

## AUDITOR'S REPORT

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

I have audited the accompanying consolidated and company financial statements of Sri Trang Agro-Industry Public Company Limited and its subsidiaries and of Sri Trang Agro-Industry Public Company Limited, which comprise the consolidated and company statements of financial position as at 31 December 2015 and the related consolidated and company statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

*Opinion*

In my opinion, the consolidated and company financial statements referred to above present fairly, in all material respects, the consolidated and company financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries and of Sri Trang Agro-Industry Public Company Limited as at 31 December 2015 and its consolidated and company results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Paiboon Tunkoon  
Certified Public Accountant (Thailand) No. 4298  
PricewaterhouseCoopers ABAS Ltd.

Bangkok  
26 February 2016

**SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS**

**31 DECEMBER 2015**

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statements of Financial Position

As at 31 December 2015

	Notes	Consolidated		Company	
		31 December 2015 Baht	31 December 2014 Baht	31 December 2015 Baht	31 December 2014 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	2,197,241,259	2,131,618,737	302,242,191	351,506,312
Derivative financial instruments	8	336,737,313	89,767,267	265,028,250	33,730,806
Trade accounts receivable and other receivables, net	9	3,854,229,907	4,688,380,158	2,360,311,001	2,297,828,991
Amounts due from futures brokers		702,086,338	392,450,064	87,465,150	85,663,956
Inventories, net	10	13,959,751,197	10,029,943,739	6,335,142,961	4,743,353,158
Current portion of long-term borrowings to a subsidiary	36.4	-	-	362,251,765	-
Other current assets	11	480,588,349	352,224,156	86,315,473	76,857,998
<b>Total current assets</b>		<b>21,530,634,363</b>	<b>17,684,384,121</b>	<b>9,798,756,791</b>	<b>7,588,941,221</b>
<b>Non-current assets</b>					
Long-term borrowings to subsidiaries	36.4	-	-	1,263,353,030	992,656,135
Fixed deposits pledged as collateral	12	33,463,842	34,585,973	13,823,734	13,622,863
Investments in subsidiaries	13.1	-	-	10,701,420,514	9,684,640,514
Investments in associates	13.2	1,357,762,042	1,157,810,054	649,177,500	649,177,500
Investment in joint ventures	13.3	3,378,970,225	2,878,241,133	83,099,800	83,099,800
Long-term investments	14	50,626,129	63,672,236	49,718,210	62,666,431
Property, plant and equipment, net	15	15,185,490,205	14,355,033,514	6,224,797,090	5,845,366,056
Rubber and palm plantations, net	16	1,221,240,488	901,246,752	2,833,994	4,080,879
Intangible assets, net	17	330,312,214	31,639,642	314,686,383	12,311,158
Investment properties	18	154,510,994	170,255,147	27,769,750	27,769,750
Withholding tax deducted at source		395,745,880	332,854,932	312,271,396	250,167,419
Deferred income tax assets, net	19	203,437,743	146,540,958	-	-
Other non-current assets	20	36,433,473	34,265,689	13,856,842	12,718,800
<b>Total non-current assets</b>		<b>22,347,993,235</b>	<b>20,106,146,030</b>	<b>19,656,808,243</b>	<b>17,638,277,305</b>
<b>Total assets</b>		<b>43,878,627,598</b>	<b>37,790,530,151</b>	<b>29,455,565,034</b>	<b>25,227,218,526</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

The notes to the consolidated and company financial statements are integral part of the financial statements.

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statements of Financial Position (Cont'd)

As at 31 December 2015

	Notes	Consolidated		Company	
		31 December 2015 Baht	31 December 2014 Baht	31 December 2015 Baht	31 December 2014 Baht
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade accounts payable and other payables	21	2,687,393,890	2,579,501,245	1,408,163,931	1,486,686,421
Short-term borrowings from financial institutions	22	13,446,230,471	9,408,410,287	7,733,771,000	4,261,484,000
Current portion of long-term borrowings					
from financial institutions	22	451,404,000	140,264,000	200,000,000	50,000,000
Current portion of debentures	22	850,000,000	-	850,000,000	-
Current portion of finance lease liabilities	22	25,044,515	30,046,135	3,865,658	3,585,007
Derivative financial instruments	8	271,563,002	212,826,685	196,211,782	155,819,745
Current income tax liabilities		63,896,095	48,559,037	-	-
Other current liabilities		40,020,840	44,348,586	19,693,269	20,985,956
<b>Total current liabilities</b>		<b>17,835,552,813</b>	<b>12,463,955,975</b>	<b>10,411,705,640</b>	<b>5,978,561,129</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	22	3,742,215,000	2,913,462,000	3,740,157,000	2,910,000,000
Debentures	22	600,000,000	1,450,000,000	600,000,000	1,450,000,000
Finance lease liabilities	22	10,904,253	33,310,507	4,280,567	3,979,795
Deferred income tax liabilities, net	19	151,818,247	172,496,107	33,180,843	36,649,938
Provision for retirement benefit obligations	23	161,703,570	115,226,468	73,882,790	53,448,249
Other non-current liabilities		42,524,980	50,210,804	-	-
<b>Total non-current liabilities</b>		<b>4,709,166,050</b>	<b>4,734,705,886</b>	<b>4,451,501,200</b>	<b>4,454,077,982</b>
<b>Total liabilities</b>		<b>22,544,718,863</b>	<b>17,198,661,861</b>	<b>14,863,206,840</b>	<b>10,432,639,111</b>

The notes to the consolidated and company financial statements are integral part of the financial statements.

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statements of Financial Position (Cont'd)

As at 31 December 2015

	Notes	Consolidated		Company	
		31 December 2015 Baht	31 December 2014 Baht	31 December 2015 Baht	31 December 2014 Baht
<b>Liabilities and shareholders' equity (Cont'd)</b>					
<b>Shareholders' equity</b>					
Share capital	24				
Authorised share capital					
Ordinary shares, 1,280,000,000 shares of par Baht 1 each (2014 : 1,280,000,000 shares of par Baht 1 each)		1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
Issued and paid-up share capital					
Ordinary shares, 1,280,000,000 shares of par Baht 1 each (2014 : 1,280,000,000 shares of par Baht 1 each)		1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
Premium on share capital	24	8,550,989,821	8,550,989,821	8,550,989,821	8,550,989,821
Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	25	(173,134,488)	(173,134,488)	-	-
Asset revaluation surplus, net of accumulated depreciation	25	1,427,799,885	1,470,543,779	654,327,347	691,242,473
Unrealised gains on available-for-sale investments	25	6,832,287	18,864,175	6,479,970	18,417,816
Cumulative currency differences on translation	25	(268,546,606)	(445,858,809)	-	-
Retained earnings					
Appropriated - legal reserve	26	128,000,000	128,000,000	128,000,000	128,000,000
Unappropriated		10,287,731,589	9,662,264,944	3,972,561,056	4,125,929,305
<b>Total equity attributable to owners of the parent</b>		<b>21,239,672,488</b>	<b>20,491,669,422</b>	<b>14,592,358,194</b>	<b>14,794,579,415</b>
Non-controlling interests		94,236,247	100,198,868	-	-
<b>Total shareholders' equity</b>		<b>21,333,908,735</b>	<b>20,591,868,290</b>	<b>14,592,358,194</b>	<b>14,794,579,415</b>
<b>Total liabilities and shareholders' equity</b>		<b>43,878,627,598</b>	<b>37,790,530,151</b>	<b>29,455,565,034</b>	<b>25,227,218,526</b>

The notes to the consolidated and company financial statements are integral part of the financial statements.

## Statements of Comprehensive Income

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
Revenues from sales of goods and services	27	61,291,782,057	75,529,874,680	29,014,781,025	37,058,138,121
Cost of sales and services		(57,770,589,129)	(72,181,560,556)	(27,175,826,041)	(34,907,155,094)
<b>Gross profit</b>		<b>3,521,192,928</b>	<b>3,348,314,124</b>	<b>1,838,954,984</b>	<b>2,150,983,027</b>
Other income	30	186,321,362	133,944,256	462,236,862	1,114,940,115
Selling expenses		(2,125,205,273)	(2,132,659,869)	(1,778,581,066)	(1,757,595,394)
Administrative expenses		(1,588,191,090)	(1,687,743,051)	(816,111,907)	(858,441,607)
Gains on exchange rate, net		214,180,676	371,134,668	91,219,722	234,877,747
Other gains , net	31	1,095,298,392	1,121,975,064	821,750,803	869,709,314
<b>Operating profit</b>		<b>1,303,596,995</b>	<b>1,154,965,192</b>	<b>619,469,398</b>	<b>1,754,473,202</b>
Share of profit from investments in associates and joint ventures	13	648,823,974	535,088,818	-	-
<b>Profit before net finance costs and income tax</b>		<b>1,952,420,969</b>	<b>1,690,054,010</b>	<b>619,469,398</b>	<b>1,754,473,202</b>
Finance income		48,175,799	49,701,857	77,977,067	74,832,880
Finance costs		(857,323,014)	(663,386,209)	(360,937,361)	(367,730,540)
Finance costs, net	32	(809,147,215)	(613,684,352)	(282,960,294)	(292,897,660)
<b>Profit before income tax</b>		<b>1,143,273,754</b>	<b>1,076,369,658</b>	<b>336,509,104</b>	<b>1,461,575,542</b>
Income tax	33	(31,517,851)	(40,132,363)	1,237,358	(19,932,157)
<b>Profit for the years</b>		<b>1,111,755,903</b>	<b>1,036,237,295</b>	<b>337,746,462</b>	<b>1,441,643,385</b>
<b>Other comprehensive income:</b>					
Items that will not be reclassified subsequently to profit or loss					
Asset revaluation surplus, net of tax		2,276,957	361,386,290	2,276,957	-
Actuarial gains (losses) on defined employee benefit plan, net of tax		(25,589,087)	3,872,750	(18,306,794)	(2,446,855)
Total items that will not be reclassified to profit or loss		(23,312,130)	365,259,040	(16,029,837)	(2,446,855)
Items that will be reclassified subsequently to profit or loss					
Change in fair value of available-for-sale investments, net of tax		(12,031,888)	10,317,258	(11,937,846)	10,321,897
Currency differences on translation		174,540,423	7,660,466	-	-
Total items that will be reclassified subsequently to profit or loss		162,508,535	17,977,724	(11,937,846)	10,321,897
Other comprehensive income (expense) for the years, net of tax		139,196,405	383,236,764	(27,967,683)	7,875,042
<b>Total comprehensive income for the years</b>		<b>1,250,952,308</b>	<b>1,419,474,059</b>	<b>309,778,779</b>	<b>1,449,518,427</b>

The notes to the consolidated and company financial statements are integral part of the financial statements.

