry Public Company Limited for the same periods. 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*.

Other matter

The consolidated statement of financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries, and the separate statement of financial position of Sri Trang Agro-Industry Public Company Limited as at 31 December 2017, presented herein as comparative information, were audited by another auditor who expressed an unqualified opinion on those statements, under his report dated 28 February 2018. The consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the six-month period then ended of Sri Trang Agro-Industry Public Company Limited and its subsidiaries, and the separate financial statements of Sri Trang Agro-Industry Public Company Limited for the same periods, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 11 August 2017, that nothing had come to his attention that caused him to believe that the interim financial information was 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: 14 August 2018

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Assets					
Current assets					
Cash and cash equivalents		3,223,136,953	2,241,899,673	250,998,833	269,018,868
Trade and other receivables	4	6,443,970,659	7,212,308,344	3,594,020,958	4,122,493,048
Amounts due from futures brokers		688,457,996	810,539,650	27,284,826	16,177,188
Inventories	5	11,747,259,128	17,122,979,336	5,381,347,745	7,679,732,386
Current portion of long-term loans to subsidiaries	3	-	-	264,052,000	915,873,439
Derivative financial instruments	6	122,613,298	407,938,505	56,803,896	256,520,319
Other current assets		555,650,919	553,700,811	115,667,142	170,573,304
Total current assets		22,781,088,953	28,349,366,319	9,690,175,400	13,430,388,552
Non-current assets					
Fixed deposits pledged as collateral		2,129,854	12,139,002	-	-
Long-term loans to subsidiaries	3	-	-	2,310,455,000	1,625,730,000
Investments in subsidiaries	7	-	-	18,260,888,548	18,153,388,548
Investments in associates	8	456,529,106	367,990,023	157,568,800	157,568,800
Investment in joint venture	9	420,958,902	362,012,280	134,716,526	134,716,526
Long-term investments		144,080,125	153,299,352	143,754,898	152,097,250
Investment properties		190,669,678	188,910,160	75,663,125	75,663,125
Property, plant and equipment	10	24,687,660,304	24,189,691,410	9,188,242,194	8,944,117,159
Rubber and palm plantations	11	1,929,117,622	1,832,376,416	6,710,358	4,343,101
Intangible assets	12	443,642,084	459,793,735	423,705,402	440,581,393
Goodwill	7.1	2,953,782,343	2,953,782,343	-	-
Withholding tax deducted at source		573,959,877	574,760,228	455,811,324	455,811,324
Deferred tax assets - net		230,118,130	197,989,016	-	-
Other non-current assets		52,286,393	65,671,088	16,050,580	20,504,590
Total non-current assets		32,084,934,418	31,358,415,053	31,173,566,755	30,164,521,816
Total assets		54,866,023,371	59,707,781,372	40,863,742,155	43,594,910,368

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 June 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	13	2,773,977,780	2,614,839,606	1,470,920,421	1,719,257,283
Short-term borrowings from financial institutions	14	14,349,027,163	21,786,026,285	10,150,854,000	14,754,529,000
Short-term borrowings from subsidiary	3	-	-	300,000,000	-
Current portions of:					
- Long-term borrowings from financial institutions	14	443,000,000	420,654,000	300,000,000	300,000,000
- Debentures	14	810,000,000	600,000,000	810,000,000	600,000,000
- Finance lease liabilities	14	12,784,666	13,167,077	3,902,313	4,092,254
Income tax payable		241,150,656	153,519,811	-	-
Derivative financial instruments	6	554,455,435	231,242,576	373,998,154	198,130,309
Other current liabilities		49,199,655	37,026,162	24,480,051	18,144,656
Total current liabilities		19,233,595,355	25,856,475,517	13,434,154,939	17,594,153,502
Non-current liabilities					
Non-current portions of:					
- Long-term borrowings from financial institutions	14	8,181,296,000	7,193,710,000	4,854,296,000	4,313,710,000
- Debentures	14	1,455,000,000	2,265,000,000	1,455,000,000	2,265,000,000
- Finance lease liabilities	14	21,273,851	27,521,245	7,619,521	9,541,549
Deferred tax liabilities - net		727,158,020	745,028,559	138,399,866	91,236,924
Provision for retirement benefit obligations		328,544,993	308,188,201	98,078,792	93,046,446
Other non-current liabilities		176,198	34,966,411	-	-
Total non-current liabilities		10,713,449,062	10,574,414,416	6,553,394,179	6,772,534,919
Total liabilities		29,947,044,417	36,430,889,933	19,987,549,118	24,366,688,421

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2018

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2018</u>	<u>31 December 2017</u>	<u>30 June 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
	15				
1,535,999,998 ordinary shares of Baht 1 each		<u>1,535,999,998</u>	<u>1,536,000,000</u>	<u>1,535,999,998</u>	<u>1,536,000,000</u>
(31 December 2017: 1,536,000,000 ordinary shares of Baht 1 each)					
Issued and fully paid					
1,535,999,998 ordinary shares of Baht 1 each		1,535,999,998	1,535,999,998	1,535,999,998	1,535,999,998
Premium on ordinary shares		10,851,951,634	10,851,951,634	10,851,951,634	10,851,951,634
Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests					
		(173,134,488)	(173,134,488)	-	-
Retained earnings					
Appropriated - statutory reserve		153,600,000	128,000,000	153,600,000	128,000,000
Unappropriated		8,639,902,006	7,165,408,573	6,230,113,233	4,751,554,758
Other components of shareholders' equity					
Surplus on revaluation of assets					
- net of accumulated depreciation		4,204,571,038	4,049,446,188	2,095,266,143	1,944,873,058
Surplus on changes in value of available-for-sale investments					
		9,290,126	16,432,908	9,262,029	15,842,499
Exchange differences on translation of financial statements in foreign currency					
		<u>(664,439,251)</u>	<u>(666,077,422)</u>	-	-
Equity attributable to owners of the Company		<u>24,557,741,063</u>	<u>22,908,027,391</u>	<u>20,876,193,037</u>	<u>19,228,221,947</u>
Non-controlling interests of the subsidiaries		<u>361,237,891</u>	<u>368,864,048</u>	-	-
Total shareholders' equity		<u>24,918,978,954</u>	<u>23,276,891,439</u>	<u>20,876,193,037</u>	<u>19,228,221,947</u>
Total liabilities and shareholders' equity		<u>54,866,023,371</u>	<u>59,707,781,372</u>	<u>40,863,742,155</u>	<u>43,594,910,368</u>
		-	-	-	-

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

Directors

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 30 June 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues from sales of goods and services		19,754,758,627	22,875,301,732	10,670,435,485	13,120,783,693
Cost of sales and services		(17,494,173,194)	(23,686,010,288)	(9,584,483,943)	(13,403,605,344)
Gross profit (loss)		2,260,585,433	(810,708,556)	1,085,951,542	(282,821,651)
Other income		43,001,623	26,804,369	28,504,215	30,704,995
Dividend income		1,234,075	1,210,165	931,732,138	20,375,036
Selling expenses		(945,662,731)	(828,610,696)	(652,080,226)	(543,476,389)
Administrative expenses		(392,410,235)	(491,019,144)	(151,053,189)	(224,672,097)
Gain (loss) on exchange rates - net		(312,597,155)	42,812,417	(239,690,761)	27,433,026
Other gain (loss) - net		289,242,072	33,867,573	132,385,697	(65,905,750)
Operating profit (loss)		943,393,082	(2,025,643,872)	1,135,749,416	(1,038,362,830)
Share of profit (loss) from investments in associates and joint venture		57,022,681	(57,273,063)	-	-
Profit (loss) before finance income and finance cost and tax income (expense)		1,000,415,763	(2,082,916,935)	1,135,749,416	(1,038,362,830)
Finance income		3,137,037	13,301,260	29,020,289	26,673,529
Finance cost		(358,742,103)	(323,611,518)	(140,387,528)	(194,832,266)
Profit (loss) before tax income (expense)		644,810,697	(2,393,227,193)	1,024,382,177	(1,206,521,567)
Tax income (expense)	16	(37,856,070)	307,037,027	54,660,894	104,475,192
Profit (loss) for period		606,954,627	(2,086,190,166)	1,079,043,071	(1,102,046,375)
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		181,128,286	(97,028,496)	-	-
Loss on change in value of available-for-sale investments - net of income tax		(4,970,453)	(1,347,783)	(4,929,456)	(1,353,905)
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		176,157,833	(98,376,279)	(4,929,456)	(1,353,905)
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in revaluation of assets - net of income tax		202,806,158	-	202,806,158	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		202,806,158	-	202,806,158	-
Other comprehensive income for the period		378,963,991	(98,376,279)	197,876,702	(1,353,905)
Total comprehensive income for the period		985,918,618	(2,184,566,445)	1,276,919,773	(1,103,400,280)