	Note	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Profit for the years attributable to:</b>					
Owners of the parent		1,118,034,881	1,037,762,186	337,746,462	1,441,643,385
Non-controlling interests		(6,278,978)	(1,524,891)	-	-
<b>Profit for the years</b>		<u>1,111,755,903</u>	<u>1,036,237,295</u>	<u>337,746,462</u>	<u>1,441,643,385</u>
<b>Total comprehensive income for the years attributable to:</b>					
Owners of the parent		1,260,003,066	1,420,874,748	309,778,779	1,449,518,427
Non-controlling interests		(9,050,758)	(1,400,689)	-	-
<b>Total comprehensive income for the years</b>		<u>1,250,952,308</u>	<u>1,419,474,059</u>	<u>309,778,779</u>	<u>1,449,518,427</u>
<b>Earnings per share</b>					
Basic earnings per share	34	<u>0.87</u>	<u>0.81</u>	<u>0.26</u>	<u>1.13</u>



Consolidated											
Attributable to owners of the parent											
Other components of equity											
Other comprehensive income											
Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests Baht	Asset revaluation surplus, net of accumulated depreciation Baht	Unrealised gains on available-for-sale investments Baht	Cumulative currency differences on translation Baht	Retained earnings		Total owners of the parent Baht	Non-controlling interests Baht	Total shareholders' equity Baht
							Appropriated - legal reserve Baht	Unappropriated Baht			
<b>Opening balance as at 1 January 2015</b>	1,280,000,000	8,550,989,821	(173,134,488)	1,470,543,779	18,864,175	(445,858,809)	128,000,000	9,662,264,944	20,491,669,422	100,198,868	20,591,868,290
<b>Profit for the year</b>	-	-	-	-	-	-	-	1,118,034,881	1,118,034,881	(6,278,978)	1,111,755,903
<b>Other comprehensive income</b>											
Asset revaluation surplus, net of tax	-	-	-	2,276,957	-	-	-	-	2,276,957	-	2,276,957
Disposal of assets, net of tax	-	-	-	(25,432,581)	-	-	-	25,432,581	-	-	-
Depreciation on assets revaluation, net of tax	-	-	-	(19,588,270)	-	-	-	19,588,270	-	-	-
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	(12,031,888)	-	-	-	(12,031,888)	-	(12,031,888)
Actuarial gains on defined employee benefit plans, net of tax	-	-	-	-	-	-	-	(25,589,087)	(25,589,087)	-	(25,589,087)
Currency differences on translation	-	-	-	-	-	177,312,203	-	-	177,312,203	(2,771,780)	174,540,423
Total other comprehensive income, net of tax	-	-	-	(42,743,894)	(12,031,888)	177,312,203	-	19,431,764	141,968,185	(2,771,780)	139,196,405
<b>Total comprehensive income</b>	-	-	-	(42,743,894)	(12,031,888)	177,312,203	-	1,137,466,645	1,260,003,066	(9,050,758)	1,250,952,308
<b>Transactions with shareholders' equity</b>											
Dividend payment	35	-	-	-	-	-	-	(512,000,000)	(512,000,000)	-	(512,000,000)
Dividend payment from subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(200)	(200)
Non-controlling interests invested in subsidiaries	-	-	-	-	-	-	-	-	-	3,088,337	3,088,337
<b>Total transactions with shareholders' equity</b>	-	-	-	-	-	-	-	(512,000,000)	(512,000,000)	3,088,137	(508,911,863)
<b>Closing balance as at 31 December 2015</b>	1,280,000,000	8,550,989,821	(173,134,488)	1,427,799,885	6,832,287	(268,546,606)	128,000,000	10,287,731,589	21,239,672,488	94,236,247	21,333,908,735

The notes to the consolidated and company financial statements are integral part of the financial statements.

Consolidated												
Attributable to owners of the parent												
	Other components of equity											
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests Baht	Other comprehensive income			Retained earnings		Total owners of the parent Baht	Non-controlling interests Baht	Total shareholders' equity Baht
					Asset revaluation surplus, net of depreciation Baht	Unrealised gains on available-for-sale investments Baht	Cumulative currency differences on translation Baht	Appropriated - legal reserve Baht	Unappropriated Baht			
<b>Opening balance as at 1 January 2014</b>		1,280,000,000	8,550,989,821	(173,134,488)	1,130,228,558	8,546,917	(453,395,072)	128,000,000	9,431,558,939	19,902,794,675	88,273,312	19,991,067,987
<b>Profit for the year</b>		-	-	-	-	-	-	-	1,037,762,186	1,037,762,186	(1,524,891)	1,036,237,295
<b>Other comprehensive income</b>												
Asset revaluation surplus, net of tax		-	-	-	361,386,290	-	-	-	-	361,386,290	-	361,386,290
Depreciation on assets revaluation, net of tax		-	-	-	(21,071,069)	-	-	-	21,071,069	-	-	-
Change in fair value of available-for-sale investments, net of tax		-	-	-	-	10,317,258	-	-	-	10,317,258	-	10,317,258
Actuarial losses on defined employee benefit plans, net of tax		-	-	-	-	-	-	-	3,872,750	3,872,750	-	3,872,750
Currency differences on translation		-	-	-	-	-	7,536,263	-	-	7,536,263	124,203	7,660,466
<b>Total other comprehensive income, net of tax</b>		-	-	-	340,315,221	10,317,258	7,536,263	-	24,943,819	383,112,561	124,203	383,236,764
<b>Total comprehensive income</b>		-	-	-	340,315,221	10,317,258	7,536,263	-	1,062,706,005	1,420,874,747	(1,400,688)	1,419,474,059
<b>Transactions with shareholders' equity</b>												
Dividend payment	35	-	-	-	-	-	-	-	(832,000,000)	(832,000,000)	-	(832,000,000)
Dividend payment from subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	-	(1,048)	(1,048)
Non-controlling interests invested in subsidiaries		-	-	-	-	-	-	-	-	-	13,327,292	13,327,292
<b>Total transactions with shareholders' equity</b>		-	-	-	-	-	-	-	(832,000,000)	(832,000,000)	13,326,244	(818,673,756)
<b>Closing balance as at 31 December 2014</b>		1,280,000,000	8,550,989,821	(173,134,488)	1,470,543,779	18,864,175	(445,858,809)	128,000,000	9,662,264,944	20,491,669,422	100,198,868	20,591,868,290

Sri Trang Agro-Industry Public Company Limited and its subsidiaries  
 Statements of Changes in Shareholders' Equity (Cont'd)  
 For the year ended 31 December 2015

	Company							Total shareholders' equity Baht
	Other components of equity							
	Other comprehensive income							
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Asset	Unrealised gains on available-for-sale investments Baht	Retained earnings		
revaluation surplus, net of accumulated depreciation Baht				Appropriated - legal reserve Baht		Unappropriated Baht		
<b>Opening balance as at 1 January 2015</b>	1,280,000,000	8,550,989,821	691,242,473	18,417,816	128,000,000	4,125,929,305	14,794,579,415	
<b>Profit for the year</b>	-	-	-	-	-	337,746,462	337,746,462	
<b>Other comprehensive income</b>								
Asset revaluation surplus, net of tax	-	-	2,276,957	-	-	-	2,276,957	
Disposal of assets, net of tax	-	-	(25,432,582)	-	-	25,432,582	-	
Depreciation on assets revaluation, net of tax	-	-	(13,759,501)	-	-	13,759,501	-	
Change in fair value of available-for-sale investments, net of tax	-	-	-	(11,937,846)	-	-	(11,937,846)	
Actuarial gains on defined employee benefit plans, net of tax	-	-	-	-	-	(18,306,794)	(18,306,794)	
<b>Total other comprehensive income, net of tax</b>	-	-	(36,915,126)	(11,937,846)	-	20,885,289	(27,967,683)	
<b>Total comprehensive income</b>	-	-	(36,915,126)	(11,937,846)	-	358,631,751	309,778,779	
<b>Transactions with shareholders' equity</b>								
Dividend payment	35	-	-	-	-	(512,000,000)	(512,000,000)	
<b>Total transactions with shareholders' equity</b>		-	-	-	-	(512,000,000)	(512,000,000)	
<b>Closing balance as at 31 December 2015</b>		<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>654,327,347</u>	<u>6,479,970</u>	<u>128,000,000</u>	<u>3,972,561,056</u>	<u>14,592,358,194</u>

The notes to the consolidated and company financial statements are integral part of the financial statements.

Sri Trang Agro-Industry Public Company Limited and its subsidiaries  
 Statements of Changes in Shareholders' Equity (Cont'd)  
 For the year ended 31 December 2015

	Company							Total shareholders' equity Baht	
	Other components of equity						Total		
	Other comprehensive income								Total
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Asset revaluation surplus, net of accumulated depreciation Baht	Unrealised gains on available-for-sale investments Baht	Retained earnings			
Appropriated - legal reserve Baht						Unappropriated Baht			
<b>Opening balance as at 1 January 2014</b>		1,280,000,000	8,550,989,821	706,205,596	8,095,919	128,000,000	3,503,769,652	14,177,060,988	
<b>Profit for the year</b>		-	-	-	-	-	1,441,643,385	1,441,643,385	
<b>Other comprehensive income</b>									
Depreciation on assets revaluation, net of tax		-	-	(14,963,123)	-	-	14,963,123	-	
Change in fair value of available-for-sale investments, net of tax		-	-	-	10,321,897	-	-	10,321,897	
Actuarial gains on defined employee benefit plans, net of tax		-	-	-	-	-	(2,446,855)	(2,446,855)	
Total other comprehensive income, net of tax		-	-	(14,963,123)	10,321,897	-	12,516,268	7,875,042	
<b>Total comprehensive income</b>		-	-	(14,963,123)	10,321,897	-	1,454,159,653	1,449,518,427	
<b>Transactions with shareholders' equity</b>									
Dividend payment	35	-	-	-	-	-	(832,000,000)	(832,000,000)	
<b>Total transactions with shareholders' equity</b>		-	-	-	-	-	(832,000,000)	(832,000,000)	
<b>Closing balance as at 31 December 2014</b>		<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>691,242,473</u>	<u>18,417,816</u>	<u>128,000,000</u>	<u>4,125,929,305</u>	<u>14,794,579,415</u>	

The notes to the consolidated and company financial statements are integral part of the financial statements.