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 30 June 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit (loss) attributable to:					
Owners of the Company		591,925,380	(2,080,054,058)	<u>1,079,043,071</u>	<u>(1,102,046,375)</u>
Non-controlling interests of the subsidiaries		<u>15,029,247</u>	<u>(6,136,108)</u>		
		<u>606,954,627</u>	<u>(2,086,190,166)</u>		
Total comprehensive income attributable to:					
Owners of the Company		969,710,774	(2,174,474,863)	<u>1,276,919,773</u>	<u>(1,103,400,280)</u>
Non-controlling interests of the subsidiaries		<u>16,207,844</u>	<u>(10,091,582)</u>		
		<u>985,918,618</u>	<u>(2,184,566,445)</u>		
Earnings per share					
	17				
Basic earnings (loss) per share					
Profit (loss) attributable to owners of the Company		<u>0.39</u>	<u>(1.63)</u>	<u>0.70</u>	<u>(0.86)</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the six-month period ended 30 June 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues from sales of goods and services		37,443,825,341	51,394,550,623	21,579,570,691	29,040,917,100
Cost of sales and services		(33,672,793,030)	(50,306,417,999)	(19,665,932,660)	(28,972,968,959)
Gross profit		3,771,032,311	1,088,132,624	1,913,638,031	67,948,141
Other income		138,832,055	241,795,360	71,862,517	100,825,560
Dividend income		1,267,002	1,236,211	931,765,065	2,231,530,813
Selling expenses		(1,739,094,384)	(1,941,916,714)	(1,236,247,460)	(1,339,343,361)
Administrative expenses		(826,290,131)	(1,460,762,849)	(307,159,861)	(440,842,349)
Gain (loss) on exchange rates - net		(9,156,941)	291,905,467	(50,487,154)	209,526,052
Gain on change in fair value from investment reclassification	7.1	-	223,626,008	-	-
Gain on change in fair value from disposals of investments in associates and general investment	7.1	-	132,699,762	-	-
Gain from disposals of investments in associates and general investment		-	-	-	217,824,854
Other gain (loss) - net		790,634,767	(265,939,027)	355,155,896	(329,612,702)
Operating profit (loss)		2,127,224,679	(1,689,223,158)	1,678,527,034	717,857,008
Share of profit from investments in associates and joint ventures		137,168,464	667,926	-	-
Profit (loss) before finance income and finance cost and tax income (expense)		2,264,393,143	(1,688,555,232)	1,678,527,034	717,857,008
Finance income		4,853,166	14,866,563	54,428,775	51,735,864
Finance cost		(644,072,415)	(589,022,637)	(283,103,886)	(362,908,283)
Profit (loss) before tax income (expense)		1,625,173,894	(2,262,711,306)	1,449,851,923	406,684,589
Tax income (expense)	16	(155,862,524)	165,290,571	1,893,479	97,956,480
Profit (loss) for period		1,469,311,370	(2,097,420,735)	1,451,745,402	504,641,069
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		(2,702,724)	(204,276,622)	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax		(7,142,782)	820,946	(6,580,470)	807,535
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(9,845,506)	(203,455,676)	(6,580,470)	807,535
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in revaluation of assets - net of income tax		231,472,239	-	202,806,158	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		231,472,239	-	202,806,158	-
Other comprehensive income for the period		221,626,733	(203,455,676)	196,225,688	807,535
Total comprehensive income for the period		1,690,938,103	(2,300,876,411)	1,647,971,090	505,448,604

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the six-month period ended 30 June 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit (loss) attributable to:					
Owners of the Company		1,423,746,044	(2,072,485,610)	<u>1,451,745,402</u>	<u>504,641,069</u>
Non-controlling interests of the subsidiaries		<u>45,565,326</u>	<u>(24,935,125)</u>		
		<u>1,469,311,370</u>	<u>(2,097,420,735)</u>		
Total comprehensive income attributable to:					
Owners of the Company		1,649,713,673	(2,273,103,846)	<u>1,647,971,090</u>	<u>505,448,604</u>
Non-controlling interests of the subsidiaries		<u>41,224,430</u>	<u>(27,772,565)</u>		
		<u>1,690,938,103</u>	<u>(2,300,876,411)</u>		
Earnings per share					
	17				
Basic earnings (loss) per share					
Profit (loss) attributable to owners of the Company		<u>0.93</u>	<u>(1.62)</u>	<u>0.95</u>	<u>0.39</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Cash flow statement

For the six-month period ended 30 June 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Profit (loss) before income tax	1,625,173,894	(2,262,711,306)	1,449,851,923	406,684,589
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange rates	(1,231,637)	(35,295,050)	(1,905,006)	60,904,103
Unrealised loss (gain) on revaluation of derivative financial instruments	608,538,066	(287,195,210)	375,584,268	(297,372,074)
Allowance for doubtful accounts (reversal)	(1,423,441)	238,720	-	-
Reduction of inventory cost to net realisable value (reversal)	(336,327,867)	2,918,085,303	(235,954,803)	1,533,164,660
Reversal of allowance for damaged inventories from fire accident	-	(41,593,901)	-	-
Provision for retirement benefit obligations	20,965,312	16,194,148	5,491,346	5,493,452
Depreciation	1,092,474,979	762,148,197	419,102,813	322,405,848
Amortisation - rubber and palm plantations	1,611,651	447,077	117,483	140,503
Amortisation - intangible assets	33,722,080	31,124,282	29,016,929	27,217,399
Impairment loss from assets revaluation (reversal)	10,799,066	-	(175,950)	-
Finance cost	644,072,415	589,022,637	283,103,886	362,908,283
Finance income	(4,853,166)	(14,866,563)	(54,428,775)	(51,735,864)
Dividend income	(1,267,002)	(1,236,211)	(931,765,065)	(2,231,530,813)
Share of profit from investments in associates and joint ventures	(137,168,464)	(667,926)	-	-
Loss on disposal and write-off of machinery, equipment and intangible assets	6,243,801	2,434,014	3,532,194	1,353,359
Gain on change in fair value from disposals of investments	-	(132,699,762)	-	-
Gain from disposal of investments in associates and general investment	-	-	-	(217,824,854)
Gain on change in fair value from investment reclassification	-	(223,626,008)	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	3,561,329,687	1,319,802,441	1,341,571,243	(78,191,409)
Operating assets (increase) decrease				
Trade and other receivables	874,171,694	1,759,965,538	557,217,207	(966,392,792)
Amounts due from futures brokers	122,081,654	176,665,784	(11,107,638)	17,458,898
Inventories	5,712,048,075	618,194,466	2,534,339,444	1,919,829,603
Other current assets	82,993,141	(115,788,794)	98,554,343	(66,449,803)
Other non-current assets	13,384,695	(247,499,643)	4,454,009	(7,084,294)
Operating liabilities increase (decrease)				
Trade and other payables	72,623,414	(1,919,931,040)	(263,866,843)	(19,163,345)
Other current liabilities	12,173,494	13,526,952	6,335,395	(13,149,510)
Provision for retirement benefit obligations	(608,520)	(2,481,986)	(459,000)	(1,263,485)
Cash flows provided by operating activities	10,450,197,334	1,602,453,718	4,267,038,160	785,593,863
Cash paid for interest expenses	(640,021,538)	(591,232,025)	(289,833,480)	(365,503,254)
Cash received for interest income	15,365,932	24,825,445	72,803,982	62,346,781
Cash paid for corporate income tax	(262,502,260)	(264,848,689)	(43,538,648)	(68,008,726)
Net cash flows provided by operating activities	9,563,039,468	771,198,449	4,006,470,014	414,428,664