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statements of Cash Flows

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		1,143,273,754	1,076,369,658	336,509,104	1,461,575,542
Adjustments for:					
Unrealised (gains) losses on foreign currency translations		165,826,333	259,204,217	(92,948,660)	(3,908,434)
Unrealised gains on revaluation of derivative financial instruments		(188,233,729)	(333,817,228)	(190,905,407)	(250,415,404)
(Reversal of) allowance for impairment of trade accounts receivable		(5,476,184)	8,033,169	-	4,396,349
(Reversal of) allowance for inventory cost in excess of net realisable value		373,838,194	74,497,624	167,854,777	(642,251)
Provision for retirement benefit obligations	23	24,588,801	15,675,379	7,210,190	6,516,186
Depreciation charges	15	1,021,709,275	866,886,616	477,239,592	359,247,779
Amortisation charges - rubber and palm plantations	16	687,428	805,732	371,012	480,009
Amortisation charges - intangible assets	17	32,701,770	9,784,046	27,137,109	4,778,743
Loss on asset revaluation	15	-	26,457,735	-	-
Finance costs	32	857,323,014	663,386,209	360,937,361	367,730,540
Dividend income	30	(36,755,100)	(1,638,844)	(386,749,553)	(1,057,448,889)
Share of profit from investments in associates and joint ventures	13	(648,823,974)	(535,088,818)	-	-
(Gains) losses on disposal and write-off of property, plant and equipment, rubber and palm plantations and intangible assets	31	(44,509,277)	6,188,142	(34,138,669)	5,347,737
Losses on revaluation of investment properties	31	29,193,380	6,662,654	-	-
Changes in operating assets and liabilities:					
(Increase) decrease in operating assets					
- Trade accounts receivable and other receivables		839,626,435	2,744,823,584	(62,482,010)	1,590,899,380
- Amounts due from futures brokers		(309,636,274)	(71,634,366)	(1,801,194)	66,998,369
- Inventories		(4,308,561,608)	6,477,497,259	(1,759,644,580)	2,453,589,672
- Other current assets		(107,915,983)	(49,523,064)	(9,457,475)	(25,407,781)
- Other non-current assets		(2,167,784)	(12,939,048)	(1,138,042)	(969,191)
Increase (decrease) in operating liabilities					
- Trade accounts payable and other payables		128,785,463	(1,143,381,408)	(83,378,671)	(302,452,230)
- Other current liabilities		(4,327,746)	(2,124,691)	(1,292,687)	8,318,753
<b>Cash provided by (used in) operating activities</b>		<b>(1,038,853,812)</b>	<b>10,086,124,557</b>	<b>(1,246,677,803)</b>	<b>4,688,634,879</b>
Interest paid		(855,321,753)	(673,955,736)	(357,126,538)	(377,211,179)
Income tax paid		(173,018,627)	(141,432,703)	(62,103,977)	(78,684,339)
Employee benefits paid	23	(7,233,370)	(862,380)	(6,543,270)	(293,960)
<b>Net cash provided by (used in) operating activities</b>		<b>(2,074,427,562)</b>	<b>9,269,873,738</b>	<b>(1,672,451,588)</b>	<b>4,232,445,401</b>

The notes to the consolidated and company financial statements are integral part of the financial statements.

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statements of Cash Flows (Cont'd)

For the year ended 31 December 2015

	Notes	Consolidated		Company	
		2015 Baht	2014 Baht	2015 Baht	2014 Baht
<b>Cash flows from investing activities</b>					
Cash received from long-term borrowings to an associate		-	65,180,000	-	65,180,000
Cash paid from long-term borrowings to an associate		-	-	(540,000,000)	-
(Increase) decrease in fixed deposits pledged as collateral		1,122,131	26,599,060	(200,871)	(494,585)
(Increase) decrease in available-for-sale investments	14	58,030	(40,000)	57,771	-
Dividends received		36,755,100	526,102,507	386,749,553	1,057,448,889
Cash paid for investments in subsidiaries	13	-	-	(1,016,780,000)	(940,000,000)
Proceeds from disposal of property, plant and equipment, rubber and palm plantations and intangible assets		114,134,579	21,206,971	87,418,018	2,418,037
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets		(2,616,502,311)	(3,010,789,890)	(1,230,586,425)	(1,403,633,386)
<b>Net cash used in investing activities</b>		<b>(2,464,432,471)</b>	<b>(2,371,741,352)</b>	<b>(2,313,341,954)</b>	<b>(1,219,081,045)</b>
<b>Cash flows from financing activities</b>					
Increase (decrease) in short-term borrowings from financial institutions		4,005,405,294	(5,041,671,743)	3,472,287,000	(1,723,699,000)
Proceeds from long-term borrowings		1,230,157,000	940,000,000	980,157,000	940,000,000
Repayments of long-term borrowings		(90,264,000)	(113,404,000)	-	-
Repayments of debentures		-	(1,600,000,000)	-	(1,600,000,000)
Payments on finance lease liabilities		(31,903,876)	(25,492,854)	(3,914,579)	(4,872,717)
Dividend paid	35	(512,000,000)	(832,000,000)	(512,000,000)	(832,000,000)
Dividend paid from subsidiaries to non-controlling interests		(200)	(1,048)	-	-
Proceeds from capital increase from non-controlling interests		3,088,337	13,327,292	-	-
<b>Net cash provided by (used in) financing activities</b>		<b>4,604,482,555</b>	<b>(6,659,242,353)</b>	<b>3,936,529,421</b>	<b>(3,220,571,717)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>65,622,522</b>	<b>238,890,033</b>	<b>(49,264,121)</b>	<b>(207,207,361)</b>
Cash and cash equivalents at the beginning of the years		2,131,618,737	1,892,728,704	351,506,312	558,713,673
<b>Cash and cash equivalents at the end of the years</b>	7	<b>2,197,241,259</b>	<b>2,131,618,737</b>	<b>302,242,191</b>	<b>351,506,312</b>
<b>Supplementary information for cash flows:</b>					
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets:					
Property, plant and equipment rubber and palm plantations and intangible assets acquired		(2,590,418,411)	(2,904,653,271)	(1,236,127,787)	(1,306,998,862)
Increase in finance lease liabilities		4,496,003	42,309,806	4,496,002	2,887,200
Increase (decrease) in payable from purchases of assets		(30,579,903)	(148,446,425)	1,045,360	(99,521,724)
<b>Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets</b>		<b>(2,616,502,311)</b>	<b>(3,010,789,890)</b>	<b>(1,230,586,425)</b>	<b>(1,403,633,386)</b>

The notes to the consolidated and company financial statements are integral part of the financial statements.

## **1 General information**

Sri Trang Agro-Industry Public Company Limited (“the Company”) is a public limited company, incorporated and resident in Thailand. The Company was listed on the Stock Exchange of Thailand on 22 August 1991. In addition, the Company placed new ordinary shares on the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 31 January 2011.

On 29 April 2014, the Company changed its listing status from a primary listing to a secondary listing on the main board of Singapore Exchange Securities Trading Limited. The address of its registered office is as follows:

10 Soi 10, Phetkasem Road, Hat Yai, Songkhla, Thailand.

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The Company and its subsidiaries (“the Group”) manufacture and distribute natural rubber products such as ribbed smoked sheets, concentrated latex, STR block rubber, gloves and other products. In addition, the Group provides engineering and logistics services.

These consolidated and Company financial statements were authorised for issue by the Board of Directors on 26 February 2016.

## **2 Basis of financial statement preparation**

The consolidated and Company financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act.

The consolidated and Company financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

An English version of the consolidated and Company financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

### **3 Accounting policies**

The principal accounting policies adopted in the preparation of these consolidated and Company financial statements are set out below:

#### **3.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group.**

(a) Financial reporting standards, which do not have a significant impact to the Group:

TAS 1 (revised 2014)	Presentation of financial statements
TAS 16 (revised 2014)	Property, plant and equipment
TAS 19 (revised 2014)	Employee benefits
TAS 27 (revised 2014)	Separate financial statements
TAS 28 (revised 2014)	Investments in associates and joint ventures
TAS 34 (revised 2014)	Interim financial reporting
TFRS 10	Consolidated financial statements
TFRS 11	Joint arrangements
TFRS 12	Disclosure of interests in other entities
TFRS 13	Fair value measurement
TFRIC 14 (revised 2014)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 20	Stripping costs in the production phase of a surface mine

TAS 1 (revised 2014), the main change is that a requirement for entities to the Group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently. The amendments do not address which items are presented in OCI.

TAS 16 (revised 2014) indicates that spare part, stand-by equipment and servicing equipment are recognised as PPE when they meet the definition of PPE. Otherwise, such items are classified as inventory.

TAS 19 (revised 2014), the key changes are (a) actuarial gains and losses are renamed 'remeasurements' and will be recognised immediately in 'other comprehensive income' (OCI). Actuarial gains and losses will no longer be deferred using the corridor approach or recognised in profit or loss; and (b) past-service costs will be recognised in the period of a plan amendment; unvested benefits will no longer be spread over a future-service period.

TAS 27 (revised 2014) provide the requirements relating to separate financial statements.

TAS 28 (revised 2014) provide the requirements for investment in associates and joint ventures accounted by equity method.

TAS 34 (revised 2014), the key change is the disclosure requirements for operating segment. An entity shall disclose information of a measure of total assets and liabilities for a particular reportable segment if such amounts are regularly provided to the chief operating decision maker and if there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.



**3 Accounting policies (Cont'd)**

**3.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the group. (Cont'd)**

(a) Financial reporting standards, which do not have a significant impact to the Group: (Cont'd)

TFRS 10 has a single definition of control to supersede the principles of control and consolidation included within the original TAS 27, 'Consolidated and separate financial statements'. The standard sets out the requirements for when an entity should prepare consolidated financial statements, defines the principles of control, explains how to apply the principles of control and explains the accounting requirements for preparing consolidated financial statements. The key principle in the new standard is that control exists, and consolidation is required, only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns.

TFRS 11 defined that a joint arrangement is a contractual arrangement where at least two parties agree to share control over the activities of the arrangement. Unanimous consent toward decisions about relevant activities between the parties sharing control is a requirement in order to meet the definition of joint control. Joint arrangements can be joint operations or joint ventures. The classification is principle based and depends on the parties' exposure in relation to the arrangement. When the parties' exposure to the arrangement only extends to the net assets of the arrangement, the arrangement is a joint venture. Joint operations have rights to assets and obligations for liabilities. Joint operations account for their rights to assets and obligations for liabilities. Joint ventures account for their interest by using the equity method of accounting.

TFRS 12 require entities to disclose information that helps readers of financial statements to evaluate the nature of risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

TFRS 13 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across TFRSs.

TFRIC 14 (Revised 2014), this interpretation applies to all post-employment defined benefits and other long-term employee benefits. For the purpose of this interpretation, minimum funding requirements are any requirements to fund a post-employment or other long-term benefit plan. This interpretation explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement.

TFRIC 20 (Revised 2014), this interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a surface mine.