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the six-month period ended 30 June 2018**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
Decrease (increase) in fixed deposits pledged as collateral	10,009,148	(664,192)	-	-
Dividends received	1,267,002	2,129,304,110	931,765,065	2,231,530,813
Cash received from repayment of long-term loan to a subsidiary	-	-	883,600,000	-
Increase in long-term loan to a subsidiary	-	-	(893,203,600)	(513,097,500)
Cash paid for investment in a subsidiary	-	(5,129,542,633)	(107,500,000)	(6,683,543,256)
Cash received from disposal of investments in associates and a long-term investment	-	689,389,350	-	689,389,350
Cash received from disposal of machinery, equipment and intangible assets	34,225,292	15,363,225	4,144,473	4,584,597
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets	<u>(1,559,456,382)</u>	<u>(1,282,298,215)</u>	<u>(416,909,017)</u>	<u>(489,702,902)</u>
Net cash flows provided by (used in) investing activities	<u>(1,513,954,940)</u>	<u>(3,578,448,355)</u>	<u>401,896,921</u>	<u>(4,760,838,898)</u>
Cash flows from financing activities				
Increase (decrease) in short-term borrowings from financial institutions	(7,445,748,296)	4,562,537,377	(4,603,675,000)	4,442,566,000
Increase in short-term loan from a subsidiary	-	-	300,000,000	500,000,000
Repayment of short-term loan from a subsidiary	-	-	-	(500,000,000)
Proceeds from long-term borrowings	2,079,400,000	509,362,500	629,400,000	509,362,500
Repayments of long-term borrowings	(1,130,654,000)	(1,220,702,000)	(150,000,000)	(100,000,000)
Repayments of debentures	(600,000,000)	-	(600,000,000)	-
Repayments of finance lease liabilities	(6,629,805)	(3,463,863)	(2,111,970)	(1,891,636)
Dividend paid	-	(512,000,000)	-	(512,000,000)
Dividend paid to non-controlling interests of the subsidiaries	<u>(48,850,588)</u>	<u>(521)</u>	<u>-</u>	<u>-</u>
Net cash flows provided by (used in) financing activities	<u>(7,152,482,689)</u>	<u>3,335,733,493</u>	<u>(4,426,386,970)</u>	<u>4,338,036,864</u>
Increase (decrease) in translation adjustments	<u>84,635,441</u>	<u>(67,036,446)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	981,237,280	461,447,141	(18,020,035)	(8,373,370)
Cash and cash equivalents at beginning of period	<u>2,241,899,673</u>	<u>1,674,618,807</u>	<u>269,018,868</u>	<u>341,997,422</u>
Cash and cash equivalents at end of period	<u>3,223,136,953</u>	<u>2,136,065,948</u>	<u>250,998,833</u>	<u>333,624,052</u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payable from purchases of assets	3,917,149	-	14,937,530	-

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2018

(Unit: Baht)

Consolidated financial statements												
Equity attributable to owners of the Company												
	Issued and paid-up share capital	Premium on ordinary shares	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	Retained earnings		Other components of shareholders' equity			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	Surplus on revaluation of assets - net of depreciation	Surplus on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency				
Balance as at 1 January 2017	1,280,000,000	8,550,989,821	(173,134,488)	128,000,000	9,036,069,449	1,296,859,775	12,755,614	(284,004,450)	1,025,610,939	19,847,535,721	64,381,883	19,911,917,604
Loss for period	-	-	-	-	(2,072,485,610)	-	-	-	-	(2,072,485,610)	(24,935,125)	(2,097,420,735)
Other comprehensive income for the period	-	-	-	-	-	-	820,946	(201,439,182)	(200,618,236)	(200,618,236)	(2,837,440)	(203,455,676)
Total comprehensive income for the period	-	-	-	-	(2,072,485,610)	-	820,946	(201,439,182)	(200,618,236)	(2,273,103,846)	(27,772,565)	(2,300,876,411)
Depreciation on assets revaluation - net of income tax	-	-	-	-	23,130,184	(23,130,184)	-	-	(23,130,184)	-	-	-
Dividend paid	-	-	-	-	(512,000,000)	-	-	-	-	(512,000,000)	-	(512,000,000)
Dividend paid to non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(521)	(521)
Increase in non-controlling interests of the subsidiary from investment in subsidiary (Note 7.1)	-	-	-	-	-	-	-	-	-	-	587,899,677	587,899,677
Balance as at 30 June 2017	<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>(173,134,488)</u>	<u>128,000,000</u>	<u>6,474,714,023</u>	<u>1,273,729,591</u>	<u>13,576,560</u>	<u>(485,443,632)</u>	<u>801,862,519</u>	<u>17,062,431,875</u>	<u>624,508,474</u>	<u>17,686,940,349</u>
Balance as at 1 January 2018	1,535,999,998	10,851,951,634	(173,134,488)	128,000,000	7,165,408,573	4,049,446,188	16,432,908	(666,077,422)	3,399,801,674	22,908,027,391	368,864,048	23,276,891,439
Profit for period	-	-	-	-	1,423,746,044	-	-	-	-	1,423,746,044	45,565,326	1,469,311,370
Other comprehensive income for the period	-	-	-	-	-	231,472,239	(7,142,782)	1,638,171	225,967,628	225,967,628	(4,340,895)	221,626,733
Total comprehensive income for the period	-	-	-	-	1,423,746,044	231,472,239	(7,142,782)	1,638,171	225,967,628	1,649,713,672	41,224,431	1,690,938,103
Depreciation on assets revaluation - net of income tax	-	-	-	-	76,347,389	(76,347,389)	-	-	(76,347,389)	-	-	-
Dividend paid to non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(48,850,588)	(48,850,588)
Transferred unappropriated retained earnings to statutory reserve	-	-	-	25,600,000	(25,600,000)	-	-	-	-	-	-	-
Balance as at 30 June 2018	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>(173,134,488)</u>	<u>153,600,000</u>	<u>8,639,902,006</u>	<u>4,204,571,038</u>	<u>9,290,126</u>	<u>(664,439,251)</u>	<u>3,549,421,913</u>	<u>24,557,741,063</u>	<u>361,237,891</u>	<u>24,918,978,954</u>

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

(Unaudited but reviewed)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2018

(Unit: Baht)

	Separate financial statements							Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity		Total other components of shareholders' equity	
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income			
					Surplus on revaluation of assets - net of depreciation	Surplus on changes in value of available-for-sale investments		
Balance as at 1 January 2017	1,280,000,000	8,550,989,821	128,000,000	2,563,639,402	552,826,994	12,234,045	565,061,039	13,087,690,262
Profit for period	-	-	-	504,641,069	-	-	-	504,641,069
Other comprehensive income for the period	-	-	-	-	-	807,535	807,535	807,535
Total comprehensive income for the period	-	-	-	504,641,069	-	807,535	807,535	505,448,604
Depreciation on assets revaluation - net of income tax	-	-	-	13,995,451	(13,995,451)	-	(13,995,451)	-
Dividend paid	-	-	-	(512,000,000)	-	-	-	(512,000,000)
Balance as at 30 June 2017	<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>128,000,000</u>	<u>2,570,275,922</u>	<u>538,831,543</u>	<u>13,041,580</u>	<u>551,873,123</u>	<u>13,081,138,866</u>
Balance as at 1 January 2018	1,535,999,998	10,851,951,634	128,000,000	4,751,554,758	1,944,873,058	15,842,499	1,960,715,557	19,228,221,947
Profit for period	-	-	-	1,451,745,402	-	-	-	1,451,745,402
Other comprehensive income for the period	-	-	-	-	202,806,158	(6,580,470)	196,225,688	196,225,688
Total comprehensive income for the period	-	-	-	1,451,745,402	202,806,158	(6,580,470)	196,225,688	1,647,971,090
Depreciation on assets revaluation - net of income tax	-	-	-	52,413,073	(52,413,073)	-	(52,413,073)	-
Transferred unappropriated retained earnings to statutory reserve	-	-	25,600,000	(25,600,000)	-	-	-	-
Balance as at 30 June 2018	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>153,600,000</u>	<u>6,230,113,233</u>	<u>2,095,266,143</u>	<u>9,262,029</u>	<u>2,104,528,172</u>	<u>20,876,193,037</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2018

1. General information

1.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 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

These interim consolidated financial statements include the financial statements of Sri Trang Agro-Industry Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017. There were no changes in the composition of the group during the current period. For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

1.3 New financial reporting standards

(a) Financial reporting standards that became effective in the current year

During the period, the Group adopted the revised financial reporting standards and interpretations (revised 2017) which were effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards did not have any significant impact on the Group's financial statements.

(b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the management of the Group is evaluating the impact of this standard to the financial statements in the year when it is adopted.

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 2017.

(Unaudited but reviewed)

3. Related party transactions

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 Company and those related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with subsidiaries</u>				
Sales of goods	-	-	900,830	1,910,149
Purchases of goods	-	-	1,636,275	2,965,207
Service income	-	-	40,003	42,163
Dividend income	-	-	930,499	19,166
Rental income	-	-	61	1
Interest income	-	-	28,793	17,765
Service expenses	-	-	153,823	215,305
Rental expenses	-	-	865	200
Interest expenses	-	-	145	1,560
<u>Transactions with associates</u>				
Sales of goods	4,068	6,289	-	-
Purchases of goods	113	20	15	-
Service income	8,209	6,621	2,385	2,295
Rental income	100	100	-	-
Service expenses	-	6	-	-
<u>Transactions with joint venture</u>				
Purchases of goods	614,975	1,621,361	54,936	-
Service income	2,295	4,861	2,295	4,590

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with subsidiaries</u>				
Sales of goods	-	-	2,175,797	2,974,878
Purchases of goods	-	-	3,009,574	4,702,844
Service income	-	-	77,206	93,091
Dividend income	-	-	930,499	519,166
Rental income	-	-	122	122
Interest income	-	-	53,979	34,167
Service expenses	-	-	300,593	503,972
Rental expenses	-	-	2,063	400
Interest expenses	-	-	145	1,560
<u>Transactions with associates</u>				
Sales of goods	12,407	12,863	-	-
Purchases of goods	139	24	15	-
Service income	16,655	9,413	4,729	4,599
Dividend income	-	451,487	-	398,370
Rental income	200	200	-	-
Service expenses	-	6	-	-
<u>Transactions with joint ventures</u>				
Sales of goods	-	960	-	293,032
Purchases of goods	1,115,086	2,637,178	64,008	237,514
Service income	6,120	43,691	6,120	17,080
Dividend income	-	1,676,581	-	1,312,760
Rental income	-	5,458	-	-
Service expenses	-	743	-	-

The pricing policies of the Group are as follows.

- (1) Sales/purchases of goods are made at market price or reference to market price
- (2) Service and rental income/expenses are based on contract price
- (3) Dividend income are made with announced payment rate
- (4) Interest income/ expenses are charged at rates with reference to loan agreement

(Unaudited but reviewed)

Outstanding balances arising from sales/purchases of goods/services and other income

As at 30 June 2018 and 31 December 2017, the balances of the accounts between the Company and those related parties were as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade accounts receivable</u> (Note 4)				
Subsidiaries	-	-	384,188	774,251
Associates	3,366	4,138	622	715
Joint venture	-	2	-	-
	<u>3,366</u>	<u>4,140</u>	<u>384,810</u>	<u>774,966</u>
<u>Advance payment for goods</u> (Note 4)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>43,150</u>	<u>4,914</u>
<u>Accrued income</u> (Note 4)				
Subsidiaries	-	-	18,578	28,285
Associates	<u>748</u>	<u>561</u>	<u>-</u>	<u>-</u>
	<u>748</u>	<u>561</u>	<u>18,578</u>	<u>28,285</u>
<u>Advance payment</u> (Note 4)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>4,429</u>	<u>9,259</u>
<u>Other receivables</u> (Note 4)				
Subsidiaries	-	-	2,291	756
Associates	<u>884</u>	<u>807</u>	<u>-</u>	<u>-</u>
	<u>884</u>	<u>807</u>	<u>2,291</u>	<u>756</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Trade accounts payables</u> (Note 13)				
Subsidiaries	-	-	510,398	791,558
Associates	32	16	16	-
Joint venture	56,635	179,717	-	-
	<u>56,667</u>	<u>179,733</u>	<u>510,414</u>	<u>791,558</u>
<u>Accrued expenses</u> (Note 13)				
Subsidiaries	-	-	3,429	5,000
<u>Other payables</u> (Note 13)				
Subsidiaries	-	-	19,118	50,159
Associates	-	4	-	-
	<u>-</u>	<u>4</u>	<u>19,118</u>	<u>50,159</u>

Outstanding balances arising from loans to subsidiaries

As at 30 June 2018 and 31 December 2017, the balances of loans between the Company and subsidiaries were as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Interest receivables</u> (Note 4)				
Subsidiaries	-	-	2,106	9,969
<u>Long-term loans</u>				
Subsidiaries	-	-	2,574,507	2,541,603

(Unaudited but reviewed)

As at 30 June 2018 and 31 December 2017, long-term loans to subsidiaries were unsecured and were summarised as below.

		Separate financial statements			
		As at 30 June 2018			
		Principle			
		(Equivalent)		Interest	
Relationship	Million USD	Million Baht	rates %	Borrowing periods	
PT Sri Trang Lingga Indonesia	A direct subsidiary	45	1,486	4.18 - 4.30	3 years
PT Star Rubber	An indirect subsidiary	33	1,089	4.18 - 5.05	1 - 3 years
Total		<u>78</u>	<u>2,575</u>		

		Separate financial statements			
		As at 31 December 2017			
		Principle			
		(Equivalent)		Interest	
Relationship	Million USD	Million Baht	rates %	Borrowing periods	
PT Sri Trang Lingga Indonesia	A direct subsidiary	50	1,627	3.33 - 4.30	3 - 5 years
PT Star Rubber	An indirect subsidiary	28	915	2.65 - 4.18	2 - 5 years
Total		<u>78</u>	<u>2,542</u>		

Movements in the balance of long-term loans to subsidiaries during the six-month period ended 30 June 2018 were as follows.

(Unit: Thousand Baht)

		Separate financial statements				
		Balance as at	Increase	Decrease	Unrealised	Balance as at
		31 December	during	during	gain on	30 June
		2017	the period	the period	exchange rate	2018
Long-term loans						
	(Audited)					
Subsidiaries		<u>2,541,603</u>	<u>893,204</u>	<u>(883,600)</u>	<u>23,300</u>	<u>2,574,507</u>

(Unaudited but reviewed)

Outstanding balances arising from a loan from a subsidiary

As at 30 June 2018 and 31 December 2017, the balance of a loan between the Company and a subsidiary was as follows.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Audited)		(Audited)
Short-term loan from				
Subsidiary	-	-	300,000	-

As at 30 June 2018, a short-term loan from a subsidiary was unsecured and could be summarised as below.

	Separate financial statements		
	As at 30 June 2018		
Relationship	Principle (Million Baht)	Interest rates %	Borrowing periods
Premier System Engineering Co., Ltd.	A direct subsidiary	300	1.10 On call

Movements in the balance of a short-term loan from a subsidiary during the six-month period ended 30 June 2018 was as follows.

(Unit: Thousand Baht)

	Separate financial statements		
	Balance as at 31 December 2017	Increase during the period	Balance as at 30 June 2018
Short-term loan			
	(Audited)		
Subsidiary	-	300,000	300,000

(Unaudited but reviewed)

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2018 and 2017, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	59,706	51,720	12,686	11,815
Post-employment benefits	1,538	862	321	304
Total	<u>61,244</u>	<u>52,582</u>	<u>13,007</u>	<u>12,119</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	119,031	95,582	25,372	22,297
Post-employment benefits	2,945	1,788	643	608
Total	<u>121,976</u>	<u>97,370</u>	<u>26,015</u>	<u>22,905</u>

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 19.3.1 to the interim financial statements.