**3 Accounting policies (Cont'd)**

**3.1 New financial reporting standards and revised accounting standards, revised financial reporting standards are effective on 1 January 2015. These standards are relevant to the Group. (Cont'd)**

(b) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 2 (revised 2014)	Inventories
TAS 7 (revised 2014)	Statement of cash flows
TAS 8 (revised 2014)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2014)	Events after the reporting period
TAS 11 (revised 2014)	Construction contracts
TAS 12 (revised 2014)	Income taxes
TAS 17 (revised 2014)	Leases
TAS 18 (revised 2014)	Revenue
TAS 20 (revised 2014)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2014)	The effects of changes in foreign exchange rates
TAS 23 (revised 2014)	Borrowing costs
TAS 24 (revised 2014)	Related party disclosures
TAS 26 (revised 2014)	Accounting and reporting by retirement benefit plans
TAS 29 (revised 2014)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2014)	Earnings per share
TAS 36 (revised 2014)	Impairment of assets
TAS 37 (revised 2014)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2014)	Intangible assets
TAS 40 (revised 2014)	Investment property
TFRS 2 (revised 2014)	Share-based payment
TFRS 3 (revised 2014)	Business combinations
TFRS 5 (revised 2014)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2014)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2014)	Operating segments
TSIC 10 (revised 2014)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2014)	Operating leases - Incentives
TSIC 25 (revised 2014)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2014)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2014)	Service concession arrangements: Disclosures
TSIC 31 (revised 2014)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2014)	Intangible assets - Web site costs
TFRIC 1 (revised 2014)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2014)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2014)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2014)	Applying the restatement approach under TAS 29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2014)	Interim financial reporting and impairment
TFRIC 12 (revised 2014)	Service concession arrangements
TFRIC 13 (revised 2014)	Customer loyalty programmes
TFRIC 15 (revised 2014)	Agreements for the construction of real estate
TFRIC 17 (revised 2014)	Distributions of non - cash assets to owners
TFRIC 18 (revised 2014)	Transfers of assets from customers

**3 Accounting policies (Cont'd)**

**3.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted:**

- (a) Financial reporting standard, which may has a significant impact to the Group:

TAS 41(revised 2015)                      Agriculture

TAS 41, 'Agriculture' requires biological assets including agricultural produce, harvested product of the entity's biological assets, to be measured at fair value less cost to sell.

The practical guide on TAS 41 issued by the FAP excludes bearer plant from the scope of TAS 41. The guide required bearer plant to be measured at cost less accumulated depreciation and impairment losses, if any, according to TAS 16.

- (b) Financial reporting standards, which do not have a significant impact to the Group:

TAS 16 (revised 2015)	Property, plant and equipment
TAS 19 (revised 2015)	Employee benefits
TAS 24 (revised 2015)	Related party disclosures
TAS 27 (revised 2015)	Separate financial statements
TAS 36 (revised 2015)	Impairment of assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TFRIC 21 (revised 2015)	Levies

TAS 16 (revised 2015), 'Property, plant and equipment' clarifies how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

TAS 19 (revised 2015), 'Employee benefits' is amended to apply to contributions from employees or third parties to defined benefit plans and to clarify the accounting treatment of such contributions. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period.

TAS 24 (revised 2015), 'Related party disclosures' includes as a related party an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the 'management entity'). Disclosure of the amounts charged to the reporting entity is required.

TAS 27 (revised 2015) allows an investment entity that is exempted from consolidating its subsidiaries presenting separate financial statements as its only financial statements. It requires the investment entity to measure its investment in subsidiaries at fair value through profit or loss.

TAS 36 (revised 2015), 'Impairment of assets' is amended to provide additional disclosure requirement when the recoverable amount of the assets is measured at fair value less costs of disposal. The disclosures include 1) the level of fair value hierarchy, 2) when fair value measurement categorised within level 2 and level 3, disclosures is required for valuation technique and key assumption.

TAS 38 (revised 2015), 'Intangible assets' is amended to clarify how the gross carrying amount and the accumulated amortisation are treated where an entity uses the revaluation model.

**3 Accounting policies (Cont'd)**

**3.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (Cont'd)**

(b) Financial reporting standards, which do not have a significant impact to the Group: (Cont'd)

TAS 40 (revised 2015), 'Investment property' clarifies that TFRS 3 should be applied when determining whether an acquisition of an investment property is a business combination.

TFRS 2 (revised 2015), 'Share based payments' clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

TFRS 3 (revised 2015), 'Business combinations' clarifies i) an obligation to pay contingent consideration which meets the definition of a financial instrument as a financial liability or equity, on the basis of the definitions in TAS 32, 'Financial instruments: Presentation' (when announced) or other applicable standards. It also clarifies that all non-equity contingent consideration is measured at fair value at each reporting date, with changes in value recognised in profit and loss, and ii) TFRS 3 does not apply to the accounting for the formation of any joint venture under TFRS 11.

TFRS 4 applies to all insurance contracts (including reinsurance contracts) that an entity issues and to reinsurance contracts that it holds. TFRS 4 is not relevant to the Group's operations.

TFRS 8 (revised 2015), 'Operating segments' requires disclosure of the judgements made by management in aggregating operating segments. It is also amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported to chief operating decision maker.

TFRS 10 (revised 2015), 'Consolidated financial statements' is amended to define an investment entity and introduce an exception from consolidation. These amendments mean that many funds and similar entities will be exempt from consolidating most of their subsidiaries. Instead, they will measure them at fair value through profit or loss.

TFRS 12 (revised 2015), introduces disclosures that an investment entity needs to disclose.

TFRS 13 (revised 2015), 'Fair value measurement' is amended to clarify that the portfolio exception in TFRS 13 applies to all contracts (including non - financial contracts) within the scope of TAS 39 (when announced) or IFRS 9 (when announced).

TFRIC 21 (revised 2015), 'Levies', the Interpretation addresses the accounting for a liability to pay a levy if that liability is within the scope of TAS 37. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain.

(c) Financial reporting standards with minor changes and do not have impact to the Group are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance

**3 Accounting policies (Cont'd)**

**3.2 New financial reporting standards, revised accounting standards and revised financial reporting standards are effective on 1 January 2016. These standards are relevant to the Group and are not early adopted: (Cont'd)**

(c) Financial reporting standards with minor changes and do not have impact to the Group are as follows: (Cont'd)

TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies
TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TFRS 5 (revised 2015)	Non - current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 11 (revised 2015)	Joint arrangements
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS 29 (revised 2014) Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non - cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine

**3 Accounting policies (Cont'd)**

**3.3 Group accounting - investments in subsidiaries and associates and interests in joint ventures**

(a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurements are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Intercompany transactions, balances and unrealised gains or losses on transactions between the Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's separated financial statements, investments in subsidiaries are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's subsidiaries is set out in Note 13.1.

(b) Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions with equity owners of the Group. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**3 Accounting policies (Cont'd)**

**3.3 Group accounting - investments in subsidiaries and associates and interests in joint ventures (Cont'd)**

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities.

(d) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associates' post-acquisition profits or losses is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit/(loss) of associates in the income statement.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group. Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

In the Company's separated financial statements, investments in associates are accounted for at cost less impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

A list of the Group's associates is set out in Note 13.2.

**3 Accounting policies (Cont'd)**

**3.3 Group accounting - investments in subsidiaries and associates and interests in joint ventures (Cont'd)**

(e) Joint arrangements

The Group has applied TFRS11 to all joint arrangements as of 1 January 2015. Under TFRS11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long – term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group. The change in accounting policy has been applied as from 1 January 2015.

The change in accounting policy has had no impact to the Group.

A list of the Group's joint ventures is set out in Note 13.3.

**3.4 Foreign currency translation**

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Thai Baht, which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.



### **3 Accounting policies (Cont'd)**

#### **3.4 Foreign currency translation (Cont'd)**

##### **(c) Group companies**

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

#### **3.5 Cash and cash equivalents**

In the consolidated and Company statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the consolidated and Company statement of financial position, bank overdrafts are shown within borrowings in current liabilities.

Deposits at financial institutions that are restricted in use are presented as "Fixed deposits pledged as collateral" under non-current assets in the statements of financial position.

#### **3.6 Trade accounts receivable**

Trade accounts receivable are carried at the original invoice amount and subsequently measured at the remaining amount less any allowance for doubtful receivables based on a review of all outstanding amounts at the year-end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are written-off during the year in which they are identified and recognised in profit or loss within administrative expenses.

#### **3.7 Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads based on normal operating capacity, but excludes borrowing costs. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow moving and defective inventories.

### **3 Accounting policies (Cont'd)**

#### **3.8 Investments**

Investments other than the investments in subsidiaries, associates and joint ventures are classified into the following four categories: 1. Trading investments, 2. Held-to-maturity investments, 3. Available-for-sale investments, and 4. General investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the investing and re-evaluates such designation on a regular basis.

- (a) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (b) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (c) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in market prices or interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (d) Investments in non-marketable equity securities are classified as general investments.

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available-for-sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand. The unrealised gains and losses of trading investments are recognised in income statement. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the income of statement.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of comprehensive income. When disposing of part of the Group's holding of a particular investment in equity security, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

### **3 Accounting policies (Cont'd)**

#### **3.9 Property, plant and equipment**

Land and buildings comprise mainly factories and offices and are shown at fair value, based on valuations by external independent valuers every 5 years, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred

Increases in the carrying amount arising on revaluation of land and building are credited to statement of comprehensive income and shown as gain on asset revaluation in shareholders' equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gain on asset revaluation directly in equity; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from 'gain on asset revaluation' to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight line method to allocate their cost or the revalued amount, add if appropriate to their residual values over their estimated useful lives, as follows:

Land improvements	5 - 30 years
Buildings and structures	20 - 40 years
Machinery and equipment	5 - 10 years
Vehicles	5 years
Fixtures and office equipment	3 - 5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within gains or losses in statements of comprehensive income.

When revalued assets are sold, the amounts included in gain on asset revaluation are transferred to retained earnings.

#### **3.10 Rubber and palm plantations**

Rubber and palm plantations are stated at cost less accumulated amortisation and allowance for impairment, if any.

All costs comprising mainly clearing, land terracing and drainage, palm planting, weeding and fertilizing involved during the immature period until the rubbers and palms are ready for commercial harvesting at approximately 7 years for rubbers and 2 - 3 years for palms, are capitalised. The Group amortises rubber and palm plantations cost after the commercial harvesting, using a straight-line basis, over a period of 20 years.

**3 Accounting policies (Cont'd)**

**3.11 Intangible assets**

**Computer software**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of 3 - 10 years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Group and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

**3.12 Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

Investment property is measured initially at its cost including related transaction costs. After initial recognition, investment property is carried at fair value, as determined by an independent professional valuer. Changes in fair values are recognised in profit or loss.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance costs are expensed when incurred.

After initial recognition, investment property is carried at fair value. Valuations are performed as of the financial position date by professional valuers who hold recognised and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Changes in fair values are recognised in profit or loss. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

**3 Accounting policies (Cont'd)**

**3.13 Impairment of assets**

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows. Non-financial assets that suffered an impairment, are reviewed for possible reversal of the impairment at each reporting date.

**3.14 Financial instruments**

(a) Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange traded and over-the-counter securities and derivatives) are based on quoted market prices at the date of the statement of financial position. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques. The Group and the Company use a variety of methods and makes assumptions that are based on the market conditions existing at each statement of financial position date. Where appropriate, quoted market prices or dealer quotes for similar instruments are used. Valuation techniques, such as discounted cash flow analysis, are also used to determine the fair values of the financial instruments.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

(b) Derivative financial instruments

Derivative financial instruments comprise foreign exchange swaps, foreign exchange options, forward foreign exchange contracts, rubber futures and physical forward contracts.

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at fair value, and the resultant gains and losses are recognised in the statement of comprehensive income. Fair value is determined based on quoted market prices at the date of the statement of financial position.