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Audited)		(Audited)
<u>Trade accounts receivable - related parties</u> (Note 3)				
Aged on the basis of due dates				
Not yet due	3,366	4,138	376,589	767,717
Past due				
Up to 30 days	-	-	865	-
31 - 60 days	-	-	12	14
61 - 90 days	-	2	-	1
91 - 120 days	-	-	-	-
121 - 365 days	-	-	-	-
Over 365 days	-	-	7,344	7,234
Total trade accounts receivable - related parties	3,366	4,140	384,810	774,966
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	4,961,381	5,392,887	2,541,625	2,428,577
Past due				
Up to 30 days	661,608	832,691	385,530	629,149
31 - 60 days	64,893	50,049	19,189	26,301
61 - 90 days	16,766	24,029	1,084	13,499
91 - 120 days	28,358	13,486	23,052	10,180
121 - 365 days	58,586	15,832	19,611	11,452
Over 365 days	51,415	55,332	40,165	40,537
Total	5,843,007	6,384,306	3,030,256	3,159,695
Less: Allowance for doubtful debts	(47,633)	(49,056)	(33,421)	(33,421)
Total trade accounts receivable - unrelated parties, net	5,795,374	6,335,250	2,996,835	3,126,274
Total trade accounts receivable, net	5,798,740	6,339,390	3,381,645	3,901,240

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<u>Other receivables</u>				
Advance payment for goods - related parties (Note 3)	-	-	43,150	4,914
Advance payment for goods - unrelated parties	237,580	169,166	45,933	74,620
Prepaid expenses	225,772	199,790	84,458	64,276
Interest receivables - related parties (Note 3)	-	-	2,106	9,969
Accrued income - related parties (Note 3)	748	561	18,578	28,285
Accrued income - unrelated parties	23,849	36,098	4,759	15,414
Advance payment - related parties (Note 3)	-	-	4,429	9,259
Advance payment - unrelated parties	37,723	39,960	5,140	2,666
Other receivables - related parties (Note 3)	884	807	2,291	756
Other receivables - unrelated parties	118,675	426,536	1,532	11,094
Total other receivables	645,231	872,918	212,376	221,253
Total trade and other receivables, net	6,443,971	7,212,308	3,594,021	4,122,493

5. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Audited)		(Audited)
Inventories - at cost	11,828,595	17,617,270	5,385,363	7,919,702
Less: Reduction of cost to net realisable value	(81,336)	(494,291)	(4,015)	(239,970)
Inventories, net	11,747,259	17,122,979	5,381,348	7,679,732

(Unaudited but reviewed)

6. Derivative financial instruments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2018		31 December 2017	
	Assets	Liabilities	Assets	Liabilities
				(Audited)
Foreign exchange swaps	-	(9,501)	23,778	(55,844)
Foreign exchange options	-	(272,038)	-	(65,293)
Rubber options	2,602	(1,192)	14,161	(58,646)
Forward foreign exchange contracts	18,371	(257,971)	113,261	(5,183)
Rubber futures	97,202	(11,547)	256,739	(45,338)
Physical forward contracts	4,438	(2,206)	-	(939)
Total derivative financial instruments	122,613	(554,455)	407,939	(231,243)

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2018		31 December 2017	
	Assets	Liabilities	Assets	Liabilities
				(Audited)
Foreign exchange swaps	-	(9,501)	23,778	(55,844)
Foreign exchange options	-	(194,060)	-	(48,665)
Rubber options	1,541	(1,192)	14,161	(58,646)
Forward foreign exchange contracts	-	(158,139)	64,804	(971)
Rubber futures	55,263	(11,106)	153,777	(34,004)
Total derivative financial instruments	56,804	(373,998)	256,520	(198,130)

7. Investments in subsidiaries

7.1 Sri Trang Gloves (Thailand) Co., Ltd.

Business acquisition in 2017

On 18 January 2017, the meeting of the Company's Board of Directors passed a resolution to enter into the Umbrella agreement, the Share Sale and Purchase agreement, Call Option agreement between the Company and Semperit Technische Produkte Gesellschaft m.b.H. ("Semperit") which collectively was the Demerger agreement for all associates and joint ventures, in which the Company had invested with Semperit both locally and abroad.

Subsequently on 14 March 2017, the Company's Extraordinary General Meeting of Shareholders No.1/2017 passed the resolution to approve the demerger of associates and joint ventures comprising of:

- (a) The acquisition of the ordinary shares of Siam Sempermed Corporation Ltd.
- (b) The disposal of ordinary shares and investments in associates, including the disposal of shares in Semperflex Asia Corporation Ltd. under the Call Option agreement
- (c) The settlement of various disputes

On 15 March 2017, the Company additionally acquired 10,000 ordinary shares of Siam Sempermed Corporation Ltd. (on 16 March 2017 being changed its name to "Sri Trang Gloves (Thailand) Co., Ltd.") ("Sri Trang Gloves"), joint ventures, representing 50% of paid-up capital of Sri Trang Gloves at a price of USD 180.10 million or approximately Baht 6,367 million from Semperit. As a result of step acquisition, the investments in this company had been classified from joint venture to subsidiary. The shareholding of the Group in this subsidiary changed from 40.23% to 90.23% (held by the Company 81.50% and by Rubberland Products Co., Ltd. (subsidiary) 8.73%).

The management of the Company believed that the acquisition of Sri Trang Gloves was a business combination because the assets acquired and liabilities assumed constitute a business and the Company had control over Sri Trang Gloves in accordance with the definition specified in TFRS 3 Business Combinations. Transactions from business combination are accounted for using purchase method and the Company had included the financial statements of Sri Trang Gloves in the consolidated financial statements since 15 March 2017 (acquisition date).

Under TFRS 3, during the measurement period, which must not exceed one year from the acquisition date, the management was required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date and retrospectively adjust the provisional amounts recognised as at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

(Unaudited but reviewed)

In the fourth quarter of the year 2017, the Company completed the assessment of the fair values of the identifiable assets and liabilities of the subsidiary and presented the fair value of the acquirees' identifiable assets and liabilities in the consolidated financial statements for the year ended 31 December 2017.

The following details summarised the consideration transferred for business acquisition. The amounts of the assets acquired and liabilities assumed as recognised at the acquisition date.

Consideration transferred as at 15 March 2017

	(Unit: Thousand Baht)
Cash paid for Sri Trang Gloves's shares	6,367,133
Cash received from related investment disposals	(689,389)
Fair value of related equity instruments	
- Direct associate : Sempermed USA, Inc. at 25% of capital	187,628
- Direct associate : Semperflex Shanghai Ltd. at 50% of capital	197,854
- Direct associate : Sempermed Singapore Pte. Ltd. at 50% of capital	82,194
- General investment : Shanghai Semperit Rubber & Plastic Products Co., Ltd. at 10% of capital	174,114
Total consideration paid and transferred	6,319,534
Fair value of previously held investment in Sri Trang Gloves prior to the acquisition date	1,987,632
Total consideration	8,307,166

(Unit: Thousand Baht)

Recognised amounts of identifiable assets acquired and liabilities assumed at the acquisition date

Assets

Cash and cash equivalents	1,237,590
Trade accounts and other receivables	1,194,017
Inventories	1,352,373
Other current assets	45,873
Property, plant and equipment	4,134,827
Intangible assets	6,701
Deferred tax assets	40,386
Other non-current assets	845

(Unaudited but reviewed)

(Unit: Thousand Baht)

Liabilities

Short-term borrowings from financial institutions	500,000
Trade accounts and other payables	1,161,345
Deferred tax liabilities	333,021
Provision for retirement benefit obligations	76,962
Total identifiable net assets	5,941,284
Fair value of non-controlling interests	(587,900)
Goodwill	2,953,782
Total consideration transferred	8,307,166

(Unit: Thousand Baht)

Cash paid for purchase of investment in a subsidiary	6,367,133
<u>Less:</u> Cash and cash equivalents of the subsidiary	<u>(1,237,590)</u>
Net cash paid for purchase of investment in a subsidiary	<u>5,129,543</u>

(Unit: Thousand Baht)

Fair value of previously held investment in Sri Trang Gloves	
prior to the acquisition date	1,987,632
<u>Less:</u> Carrying value of investment under equity method in Sri trang Gloves	
at the acquisition date	<u>(1,764,006)</u>
Gain on change in fair value from investment reclassification	<u>223,626</u>

(Unit: Thousand Baht)

Fair value of transferred equity instruments prior to the acquisition date	
Sempermed USA, Inc.	187,628
Semperflex Shanghai Ltd.	197,854
Sempermed Singapore Pte. Ltd.	82,194
Shanghai Semperit Rubber & Plastic Products Co., Ltd.	174,114
<u>Less:</u> Carrying value of investment under equity method in the Company at the acquisition date	<u>(509,090)</u>
Gain from disposals of investments in associates and general investment	<u>132,700</u>

Other significant information related to business acquisition was as follows.

(a) Call Option

The Company granted a call option to Semperit for the acquisition of Semperfex Asia Co., Ltd. totalling 1,615,000 shares, representing 42.50 percent of paid-in capital of Semperfex Asia Co., Ltd. from the Company and its subsidiary, at the exercise price of USD 51 million, and with a condition to pay all dividend from profit contribution after the acquisition date. The exercise period is between 30 June 2019 and 30 June 2021.

(b) Acquired property, plant and equipment

Fair value of acquired property, plant and equipment was Baht 4,135 million which was assessed by an independent appraiser by using the replacement cost method and deducted by accumulated depreciation based on a number of year used.

(c) Non-controlling interests

The Company chose to recognise the non-controlling interests at its fair value for the acquisition of Sri Trang Gloves. The Group measured non-controlling interests from acquiree's identifiable net assets based on proportion of shares held by non-controlling interests.

(d) Revenues and profit contribution

Revenues had been included in the consolidated statement of comprehensive income from 15 March 2017 (The date that the Company assumed control over the acquiree) to 30 June 2017 contributed by acquiree was Baht 2,446 million and also the contributed loss of Baht 511 million, which was included compensation expenses for the demerger of Baht 532 million. If Sri Trang Gloves has been consolidated from 1 January 2017, the consolidated statement of comprehensive income for the period ended 30 June 2017 would show the revenues of Baht 4,389 million and net profit of Baht 19 million, respectively.

(e) Business expenses prior to the demerger

Business expenses prior to the demerger was the compensation for demerger transaction between Sri Trang Gloves and Semperit of USD 15 million, or approximately Baht 532 million which was stated in the related agreements.

(f) Commercial disputes relating to the joint venture agreement

On 15 March 2017, the Company and Semperit successfully completed the demerger of the associates and joint ventures. As a result of this, any disputes and lawsuits which related to arbitration proceedings, and legal proceedings between the Group and Semperit in any courts and arbitrations had been withdrawn or terminated.

7.2 Sri Trang Rubber & Plantation Co., Ltd. (“SRP”)

On 13 March 2018, the Extraordinary Shareholder’s Meeting of SRP passed a resolution to approve on the increase of its registered capital of Baht 200 million by issuing 2,000,000 newly issued ordinary shares at the par value of Baht 100 per share. As a result, SRP has the new registered capital of 65,550,000 shares and to call up at 25 percent, totalling of Baht 50 million. The Company paid cash for the additional shares.

In addition, during the six-month period ended 30 June 2018, the Company already paid in a further Baht 57.5 million called-up in respect of the additional shares of SRP in 2017.

8. Investments in associates

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Carrying amounts based on equity method		Cost	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Audited)		(Audited)
Semperflex Asia Co., Ltd.	448,435	359,929	142,500	142,500
Pattana Agro Futures Co., Ltd.	8,094	8,061	15,069	15,069
Total investments in associates	<u>456,529</u>	<u>367,990</u>	<u>157,569</u>	<u>157,569</u>

9. Investment in joint venture

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Carrying amounts based on equity method		Cost	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Audited)		(Audited)
Thaitech Rubber Corp., Ltd.	420,959	362,012	134,717	134,717

(Unaudited but reviewed)

10. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2018	24,189,691	8,944,117
Acquisitions	1,489,840	417,221
Additions of assets revaluation	289,340	253,508
Disposals and writes-off - net	(40,434)	(7,677)
Depreciation	(1,092,475)	(419,103)
Depreciation capitalised to assets (Note 11)	(37,467)	-
Impairment loss	(10,975)	-
Reversal of impairment loss	176	176
Transfers to intangible assets (Note 12)	(4,909)	-
Translation adjustment	(95,127)	-
Net book value as at 30 June 2018	<u>24,687,660</u>	<u>9,188,242</u>

As at 30 June 2018, net book value of property and plant of a subsidiary with collateral against credit facilities, short-term and long-term borrowings received from a commercial bank is approximately Baht 167 million (31 December 2017: Baht 167 million) as described in Note 14 to the interim financial statements.

11. Rubber and palm plantations

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2018	1,832,376	4,343
Additions	60,887	2,484
Amortisation	(1,612)	(117)
Depreciation capitalised to assets (Note 10)	37,467	-
Net book value as at 30 June 2018	<u>1,929,118</u>	<u>6,710</u>

(Unaudited but reviewed)

12. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	459,794	440,581
Additions	12,648	12,141
Writes-off - net	(35)	-
Amortisation	(33,722)	(29,017)
Transfers from equipment (Note 10)	4,909	-
Translation adjustment	48	-
Net book value as at 30 June 2018	<u>443,642</u>	<u>423,705</u>

13. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
			(Audited)	
Trade payables - unrelated parties	1,209,509	1,221,484	461,832	349,392
Trade payables - related parties (Note 3)	56,667	179,733	510,414	791,558
Accrued expenses - unrelated parties	585,069	621,595	231,382	274,817
Accrued expenses - related parties (Note 3)	-	-	3,429	5,000
Deferred income for goods and others	602,491	279,897	174,397	170,467
Deposits and retentions received from customers	200,701	99,906	21,551	19,601
Other payables - unrelated parties	118,982	211,638	48,657	58,108
Other payables - related parties (Note 3)	-	4	19,118	50,159
Others	559	583	140	155
Total trade and other payables	<u>2,773,978</u>	<u>2,614,840</u>	<u>1,470,920</u>	<u>1,719,257</u>

(Unaudited but reviewed)

14. Borrowings

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
Short-term borrowings from financial institutions				
Short-term borrowings from financial institutions	14,349,027	21,378,371	10,150,854	14,754,529
Notes payable	-	407,655	-	-
Total short-term borrowings from financial institutions	14,349,027	21,786,026	10,450,854	14,754,529
Current portions of:				
Long-term borrowings from financial institutions	443,000	420,654	300,000	300,000
Debentures	810,000	600,000	810,000	600,000
Finance lease liabilities	12,785	13,167	3,902	4,092
Total current portions	1,265,785	1,033,821	1,113,902	904,092
Non-current portions of:				
Long-term borrowings from financial institutions	8,181,296	7,193,710	4,854,296	4,313,710
Debentures	1,455,000	2,265,000	1,455,000	2,265,000
Finance lease liabilities	21,274	27,521	7,620	9,542
Total non-current portions	9,657,570	9,486,231	6,316,916	6,588,252
Total long-term borrowings from financial institutions	10,923,355	10,520,052	7,430,818	7,492,344
Total borrowings	25,272,382	32,306,078	17,581,672	22,246,873

(Unaudited but reviewed)

Movements in the borrowing account during the six-month period ended 30 June 2018 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2018	32,306,079	22,246,873
Decrease in short-term borrowings from financial institutions	(7,445,748)	(4,603,675)
Additions of long-term borrowings from financial institutions	2,079,400	629,400
Repayments of long-term borrowings from financial institutions	(1,130,654)	(150,000)
Repayments of debenture	(600,000)	(600,000)
Repayments of finance lease liabilities	(6,630)	(2,112)
Unrealised loss on exchange rates	61,186	61,186
Translation adjustments	8,749	-
Balance as at 30 June 2018	<u>25,272,382</u>	<u>17,581,672</u>

Short-term and long-term borrowings from financial institutions

As at 30 June 2018, certain of short-term and long-term borrowings of the local subsidiary totaling Baht 27 million (31 December 2017: Baht 26 million) were guaranteed by lands, land improvements, buildings and structures thereon of a subsidiary as described in Note 10, certain of the Company's directors (no fee charged). According to a condition of the borrowing agreements, the Company and the subsidiary are not allowed to create any encumbrance on their assets, except for encumbrances created with the prior consent of the banks and permitted liens.

(Unaudited but reviewed)

During the six-month periods ended 30 June 2018, the Company and the subsidiary entered into additional long-term borrowing agreements with domestic commercial banks with details as follows.

Borrowing	Company	Credit facilities	Borrowing periods	Interest rate %	Principal and interest repayment	Collateral	Drawn down amount as at 30 June 2018	
							Million USD	(Equivalent) Million Baht
1	Sri Trang Agro-Industry Public Co., Ltd.	USD 20 million	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly	None	20	629
2	Sri Trang Gloves (Thailand) Co., Ltd.	Baht 950 million	7 years	MLR less fixed rate per annum	Quarterly	None	-	950
3	Sri Trang Gloves (Thailand) Co., Ltd.	Baht 700 million	4 years and 6 months	MLR less fixed rate per annum	Quarterly	None	-	500
						Total	<u>20</u>	<u>2,079</u>

In April 2018, the commercial bank amended the long-term borrowing agreement with Sri Trang Gloves for the credit facilities of Baht 3,000 million, changing the amount of principal that is to be paid each quarter. Sri Trang Gloves made the early repayment for partial principal amounting to Baht 950 million on 23 April 2018, and on the same day, Sri Trang Gloves entered into a new long-term borrowing agreement with that commercial bank for a facility of Baht 950 million and already has drawn down the Baht 950 million borrowing.