Derivative financial instruments are reported in the financial statements on a net basis where legal right of set off exists. Derivative financial instruments are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

**3 Accounting policies (Cont'd)**

**3.15 Borrowings**

Borrowings comprise borrowing from financial institutions and debentures. Borrowings are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting date.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

**3.16 Leases - where the Group and the Company are the lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant or equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to achieve a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant or equipment acquired under finance leases is depreciated over the shorter period of the useful life of the asset and the lease term.

### **3 Accounting policies (Cont'd)**

#### **3.17 Current and deferred income taxes**

The tax expense for the period comprises current and deferred taxes. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statement. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates, and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities related to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### **3.18 Employee benefits**

##### **(a) Defined contribution plans**

Defined contribution plans are post-employment benefit plans under which some entities in the Group pay fixed contributions into separate entities on a mandatory, contractual or voluntary basis. Some entities in the Group have no further payment obligations once the contributions have been paid.

The contributions from those entities to the post-employment benefit plans are charged to the statement of comprehensive income in the accounting period in which they occur.

##### **(b) Post-employment benefit obligations**

The Group provides post-employment benefits, payable to employees under the Thai Labour Law. The amounts payable in the future depend on the salary and years of service of the respective employees. The defined benefit obligations are measured, using the Projected Unit Credit method calculated with sufficient regularity that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the end of the reporting period, by an independent actuary, in accordance with actuarial technique as the present value of the estimated future cash outflows, based on employee salaries, turnover rate, retirement ages, mortality rate, length of service and others, and using interest rates of government bonds, which have terms to maturity approximating to the terms of the related obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Past-service costs are recognised immediately in profit or loss.

**3 Accounting policies (Cont'd)**

**3.19 Provisions**

Provisions, excluding the provisions for employee benefits, are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Group expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

**3.20 Share capital**

Ordinary shares are classified as equity.

Incremental external costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**3.21 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the sales of goods and services net of output tax, rebates and discounts, and after eliminating sales within the Group for the consolidated financial statements.

The Group recognises revenue when the amount of revenue and related costs can be reliably measured; it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

(a) Sales of goods

Sales of goods are recognised when significant risks and rewards of ownership of the products are transferred to the buyer and the collectibility of the related receivable is reasonably assured.

(b) Rendering of services

Revenue from services is recognised accordance with its percentage of completion.

(c) Interest income

Interest income is recognised on an accrual basis unless collectibility is in doubt using the effective interest method.

(d) Dividend income

Dividend income is recognised when the right to receive payment is established.

(e) Rental income

Rental income is recognised on an accrual basis in accordance with the relevant rental agreements.



**3 Accounting policies (Cont'd)**

**3.22 Dividend distribution**

Dividends are recorded in the consolidated and Company financial statements in the period in which the dividends are approved by the Company's shareholders.

**3.23 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Managing Director that makes strategic decisions.

**4 Critical accounting estimates and judgments**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**4.1 Impairment of non-financial assets**

Assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. The assessment of the carrying amounts often requires the use of estimates and assumptions such as discount rates, exchange rates, commodity prices, future capital requirements and future operating performance. The key line item affected will be "Property, plant and equipment" as disclosed in Note 15.

**4.2 Income taxes and deferred income taxes**

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. In addition, deferred tax assets and liabilities are recognised from temporary differences arising between tax bases of assets and liabilities and their carrying amounts for accounting purposes as at the date of statement of financial position. Significant management judgment is used in considering whether it is highly probable that the Group will generate sufficient taxable profits from its future operations to minimise these deferred tax assets. The Group's assumptions regarding the future taxable profits and the anticipated timing of minimise of deductible temporary differences and significant changes in these assumptions from period to period may have a material impact on financial position and results of operations.

**5 Financial risk management**

**5.1 Financial risk factors**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's and the Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's and the Company's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out under supervision by the Group management, who identifies, evaluates and hedges financial risks but does not apply hedge accounting.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollars. Foreign exchange risk arises from commercial transactions, net investment in foreign operations and borrowings. Management has set up policies to manage their foreign exchange risk against their functional currency. To manage the foreign exchange risk arising from future commercial transactions and borrowings, entities in the Group uses forward contracts. Foreign exchange risk arises when future commercial transactions are denominated in a currency that is not the Company's functional currency.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk.

If Thai Baht had changed by 3% (2014: 1%) against the US dollars and 8% (2014: 7%) against the Indonesian Rupiah (IDR) with all other variables held constant, post-tax profit for the years, and shareholders' equity would have been impacted as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Impact to profit after tax in the statement of comprehensive income</b>				
THB against USD				
- Weakened	(45,032)	(7,148)	(39,518)	(7,020)
- Strengthened	45,032	7,148	39,518	7,020
THB against IDR				
- Weakened	(111,398)	(28,008)	-	-
- Strengthened	111,398	28,008	-	-
<b>Impact to shareholders' equity in the statement of financial position</b>				
THB against USD				
- Weakened	(146,688)	(19,708)	-	-
- Strengthened	146,688	19,708	-	-
THB against IDR				
- Weakened	(120,912)	(95,962)	-	-
- Strengthened	120,912	95,962	-	-

**5 Financial risk management (Cont'd)**

**5.1 Financial risk factors (Cont'd)**

(a) Market risk (Cont'd)

(ii) Price risk

The Group is exposed to commodity price risk from the natural rubber industry. The Group has managed the risks arising from price fluctuations by managing raw material sourcing using rubber futures and physical forward contracts. If the price of natural rubber increases/decreases by 25% (2014: 12%), with all other variables held constant, post-tax profit for the years will increase/decrease as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Profit and loss	<u>1,637,549</u>	<u>353,873</u>	<u>1,135,128</u>	<u>198,816</u>

The Group is also exposed to equity securities price risk because of investments held by the Group and classified on the statements of financial position as available-for-sale. Some of the Group's investments in equity securities are publicly traded in the Stock Exchange of Thailand. To manage its price risk arising from investments in equity, the Group diversifies their portfolios.

The table below summarises the impact of increases/decreases of the equity securities on the Group's equity. The analysis is based on the assumption that the price per share of the invested securities had increased/decreased by 8% (2014: 7%), with all other variables held constant and all the Group's available-for-sale equity instruments moved according to the historical correlation with the index:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Equity - unrealised gains on available-for-sale investments	<u>3,288</u>	<u>3,904</u>	<u>3,967</u>	<u>5,112</u>

(iii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings which are issued at floating rates expose the Group to cash flow interest rate risk. The Group manages their cash flow interest rate risk by entering into interest rate swap contracts. If the interest rate increases/decreases by 0.23% (2014: 0.25%), the post-tax profit for the years will increase/decrease as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Profit and loss	<u>38,467</u>	<u>32,199</u>	<u>25,043</u>	<u>18,054</u>

Borrowings which are issued at fixed rates expose the Group to fair value interest rate risk. However, changes in market interest rates will not have an impact on the statement of comprehensive income as borrowings are accounted for on an amortised cost basis.

**5 Financial risk management (Cont'd)**

**5.1 Financial risk factors (Cont'd)**

(b) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions. The Group also assesses credit quality of banks, financial institutions, and customers, taking into account their financial positions, past experience and other factors. The utilisation of credit limits is regularly monitored.

(c) Liquidity risk

The Group monitors its liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of the borrowing facilities.

The table below analyses the Group's maturity grouping based on the remaining periods at the date of statements of financial position to the contractual maturity date. The negative figures represent cash to be inflows and positive figures represent cash to be outflows due to be mature. The amounts disclosed below are the contractual undiscounted cash flows.

	<b>Consolidated</b>				<b>Total Baht'000</b>
	<b>Less than 1 year Baht'000</b>	<b>Between 1 to 2 years Baht'000</b>	<b>Between 2 to 5 years Baht'000</b>	<b>Over 5 years Baht'000</b>	
<b>At 31 December 2015</b>					
Short-term borrowings from financial institutions	13,479,698	-	-	-	13,479,698
Trade accounts payable	1,613,875	-	-	-	1,613,875
Accrued expenses	824,969	-	-	-	824,969
Long-term borrowings from financial institutions	468,446	779,018	1,654,627	2,037,947	4,940,038
Debentures	882,121	-	667,685	-	1,549,806
Finance lease liabilities	25,874	9,835	1,803	-	37,512
Derivative financial instruments					
- Foreign exchange swaps	1,091,756	-	-	-	1,091,756
- Rubber futures (Buy)	146,057	-	-	-	146,057
- Rubber futures (Sell)	(5,393,779)	-	-	-	(5,393,779)
- Forward foreign exchange contracts - receipts	(2,141,727)	-	-	-	(2,141,727)
- Physical forward contracts (Buy)	662,389	-	-	-	662,389
- Physical forward contracts (Sell)	(334,057)	-	-	-	(334,057)
<b>At 31 December 2014</b>					
Short-term borrowings from financial institutions	9,435,733	-	-	-	9,435,733
Trade accounts payable	1,490,547	-	-	-	1,490,547
Accrued expenses	743,524	-	-	-	743,524
Long-term borrowings from financial institutions	147,279	216,738	1,127,069	2,274,045	3,765,131
Debentures	-	318,500	1,296,456	-	1,614,956
Finance lease liabilities	32,472	26,892	7,625	-	66,989
Derivative financial instruments					
- Foreign exchange swaps	997,200	-	-	-	997,200
- Rubber futures (Buy)	250,635	-	-	-	250,635
- Rubber futures (Sell)	(1,675,224)	-	-	-	(1,675,224)
- Forward foreign exchange contracts - payments	129,526	-	-	-	129,526
- Forward foreign exchange contracts - receipts	(2,563,759)	-	-	-	(2,563,759)
- Physical forward contracts (Buy)	436,739	-	-	-	436,739
- Physical forward contracts (Sell)	(603,208)	-	-	-	(603,208)

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**5 Financial risk management (Cont'd)**

**5.1 Financial risk factors (Cont'd)**

(c) Liquidity risk (Cont'd)

	Company				Total Baht'000
	Less than 1 year Baht'000	Between 1 to 2 years Baht'000	Between 2 to 5 years Baht'000	Over 5 years Baht'000	
<b>At 31 December 2015</b>					
Short-term borrowings from financial institutions	7,744,898	-	-	-	7,744,898
Trade accounts payable	887,410	-	-	-	887,410
Accrued expenses	461,226	-	-	-	461,226
Long-term borrowings from financial institutions	204,360	777,499	1,653,891	2,037,947	4,673,697
Debentures	882,121	-	667,685	-	1,549,806
Finance lease liabilities	3,866	3,086	1,803	-	8,755
Derivative financial instruments					
- Foreign exchange swaps	1,091,756	-	-	-	1,091,756
- Rubber futures (Buy)	146,057	-	-	-	146,057
- Rubber futures (Sell)	(4,384,811)	-	-	-	(4,384,811)
- Forward foreign exchange contracts - receipts	(1,715,314)	-	-	-	(1,715,314)
<b>At 31 December 2014</b>					
Short-term borrowings from financial institutions	4,267,112	-	-	-	4,267,112
Trade accounts payable	979,827	-	-	-	979,827
Accrued expenses	413,540	-	-	-	413,540
Long-term borrowings from financial institutions	52,316	215,220	1,124,722	2,274,045	3,666,303
Debentures	-	318,500	1,296,456	-	1,614,956
Finance lease liabilities	3,878	4,211	-	-	8,089
Derivative financial instruments					
- Foreign exchange swaps	997,200	-	-	-	997,200
- Rubber futures (Buy)	250,635	-	-	-	250,635
- Rubber futures (Sell)	(1,415,640)	-	-	-	(1,415,640)
- Forward foreign exchange contracts - receipts	(2,094,414)	-	-	-	(2,094,414)

**5.2 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Management regards total equity as the capital of the Group and the Company. The Group and the Company monitor capital on the basis of the net debt to total equity ratio. This ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities as shown in the consolidated statement of financial position less cash and cash equivalents. Total equity is as shown in the statements of financial position both consolidation and Company only.