The borrowing agreements of the Group contain certain covenants that, among other things, require the Group to maintain financial ratios.

Debentures

Debentures are unsubordinated, unsecured and denominated in Thai Baht, which are due for redemption from 2018, 2019 and 2021.

Finance lease liabilities

Finance leases of the Group are mainly related to the lease of vehicles. The terms of the lease agreements are generally 5 years.

15. Share capital

On 26 April 2018, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a decrease in the Company's registered share capital from Baht 1,536,000,000 (1,536,000,000 ordinary shares of Baht 1 each) to Baht 1,535,999,998 (1,535,999,998 ordinary shares of Baht 1 each) by cancelling 2 registered ordinary shares with a par value of Baht 1 each that are unissued. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 7 May 2018.

16. Income tax

Interim corporate income tax of the Company was calculated on profit (loss) before income tax from operations without BOI promotional privileges for the periods, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

Interim corporate income tax of the local subsidiaries were calculated on profit (loss) before income tax for the periods, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

Interim corporate income tax of the overseas subsidiaries were calculated in accordance with the accounting standards and/or tax law of that company's country of domicile.

(Unaudited but reviewed)

Tax expenses (income) for the three-month and six-month periods ended 30 June 2018 and 2017 are made up as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	173,067	7,662	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(135,211)	(314,699)	(54,661)	(104,475)
Tax expense (income) reported in the statement of comprehensive income	<u>37,856</u>	<u>(307,037)</u>	<u>(54,661)</u>	<u>(104,475)</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	265,259	41,758	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(109,396)	(207,048)	(1,893)	(97,956)
Tax expense (income) reported in the statement of comprehensive income	<u>155,863</u>	<u>(165,290)</u>	<u>(1,893)</u>	<u>(97,956)</u>

The estimated average effective tax rate was calculated from net profit before income tax. For the three-month and six-month periods ended 30 June 2018, the average effective tax rate for the consolidated financial statements was 5.9 and 9.6 percent, respectively, and for the separate financial statements was 5.3 and 0.1 percent, respectively.

17. Earnings per share

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Basic earnings per share				
Profit (loss) attributable to owners of the Company (Thousand Baht)	591,925	(2,080,054)	1,079,043	(1,102,046)
Weighted average number of ordinary shares (Thousand shares)	<u>1,536,000</u>	<u>1,280,000</u>	<u>1,536,000</u>	<u>1,280,000</u>
Earnings (loss) per share (Baht per share)	<u>0.39</u>	<u>(1.63)</u>	<u>0.70</u>	<u>(0.86)</u>

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Basic earnings per share				
Profit (loss) attributable to owners of the Company (Thousand Baht)	1,423,746	(2,072,486)	1,451,745	504,641
Weighted average number of ordinary shares (Thousand shares)	<u>1,536,000</u>	<u>1,280,000</u>	<u>1,536,000</u>	<u>1,280,000</u>
Earnings (loss) per share (Baht per share)	<u>0.93</u>	<u>(1.62)</u>	<u>0.95</u>	<u>0.39</u>

18. Segment information

The Group operated across four business segments in seven main geographical areas. The allocation of revenue to each geographical area is based on the origin of sales. During the current period, the Group did not change the organisation of their reportable segments.

Financial information by geographical area, which is presented to the Board of Directors of the Group is the chief operating decision makers of the Group, for the three-month and six-month periods ended 30 June 2018 and 2017 have been presented as follows.

(Unaudited but reviewed)

For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of											
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar					
Revenues												
Revenues from external customers	13,862,857	601,829	4,695,558	93,643	441,717	-	-	58,523	703	(72)	-	19,754,758
Inter-segment revenues	2,850,370	2,154,992	89,403	-	19,628	-	97,635	305,899	-	257,513	(5,775,440)	-
Total revenues	16,713,227	2,756,821	4,784,961	93,643	461,345	-	97,635	364,422	703	257,441	(5,775,440)	19,754,758
Unallocated income and expenses												
Depreciation and amortisation	(476,154)	(77,885)	(1,865)	(103)	(481)	-	(1,304)	(5,861)	(7,908)	(9,021)	-	(580,582)
Finance income	29,670	454	221	-	336	-	-	1,125	73	196	(28,938)	3,137
Finance cost	(182,901)	(192,558)	1,095	(4,183)	-	-	(12,275)	-	-	(493)	32,573	(358,742)
Share of profit from investments in associates and joint venture	57,022	-	-	-	-	-	-	-	-	-	-	57,022
Profit (loss) before income tax expense	1,507,617	(107,497)	151,964	(41,980)	103,039	(111)	(7,457)	10,480	(25,618)	6,509	(952,135)	644,811
Tax income (expense)	31,079	(16,650)	(15,542)	8,813	(43,109)	-	(145)	(1,862)	26	(467)	-	(37,857)
Profit (loss) for the period	1,538,696	(124,147)	136,422	(33,167)	59,930	(111)	(7,602)	8,618	(25,592)	6,042	(952,135)	606,954
Total assets	54,282,897	6,481,957	5,420,865	257,905	1,254,699	25,842	258,715	1,410,174	6,638,924	4,118,237	(25,284,192)	54,866,023

(Unaudited but reviewed)

For the three-month period ended 30 June 2017

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of							Thailand	Thailand	Thailand		
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		
Revenues												
Revenues from external customers	15,087,006	704,735	6,178,425	760,596	112,671	-	-	20,261	1,298	10,310	-	22,875,302
Inter-segment revenues	3,773,580	2,037,196	1,072,159	-	-	-	116,873	223,061	980	252,809	(7,476,658)	-
Total revenues	18,860,586	2,741,931	7,250,584	760,596	112,671	-	116,873	243,322	2,278	263,119	(7,476,658)	22,875,302
Unallocated income and expenses												
Depreciation and amortisation	(363,462)	(67,679)	(1,597)	(443)	(693)	-	(1,293)	(5,313)	(8,518)	(7,236)	-	(456,234)
Finance income	29,973	491	93	-	136	-	-	152	39	181	(17,764)	13,301
Finance cost	(212,730)	(111,556)	(7,181)	(9,356)	-	-	(1,052)	(7,487)	-	(153)	25,903	(323,612)
Share of loss from investments in associates and joint ventures	(57,273)	-	-	-	-	-	-	-	-	-	-	(57,273)
Profit (loss) before income tax expense	(1,860,235)	(123,169)	355,775	(18,037)	(4,185)	(652)	10,672	702	(32,521)	(5,514)	(716,063)	(2,393,227)
Tax income (expense)	138,111	91,433	36,018	32,724	(289)	-	5,596	3,648	24	(228)	-	307,037
Profit (loss) for the period	(1,722,124)	(31,736)	391,793	14,687	(4,474)	(652)	16,268	4,350	(32,497)	(5,742)	(716,063)	(2,086,190)
Total assets	54,103,956	9,250,263	6,805,167	1,358,538	482,687	27,225	166,551	1,315,568	6,191,067	4,021,436	(26,589,179)	57,133,279

(Unaudited but reviewed)

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of											
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar					
Revenues												
Revenues from external customers	25,831,920	1,068,587	9,255,482	200,597	999,987	-	-	73,177	916	13,159	-	37,443,825
Inter-segment revenues	6,433,631	4,036,475	193,411	-	28,478	-	178,676	580,482	1,255	465,790	(11,918,198)	-
Total revenues	32,265,551	5,105,062	9,448,893	200,597	1,028,465	-	178,676	653,659	2,171	478,949	(11,918,198)	37,443,825
Unallocated income and expenses												
Depreciation and amortisation	(922,203)	(151,579)	(3,898)	(349)	(981)	-	(2,537)	(11,788)	(16,331)	(18,143)	-	(1,127,809)
Finance income	55,193	900	369	-	534	-	-	1,712	73	196	(54,124)	4,853
Finance cost	(368,725)	(314,354)	(1,610)	(8,857)	-	-	(10,881)	-	-	(993)	61,348	(644,072)
Share of profit from investments in associates and joint venture	137,168	-	-	-	-	-	-	-	-	-	-	137,168
Profit (loss) before income tax expense	2,311,835	(135,139)	301,708	(88,160)	300,025	(251)	(1,240)	16,631	(65,899)	5,444	(1,019,780)	1,625,174
Tax income (expense)	(63,916)	(8,270)	(34,938)	20,714	(68,287)	-	-	(3,049)	2,247	(364)	-	(155,863)
Profit (loss) for the period	2,247,919	(143,409)	266,770	(67,446)	231,738	(251)	(1,240)	13,582	(63,652)	5,080	(1,019,780)	1,469,311
Total assets	54,282,897	6,481,957	5,420,865	257,905	1,254,699	25,842	258,715	1,410,174	6,638,924	4,118,237	(25,284,192)	54,866,023

(Unaudited but reviewed)

For the six-month period ended 30 June 2017

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of							Thailand	Thailand	Thailand		
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		
Revenues												
Revenues from external customers	34,899,784	1,530,086	12,922,359	1,501,510	236,385	-	-	88,419	1,410	214,598	-	51,394,551
Inter-segment revenues	6,390,383	4,656,861	2,078,584	(199)	-	-	200,495	316,780	490	481,838	(14,125,232)	-
Total revenues	41,290,167	6,186,947	15,000,943	1,501,311	236,385	-	200,495	405,199	1,900	696,436	(14,125,232)	51,394,551
Unallocated income and expenses												
Depreciation and amortisation	(608,022)	(135,545)	(3,256)	(897)	(1,278)	-	(2,584)	(10,505)	(16,834)	(14,798)	-	(793,719)
Finance income	48,703	1,008	201	-	309	-	-	152	39	181	(35,727)	14,866
Finance cost	(406,427)	(183,004)	(9,438)	(17,280)	-	-	(2,041)	(21,570)	-	(272)	51,009	(589,023)
Share of profit from investments in associates and joint ventures	668	-	-	-	-	-	-	-	-	-	-	668
Profit (loss) before income tax expense	(217,786)	333,623	649,775	46,335	(2,252)	(1,592)	13,519	(2,236)	(63,241)	(10,582)	(3,008,275)	(2,262,712)
Tax income (expense)	122,170	12,048	11,851	10,748	(841)	-	5,596	3,790	49	(120)	-	165,291
Profit (loss) for the period	(95,616)	345,671	661,626	57,083	(3,093)	(1,592)	19,115	1,554	(63,192)	(10,702)	(3,008,275)	(2,097,421)
Total assets	54,103,956	9,250,263	6,805,167	1,358,538	482,687	27,225	166,551	1,315,568	6,191,067	4,021,436	(26,589,179)	57,133,279

(Unaudited but reviewed)

19. Commitments and contingent liabilities

19.1 Sales and purchases commitments

The Group are committed to certain sales and purchases related to finished goods from natural rubber. Some of the contractual prices are fixed and settled at future dates and some for which the contractual prices are not determined at the contract date. However, the values of these commitments are presented at the fixed contractual prices or the market prices at the end of the period in case the contractual price are not determined at the contract date as follows.

(Unit: Thousand Baht)

As at 30 June 2018

	Consolidated financial statements	Separate financial statements
Purchases from:		
Joint venture	371,854	-
Third parties	908,274	127,441
	<u>1,280,128</u>	<u>127,441</u>
Sales to:		
Subsidiaries	-	1,120,514
Third parties	17,584,205	10,121,834
	<u>17,584,205</u>	<u>11,242,348</u>

19.2 Capital commitments

The Group have capital commitments as follows.

(Unit: Thousand Baht)

As at 30 June 2018

	Consolidated financial statements	Separate financial statements
Capital commitments - purchase of fixed assets	<u>621,515</u>	<u>93,305</u>

(Unaudited but reviewed)

19.3 Commitments from guarantees on borrowings of subsidiaries and contingent liabilities

19.3.1 The Group had commitments from guarantees on the borrowings of subsidiaries as follows.

Currencies	As at 30 June 2018	
	Consolidated financial statements / Separate financial statements	(Equivalent) Million Baht
Million USD	17	571
Billion Rupiah	690	1,603
Total		2,174

19.3.2 As at 30 June 2018, the Group had contingent liabilities for bank guarantees issued in favor of government agencies mainly for electricity usage totaling Baht 150 million. A local subsidiary has pledged its fixed deposits of Baht 1 million as collateral for these bank guarantees with government agencies.

19.4 Operating lease commitments - where the Group and the Company is the lessee

The future aggregate minimum lease payments under non-cancellable operating leases of the Group were as follows.

	(Unit: Thousand Baht)	
	As at 30 June 2018	
	Consolidated financial statements	Separate financial statements
Not later than 1 year	115,663	52,922
Later than 1 year but not later than 5 years	130,245	63,114
Total	245,908	116,036

(Unaudited but reviewed)

20. Fair value measurements

As at 30 June 2018 and 31 December 2017, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 30 June 2018			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	44,080	-	-	44,080
Financial assets at fair value through profit or loss - trading derivatives	97,202	25,411	-	122,613
Total assets	141,282	25,411	-	166,693
Liabilities				
Financial liabilities at fair value through profit or loss				
- trading derivatives	11,547	542,908	-	554,455
Total liabilities	11,547	542,908	-	554,455

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2017 (Audited)			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	53,299	-	-	53,299
Financial assets at fair value through profit or loss - trading derivatives	256,739	151,200	-	407,939
Total assets	310,038	151,200	-	461,238
Liabilities				
Financial liabilities at fair value through profit or loss				
- trading derivatives	45,338	185,905	-	231,243
Total liabilities	45,338	185,905	-	231,243

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	As at 30 June 2018			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	43,755	-	-	43,755
Financial assets at fair value through profit or loss - trading derivatives	55,263	1,541	-	56,804
Total assets	99,018	1,541	-	100,559
Liabilities				
Financial liabilities at fair value through profit or loss				
- trading derivatives	11,106	362,892	-	373,998
Total liabilities	11,106	362,892	-	373,998

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2017 (Audited)			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	52,097	-	-	52,097
Financial assets at fair value through profit or loss - trading derivatives	153,777	102,743	-	256,520
Total assets	205,874	102,743	-	308,617
Liabilities				
Financial liabilities at fair value through profit or loss				
- trading derivatives	34,004	164,126	-	198,130
Total liabilities	34,004	164,126	-	198,130

During the current period, there was no transfer within the fair value hierarchy.

21. Event after the reporting period

21.1 On 10 July 2018, the Board of Directors Meeting of the Company passed a resolution not to object to the proposed investment by Dr. Viyavood Sincharoenkul (“Dr. Viyavood”), who is the Chairman and Managing Director of the Company, in Thaikong Co., Ltd. (“TK”), which is in the rubber gloves manufacturing business, through the acquisition of shares held by Thaikong Group Co., Ltd. (“TKG”) by using his own funds. The Board of Directors also passed a resolution to conduct due diligence on TKG and TK as well as to study the investment structure in details. Dr. Viyavood has requested the Company to issue a written confirmation of the Company’s investment in TK as well as the structure of the investment within 31 December 2018. This grants an exclusive right to the Company to invest in TK, whether directly or indirectly, in order to incorporate TK into the Group, at the cost at which TK’s shares were acquired by Dr. Viyavood (including finance costs). Dr. Viyavood also allowed the Company to determine an appropriate structure for the investment. During the decision making period of the Company, Dr. Viyavood undertake not to cause TK to make any dividend payments or reduce its capital. In addition, any transactions between the Group and TK would have to be conducted on an arm’s length basis and there must be no transfer of benefits and no conflicts of interest in accordance with the applicable law and regulations.

At present, the management of the Company has engaged relevant professionals and advisors to conduct necessary due diligence and advise the Company on the investment in TK.

21.2 On 14 August 2018, the Board of Directors Meeting of the Company passed a resolution to approve an increase of USD 2.5 million or approximately Baht 83 million in the registered share capital of Startex Rubber Company Limited (a direct subsidiary) for the purpose of increasing the registered share capital of Shi Dong Shanghai Medical Equipment Company Limited (an indirect subsidiary) to expand glove distribution business in China. The Company has expected to complete the share capital increase within September 2018.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company’s Board of Directors on 14 August 2018.