**5 Financial risk management (Cont'd)**

**5.2 Capital risk management (Cont'd)**

The net debt to total equity ratios as at 31 December 2015 and 2014 were as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Total liabilities	22,544,719	17,198,662	14,863,207	10,432,639
<u>Less</u> Cash and cash equivalents	<u>(2,197,241)</u>	<u>(2,131,619)</u>	<u>(302,242)</u>	<u>(351,506)</u>
Net debt	<u>20,347,478</u>	<u>15,067,043</u>	<u>14,560,965</u>	<u>10,081,133</u>
Total equity	<u>21,333,909</u>	<u>20,591,868</u>	<u>14,592,358</u>	<u>14,794,579</u>
Net debt to total equity ratio	<u>0.95</u>	<u>0.73</u>	<u>0.99</u>	<u>0.68</u>

**5.3 Fair value measurements**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 : Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2015. See note 15 and note 18 for disclosures of the land, land improvements, buildings, structures and investment properties that are measured at fair value.

	<b>Consolidated</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Assets</b>				
Available-for-sale financial assets				
- Equity securities	40,199	-	-	40,199
Financial assets at fair value through profit or loss				
- Trading derivatives (Note 8)	<u>275,418</u>	<u>61,319</u>	<u>-</u>	<u>336,737</u>
<b>Total assets</b>	<u>315,617</u>	<u>61,319</u>	<u>-</u>	<u>376,936</u>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- Trading derivatives	<u>13,972</u>	<u>257,591</u>	<u>-</u>	<u>271,563</u>
<b>Total liabilities</b>	<u>13,972</u>	<u>257,591</u>	<u>-</u>	<u>271,563</u>

5 Financial risk management (Cont'd)

5.3 Fair value measurements (Cont'd)

	Company			Total Baht'000
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	
<b>Assets</b>				
Available-for-sale financial assets				
- Equity securities	39,291	-	-	39,291
Financial assets at fair value through profit or loss				
- Trading derivatives	264,413	615	-	265,028
<b>Total assets</b>	<b>303,704</b>	<b>615</b>	<b>-</b>	<b>304,319</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- Trading derivatives	7,121	189,091	-	196,212
<b>Total liabilities</b>	<b>7,121</b>	<b>189,091</b>	<b>-</b>	<b>196,212</b>

The following table presents the Group's assets and liabilities that are measured at fair value at 31 December 2014.

	Consolidated			Total Baht'000
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	
<b>Assets</b>				
Available-for-sale financial assets				
- Equity securities	53,245	-	-	53,245
Financial assets at fair value through profit or loss				
- Trading derivatives	37,799	51,968	-	89,767
<b>Total assets</b>	<b>91,044</b>	<b>51,968</b>	<b>-</b>	<b>143,012</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- Trading derivatives	37,017	175,810	-	212,827
<b>Total liabilities</b>	<b>37,017</b>	<b>175,810</b>	<b>-</b>	<b>212,827</b>

**5 Financial risk management (Cont'd)**

**5.3 Fair value measurements (Cont'd)**

	<b>Company</b>			<b>Total Baht'000</b>
	<b>Level 1 Baht'000</b>	<b>Level 2 Baht'000</b>	<b>Level 3 Baht'000</b>	
<b>Assets</b>				
Available-for-sale financial assets				
- Equity securities	52,239	-	-	52,239
Financial assets at fair value through profit or loss				
- Trading derivatives	33,731	-	-	33,731
<b>Total assets</b>	<b>85,970</b>	<b>-</b>	<b>-</b>	<b>85,970</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- Trading derivatives	27,664	128,156	-	155,820
<b>Total liabilities</b>	<b>27,664</b>	<b>128,156</b>	<b>-</b>	<b>155,820</b>

There were no transfers between levels 1 and 2 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the statement of financial position date, with the resulting value discounted back to present value;
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.



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**6 Segment information**

The chief operating decision-maker (CODM) has been identified as the Managing Director (MD). The MD reviews the Group's internal reporting regularly in order to assess performance and allocate resources. The MD measures the business based on a measure of segment profit, which is derived on a basis consistent with the measurement of profit for the years in the consolidated financial statements.

Operating segments are defined as components of the Group for which separate financial statements available on a company basis is evaluated regularly by the MD.

There are two reportable segments as follows:

- (1) **Natural Rubber Products:** This segment is engaged in the manufacture, sale and trading of ribbed smoked sheets, concentrated latex and block rubbers. This segment also includes the manufacture and sale of powdered and powder-free latex examination gloves, escalator handrails, rubber injection-moulded goods, and high-pressure hydraulic hoses.
- (2) **Other Businesses:** This segment is engaged in logistics services, research and development relating to machinery and production processes, and IT services. These services are provided mainly to the Group, with some services provided externally.

As at 31 December 2015, the Group operates two business segments in seven main geographical areas (2014: seven main geographical areas). The allocation of revenue to each geographical area is based on the origin of sales.

Reportable segments by geographical areas of consolidated financial statements for the year ended 31 December 2015:

	<b>Consolidated</b>							<b>Other</b>	
	<b>Natural Rubber Products</b>						<b>Businesses</b>		<b>Total</b>
	<b>Thailand</b>	<b>Indonesia</b>	<b>Singapore</b>	<b>USA</b>	<b>China</b>	<b>Vietnam</b>	<b>Myanmar</b>	<b>Thailand</b>	
<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	
Segment revenues	40,722,549	8,361,978	19,210,449	2,290,498	1,514,588	-	-	2,967,126	75,067,188
Inter-segment revenues	(5,252,546)	(5,707,476)	(1,640,590)	(16,778)	-	-	-	(1,158,016)	(13,775,406)
<b>Revenues from external customers</b>	<b>35,470,003</b>	<b>2,654,502</b>	<b>17,569,859</b>	<b>2,273,720</b>	<b>1,514,588</b>	<b>-</b>	<b>-</b>	<b>1,809,110</b>	<b>61,291,782</b>
Depreciation and amortization	(755,903)	(215,503)	(11,287)	(2,103)	(2,850)	-	(56)	(67,396)	(1,055,098)
Finance income	40,582	4,872	94	102	1,488	48	-	990	48,176
Finance costs	(402,766)	(406,438)	(11,293)	(32,449)	-	-	-	(4,377)	(857,323)
Share of profit from investments in associates and joint ventures	648,824	-	-	-	-	-	-	-	648,824
Profit (loss) before income tax	1,146,808	(205,850)	495,667	(42,587)	(13,520)	(521)	(56)	167,768	1,547,709
Income tax	6,734	44,715	(40,986)	17,468	(1,474)	-	-	(57,975)	(31,518)
Profit (loss) for the year	<u>1,153,542</u>	<u>(161,135)</u>	<u>454,681</u>	<u>(25,119)</u>	<u>(14,994)</u>	<u>(521)</u>	<u>(56)</u>	<u>109,793</u>	1,516,191
Intersegmental balances									(404,435)
<b>Total profit for the year</b>									<u>1,111,756</u>
Total assets	<u>36,114,612</u>	<u>5,122,300</u>	<u>5,203,143</u>	<u>1,157,439</u>	<u>1,152,299</u>	<u>32,007</u>	<u>85,877</u>	<u>8,972,888</u>	57,840,565
Intersegmental balances									(13,961,937)
<b>Total assets</b>									<u>43,878,628</u>

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**6 Segment information (Cont'd)**

Reportable segments by geographical areas of consolidated financial statements for the year ended 31 December 2014:

	Consolidated								
	Natural Rubber Products						Other Businesses		Total Baht'000
	Thailand Baht'000	Indonesia Baht'000	Singapore Baht'000	USA Baht'000	China Baht'000	Vietnam Baht'000	Myanmar Baht'000	Thailand Baht'000	
Segment revenues	54,421,494	9,502,265	18,879,743	3,177,429	805,842	-	-	2,643,767	89,430,540
Inter-segment revenues	(4,872,882)	(6,781,688)	(1,112,070)	(24,616)	-	-	-	(1,109,409)	(13,900,665)
<b>Revenues from external customers</b>	<b>49,548,612</b>	<b>2,720,577</b>	<b>17,767,673</b>	<b>3,152,813</b>	<b>805,842</b>	<b>-</b>	<b>-</b>	<b>1,534,358</b>	<b>75,529,875</b>
Depreciation and amortisation	(616,089)	(192,200)	(11,249)	(1,762)	(3,048)	-	(14)	(53,114)	(877,476)
Finance income	44,339	2,182	416	-	1,449	5	-	1,311	49,702
Finance costs	(431,114)	(176,761)	(15,558)	(36,555)	-	-	-	(3,398)	(663,386)
Share of profit from investments in associates and joint ventures	535,089	-	-	-	-	-	-	-	535,089
Profit (loss) before income tax	2,070,534	(178,513)	307,837	(79,847)	59,843	(1,793)	(531)	91,185	2,268,715
Income tax	(8,008)	27,337	(34,500)	33,630	(15,119)	-	-	(43,472)	(40,132)
Profit (loss) for the year	<u>2,062,526</u>	<u>(151,176)</u>	<u>273,337</u>	<u>(46,217)</u>	<u>44,724</u>	<u>(1,793)</u>	<u>(531)</u>	<u>47,713</u>	2,228,583
Intersegmental balances									(1,192,346)
<b>Total profit for the year</b>									<u>1,036,237</u>
Total assets	<u>31,148,828</u>	<u>4,432,527</u>	<u>3,565,800</u>	<u>1,562,899</u>	<u>471,148</u>	<u>32,553</u>	<u>31,182</u>	<u>7,562,423</u>	48,807,360
Intersegmental balances									(11,016,830)
<b>Total assets</b>									<u>37,790,530</u>

The non-current assets, excluding financial instruments, deferred income tax assets and withholding tax deducted at source, can be presented by geography as follows:

	Consolidated	
	2015 Baht'000	2014 Baht'000
Thailand	14,662,042	13,421,341
Indonesia	2,074,725	1,868,692
Singapore	165,718	181,942
USA	4,601	5,975
China	10,182	12,389
Myanmar	10,506	2,094
Vietnam	213	8
<b>Total</b>	<u>16,927,987</u>	<u>15,492,441</u>

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**7 Cash and cash equivalents**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Cash on hand	28,260	20,311	8,415	4,727
Deposits held at call with banks	2,168,981	2,111,308	293,827	346,779
<b>Total cash and cash equivalents</b>	<b>2,197,241</b>	<b>2,131,619</b>	<b>302,242</b>	<b>351,506</b>

The effective interest rates on deposits held at call with banks were between 0.1% and 7.5% per annum (2014: 0.1% and 5.5% per annum).

**8 Derivative financial instruments**

	<b>Consolidated</b>			
	<b>2015</b>		<b>2014</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Foreign exchange swaps	-	(183,079)	-	(89,118)
Forward foreign exchange contracts	615	(7,226)	7,222	(53,616)
Rubber futures	275,418	(13,972)	37,799	(37,017)
Physical forward contracts	60,704	(67,286)	44,746	(33,076)
<b>Total derivative financial instruments</b>	<b>336,737</b>	<b>(271,563)</b>	<b>89,767</b>	<b>(212,827)</b>

	<b>Company</b>			
	<b>2015</b>		<b>2014</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Foreign exchange swaps	-	(183,079)	-	(89,118)
Forward foreign exchange contracts	615	(6,012)	-	(39,038)
Rubber futures	264,413	(7,121)	33,731	(27,664)
<b>Total derivative financial instruments</b>	<b>265,028</b>	<b>(196,212)</b>	<b>33,731</b>	<b>(155,820)</b>

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Notional amounts</b>				
Foreign exchange swaps	1,091,756	997,200	1,091,756	997,200
Forward foreign exchange contracts	2,141,727	2,693,284	1,715,314	2,094,414
Rubber futures	5,539,836	1,925,859	4,530,868	1,666,275
Physical forward contracts	996,446	1,039,947	-	-

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**9 Trade accounts receivable and other receivables, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Trade accounts receivable				
- other companies	3,408,931	4,407,507	1,240,213	1,724,600
<u>Less</u> Allowance for impairment of trade accounts receivable	(132,478)	(126,791)	(68,527)	(61,850)
Total trade accounts receivable				
- other companies, net	3,276,453	4,280,716	1,171,686	1,662,750
Trade accounts receivable				
- related companies (Note 36.3)	94,302	100,267	1,040,987	459,144
Total trade accounts receivable, net	3,370,755	4,380,983	2,212,673	2,121,894
Advances for inventories	219,528	48,287	22,590	6,465
Prepaid expenses	173,081	110,074	38,484	17,645
Accrued income and other receivables	90,866	149,036	86,564	151,825
Total trade accounts receivable and other receivables, net	<u>3,854,230</u>	<u>4,688,380</u>	<u>2,360,311</u>	<u>2,297,829</u>

The aging analysis of the trade accounts receivable - other companies from the due date is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Within credit terms	2,960,765	3,860,559	996,121	1,501,258
Overdue 1 - 30 days	257,675	406,244	156,726	145,932
Overdue 31 - 60 days	34,046	8,320	13,310	3,861
Overdue 61 - 90 days	23,144	1,497	1,259	893
Overdue 91 - 120 days	1,069	1,967	926	1,956
Overdue 121 - 365 days	5,873	5,691	3,147	5,691
More than 365 days	126,359	123,229	68,724	65,009
	3,408,931	4,407,507	1,240,213	1,724,600
<u>Less</u> Allowance for impairment of trade accounts receivable	(132,478)	(126,791)	(68,527)	(61,850)
Total trade accounts receivable other companies, net	<u>3,276,453</u>	<u>4,280,716</u>	<u>1,171,686</u>	<u>1,662,750</u>

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**9 Trade accounts receivable and other receivables, net (Cont'd)**

The aging analysis of the trade accounts receivable - related companies from the due date is as follows:

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Within credit terms	94,302	100,243	1,034,596	454,202
Overdue 1 - 30 days	-	24	9	1,108
Overdue 31 - 60 days	-	-	-	3,834
Overdue 61 - 90 days	-	-	1,499	-
Overdue 91 - 120 days	-	-	685	-
Overdue 121 - 365 days	-	-	4,198	-
More than 365 days	-	-	-	-
Total trade accounts receivable - related companies	94,302	100,267	1,040,987	459,144

As at 31 December 2015 and 2014, accrued income and other receivables are within credit terms.

**10 Inventories, net**

	Consolidated					
	At cost		Allowance for inventory cost in excess of net realisable value		Total inventories, net	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Finished goods	6,380,921	3,607,598	(336,205)	(82,866)	6,044,716	3,524,732
Work-in-progress	2,867,255	2,092,067	(131,346)	(13,696)	2,735,909	2,078,371
Raw materials, vessels and chemicals	5,080,822	4,321,694	(33,726)	(30,895)	5,047,096	4,290,799
Spare parts and supplies	132,030	136,042	-	-	132,030	136,042
Total	14,461,028	10,157,401	(501,277)	(127,457)	13,959,751	10,029,944

  

	Company					
	At cost		Allowance for inventory cost in excess of net realisable value		Total inventories, net	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Finished goods	1,886,758	1,248,361	(104,642)	-	1,782,116	1,248,361
Work-in-progress	1,325,781	899,707	(63,213)	-	1,262,568	899,707
Raw materials, vessels and chemicals	3,244,397	2,550,788	-	-	3,244,397	2,550,788
Spare parts and supplies	46,062	44,497	-	-	46,062	44,497
Total	6,502,998	4,743,353	(167,855)	-	6,335,143	4,743,353

During the year 2015, the cost of inventories for the consolidated financial statements was recognised as costs of sales and services amounting to Baht 52,719 million (2014: Baht 67,548 million) and for the Company financial statements amounting to Baht 25,032 million (2014: Baht 33,146 million).

Inventories are carried at lower of cost or net realisable value. As at 31 December 2015, the Group provided for an allowance for inventory cost in excess of net realisable value amounting to Baht 501 million (Company: Baht 168 million).

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**11 Other current assets**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Value added tax refundable	207,862	198,223	66,814	64,793
Prepaid withholding tax	154,358	133,910	-	-
Value added tax suspend	118,368	20,091	19,501	12,065
Total other current assets	480,588	352,224	86,315	76,858

**12 Fixed deposits pledged as collateral**

Fixed deposits amounting to Baht 33 million (2014: Baht 35 million) are pledged as collateral for short-term loan facilities with several financial institutions and for bank guarantees. For the year ended 31 December 2015, the fixed deposits earned average interest rate of 0.1% to 1.4% per annum (2014: 0.1% to 2.5% per annum).

**13 Investments in subsidiaries, associates and joint ventures**

**13.1 Subsidiaries**

The amount recognised in the statement of financial position are as follows:

<b>As at 31 December</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Subsidiaries	-	-	10,701,421	9,684,641
	-	-	10,701,421	9,684,641

Significant investments of the Company and its subsidiaries are as follows:

	<b>Consolidated</b>	<b>% Ownership interest</b>		
		<b>Countries of incorporation</b>	<b>2015</b>	<b>2014</b>
<b>Activities</b>				
<b>Subsidiaries</b>				
Sri Trang International Pte Ltd.	Distribution of rubber products	Singapore	100.00	100.00
Sri Trang USA, Inc.	Distribution of rubber products	USA	100.00	100.00
PT Sri Trang Lingga Indonesia	Manufacture of STR block rubber Products	Indonesia	90.00	90.00
Anvar Parawood Co., Ltd.	Manufacture of parawood	Thailand	99.94	99.94
Rubberland Products Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Namhua Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Sadao P.S. Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Startex Rubber Co., Ltd.	Rubber and palm plantation	Thailand	99.99	99.99
Premier System Engineering Co., Ltd.	Providing engineering services	Thailand	99.99	99.99
Starlight Express Transport Co., Ltd.	Providing of logistics services	Thailand	99.99	99.99
Sri Trang Rubber & Plantation Co., Ltd.	Rubber plantation	Thailand	99.99	99.99
Shi Dong Shanghai Rubber Co., Ltd.	Distribution of rubber products	China	100.00	100.00
<b>Indirect subsidiaries</b>				
Shi Dong Investments Pte Ltd. (Held by Sri Trang International Pte Ltd.)	Investment holding	Singapore	100.00	100.00
PT Star Rubber (Held by Shi Dong Investments Pte Ltd.)	Manufacture of STR block rubber products	Indonesia	99.00	99.00
Sri Trang Indochina (Vietnam) Co., Ltd. (Held by Sri Trang International Pte Ltd.)	Distribution of rubber products	Vietnam	100.00	100.00
Sri Trang Ayeyar Rubber Industry Co., Ltd. (Held by Sri Trang International Pte Ltd.)	Manufacture of STR block rubber Products	Myanmar	59.00	59.00

**13 Investments in subsidiaries, associates and joint ventures (Cont'd)**

**13.1 Subsidiaries (Cont'd)**

The Company invested in the increase of the investments in subsidiaries can be summarised as follows:

	<b>Relationships</b>	<b>Currencies</b>	<b>2015</b>		<b>2014</b>	
			<b>Amount</b>	<b>(Equivalent) Baht Million</b>	<b>Amount</b>	<b>(Equivalent) Baht Million</b>
Sri Trang Rubber & Plantation Co., Ltd.	A subsidiary	Baht Million	-	711	-	940
Sri Trang International Pte Ltd.	An overseas subsidiary	USD Million	9	306	-	-
		<b>Total</b>		<b>1,017</b>		<b>940</b>

**13.2 Associates**

**Investments accounted for using equity method**

The amount recognised in the statement of financial position are as follows:

<b>As at 31 December</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht'000</b>	<b>2014 Baht'000</b>	<b>2015 Baht'000</b>	<b>2014 Baht'000</b>
Associates	1,357,762	1,157,810	649,178	649,178
	<b>1,357,762</b>	<b>1,157,810</b>	<b>649,178</b>	<b>649,178</b>

The amount recognised in the statement of comprehensive income are as follows:

<b>For the years ended 31 December</b>	<b>Consolidated</b>		<b>Company</b>	
	<b>2015 Baht'000</b>	<b>2014 Baht'000</b>	<b>2015 Baht'000</b>	<b>2014 Baht'000</b>
Associates	153,011	143,296	-	-
	<b>153,011</b>	<b>143,296</b>	<b>-</b>	<b>-</b>

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**13 Investments in subsidiaries, associates and joint ventures (Cont'd)**

**13.2 Associates (Cont'd)**

The Group's share of the results of its associates, all of which are unlisted, and its share of the assets (including goodwill and liabilities) are as follows:

Name	Activities	Countries of incorporation	Baht'000				% Ownership interest
			Assets	Liabilities	Revenues	Profits (losses)	
<b>2015</b>							
<b>Direct associates</b>							
Semperflex Asia Co., Ltd.	Manufacture of hydraulic hoses	Thailand	749,673	76,372	647,806	149,382	42.50
Sempermed USA, Inc.	Distribution of medical gloves	USA	675,331	333,727	1,793	21,581	45.12
Pattana Agro Futures Co., Ltd.	Futures broker	Thailand	98,608	58,599	2,797	(3,317)	40.00
Semperflex Shanghai Co., Ltd.	Manufacture of hydraulic hoses	China	389,479	100,520	236,918	1,709	50.00
Sempermed Singapore Pte Ltd.	Investment holding in the company selling medical gloves	Singapore	70,204	4,275	2,169	(23,945)	50.00
<b>Indirect associates</b>							
Sempermed Brazil Comercio Exterior LTDA. (Held by Sempermed Singapore Pte Ltd.)	Sales of medical gloves	Brazil	52,016	15,799	-	-	50.00
Shanghai Sempermed Gloves Co., Ltd. (Formerly, Shanghai Foremost Plastic Industrial Co., Ltd. held by Siam Sempermed Corp. Ltd.)	Manufacture of medical gloves	China	54,786	5,816	2,456	471	40.23
Formtech Engineering (M) Sdn. Bhd. (Held by Sempermed Singapore Pte Ltd.)	Manufacture of glove formers	Malaysia	37,330	11,435	65,085	7,130	41.43
<b>2014</b>							
<b>Direct associates</b>							
Semperflex Asia Co., Ltd.	Manufacture of hydraulic hoses	Thailand	602,489	78,104	707,039	165,637	42.50
Sempermed USA, Inc.	Distribution of medical gloves	USA	607,086	316,110	1,862,059	39,804	45.12
Pattana Agro Futures Co., Ltd.	Futures broker	Thailand	94,100	50,760	6,061	(2,891)	40.00
Semperflex Shanghai Co., Ltd.	Manufacture of hydraulic hoses	China	374,702	100,198	261,119	(914)	50.00
Sempermed Singapore Pte Ltd.	Investment holding in the company selling medical gloves	Singapore	90,395	6,029	692	(61,013)	50.00
<b>Indirect associates</b>							
Sempermed Brazil Comercio Exterior LTDA. (Held by Sempermed Singapore Pte Ltd.)	Sales of medical gloves	Brazil	52,016	15,799	-	(1,932)	50.00
Shanghai Sempermed Gloves Co., Ltd. (Formerly, Shanghai Foremost Plastic Industrial Co., Ltd. held by Siam Sempermed Corp. Ltd.)	Manufacture of medical gloves	China	52,666	6,295	2,720	799	40.23
Formtech Engineering (M) Sdn. Bhd. (Held by Sempermed Singapore Pte Ltd.)	Manufacture of glove formers	Malaysia	35,862	14,609	62,686	3,807	41.43

The Group has individually immaterial associates disclose above that are accounted for using the equity method.



**13 Investments in subsidiaries, associates and joint ventures (Cont'd)**

**13.3 Interest in joint ventures**

**Investments accounted for using equity method**

The amount recognised in the statement of financial position are as follows:

As at 31 December	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Joint ventures	3,378,970	2,878,241	83,100	83,100
	<u>3,378,970</u>	<u>2,878,241</u>	<u>83,100</u>	<u>83,100</u>

The amount recognised in the statement of comprehensive income are as follows:

For the years ended 31 December	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Joint ventures	495,813	391,793	-	-
	<u>495,813</u>	<u>391,793</u>	<u>-</u>	<u>-</u>

The jointly controlled entity is as follows:

Name	Activity	Country of incorporation	% Ownership interest
<b>2015</b>			
Thaitech Rubber Corp. Ltd.	Manufacture of STR block rubber products	Thailand	33.50
Siam Sempermed Corp. Ltd.*	Manufacture of medical gloves	Thailand	40.23
<b>2014</b>			
Thaitech Rubber Corp. Ltd.	Manufacture of STR block rubber products	Thailand	33.50
Siam Sempermed Corp. Ltd.*	Manufacture of medical gloves	Thailand	40.23

\* In June 2014, Siam Sempermed Corp., Ltd. changed the status from associate to joint venture.

On 22 January 1989, Sri Trang Agro-Industry Public Company Limited, at that time Sri Trang Agro-Industry Company Limited (“STA”), together with Rubberland Products Company Limited (“Rubberland”) and four Thai individuals entered into a joint venture agreement (“JVA”) with Semperit Technische Produkte Gesellschaft m.b.H. (“Semperit”) in order to set up and manage a company called Siam Sempermed Corp., Ltd (“SSC”). Semperit held 50% of the shares in SSC, and the other 50% was held between STA, Rubberland and the other four individual Thai shareholders. Later, Sri Trang Holdings Company Limited and another Thai individual respectively joined SSC to share in the 50% stake held by STA, Rubberland, and original four individual Thai shareholders (the Thai shareholders and non-listed entities in addition to STA are collectively called the “Thai Shareholders”). The proportion of shares held by Semperit on one side, STA together with Thai Shareholders remains 50:50 up until the present day.

As the shareholders collectively have ultimate decision making power with regards to SSC operations; neither Semperit nor STA (together with the Thai Shareholders) alone are able to exercise the majority vote of 51% needed to pass shareholder resolutions, and consequently have control over SSC.

In June 2014, the Thai Shareholders formalised a pre-existing arrangement by entering into a written agreement (“Agreement”) whereby the Thai Shareholders explicitly agreed to act in concert with STA regarding their investment in SSC as they have done from the inception. As a result, the accounting treatment in both the separate financial statements of STA, and the consolidated financial statements of STA and its subsidiaries for its investment in SSC has been re-classified from “*Investment in Associate*” to “*Interest in Joint Venture*” starting from the date that the Agreement was signed.

**13 Investments in subsidiaries, associates and joint ventures (Cont'd)**

**13.3 Interest in joint ventures (Cont'd)**

**Summarised financial information for joint ventures**

Set out below are the summarised financial information for Siam Sempermed Corp. Ltd. which is accounted for using the equity method.

(a) Summarised statement of financial position

	<b>As at 31 December</b>	
	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>Current assets</b>		
Cash and cash equivalents	3,158,944	1,735,209
Other current assets (excluding cash)	2,471,704	2,515,806
Total current assets	5,630,648	4,251,015
<b>Non-current assets</b>	3,026,059	3,278,449
	8,656,707	7,529,464
<b>Current liabilities</b>		
Other current liabilities (including trade payables)	849,464	964,798
Total current liabilities	849,464	964,798
<b>Non-current liabilities</b>		
Other liabilities	72,417	84,442
Total non-current liabilities	72,417	84,442
	921,881	1,049,240
Net assets	7,734,826	6,480,224

(b) Summarised statement of comprehensive income

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Revenue	10,413,251	10,809,887
Depreciation and amortization	(558,556)	(519,538)
Interest income	32,196	19,781
Interest expense	-	(22)
Profit before income tax	1,433,944	1,266,916
Income tax	(195,283)	(241,333)
Profit for the years	1,238,661	1,025,583
Other comprehensive income	15,941	(4,210)
Total comprehensive income	1,254,602	1,021,373
Dividend received from a joint venture	-	402,300

**13 Investments in subsidiaries, associates and joint ventures (Cont'd)**

**13.3 Interest in joint ventures (Cont'd)**

The information above reflects the amounts presented in the financial statements of the joint venture adjusted for differences in accounting policies between the group and the joint venture (and not the group's share of those amounts).

(c) Reconciliation of summarised financial information

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Opening net assets 1 January	6,480,224	6,458,851
Profit for the year	1,238,661	1,025,583
Other comprehensive income	15,941	(4,210)
Dividend paid	-	(1,000,000)
Closing net assets 31 December	<u>7,734,826</u>	<u>6,480,224</u>
Interest in a joint venture before adjustment (40.23%)	3,111,721	2,606,994
Adjustment for differences in accounting policies	(149,653)	(255,675)
Interest in a joint venture (40.23%)	<u>2,962,068</u>	<u>2,351,319</u>
Carrying value	<u>2,962,068</u>	<u>2,351,319</u>

**Individually immaterial a joint venture**

In addition to the interests in a joint venture disclosed above, the Group also has interests in a individually immaterial a joint venture that is accounted for using the equity method.

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Aggregate carrying amount of individually immaterial a joint venture		
Aggregate amounts of the reporting entity's share of:		
loss before income tax	111,231	110,935
Income tax	2,343	(32,603)
Loss for the year	113,574	78,332
Other comprehensive (income) loss	(49,276)	2,707
<b>Total comprehensive loss for the years</b>	<u>64,298</u>	<u>81,039</u>

**14 Long-term investments**

The movements in long-term investments for the years are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Opening net book amounts	63,672	52,439	62,666	51,521
Additions	-	40	-	-
Disposals	(58)	-	(58)	-
Changes in fair values of available-for-sale investments	(12,988)	11,193	(12,890)	11,145
Ending net book amounts	<u>50,626</u>	<u>63,672</u>	<u>49,718</u>	<u>62,666</u>

Long-term investments are analysed as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 31 December				
Available-for-sale investments	40,199	53,245	39,291	52,239
General investments	10,427	10,427	10,427	10,427
Total long-term investments	<u>50,626</u>	<u>63,672</u>	<u>49,718</u>	<u>62,666</u>

**Available-for-sale investments**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Available-for-sale investments at cost	32,758	32,816	32,294	32,352
Cumulative changes in fair value	7,441	20,429	6,997	19,887
Total available-for-sale investments at fair value	<u>40,199</u>	<u>53,245</u>	<u>39,291</u>	<u>52,239</u>

The table below shows deferred income tax impact on unrealised gains on available-for-sale investments.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Cumulative from change in fair value	7,441	20,429	6,997	19,887
Effect on deferred income tax	(609)	(1,565)	(517)	(1,469)
Cumulative net gains from change in fair value, net of tax (Note 25)	<u>6,832</u>	<u>18,864</u>	<u>6,480</u>	<u>18,418</u>

**General investments**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
General investments at cost	<u>10,427</u>	<u>10,427</u>	<u>10,427</u>	<u>10,427</u>

The management of the Group is of the opinion that the cost of general investments remains the best unless the investment is impaired.

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**15 Property, plant and equipment, net**

	<b>Baht'000</b>						<b>Total</b>
	<b>Consolidated</b>						
	<b>Revaluation basis</b>		<b>Cost basis</b>			<b>Assets under construction and installation</b>	
<b>Land and land improvements</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Fixtures and office equipment</b>			
<b>At 1 January 2014</b>							
Cost	5,224,164	2,863,426	4,175,646	682,536	335,103	1,262,037	14,542,912
<u>Add</u> Surplus on asset revaluation	803,438	603,025	-	-	-	-	1,406,463
<u>Less</u> Cumulative losses							
from asset revaluation	(120,928)	(57,383)	-	-	-	-	(178,311)
<u>Less</u> Accumulated depreciation	(184,479)	(475,497)	(2,134,854)	(460,819)	(213,034)	-	(3,468,683)
<u>Less</u> Allowance for impairment	-	-	(7,541)	-	-	-	(7,541)
Net book value	<u>5,722,195</u>	<u>2,933,571</u>	<u>2,033,251</u>	<u>221,717</u>	<u>122,069</u>	<u>1,262,037</u>	<u>12,294,840</u>
<b>For the year ended 31 December 2014</b>							
Opening net book value	5,722,195	2,933,571	2,033,251	221,717	122,069	1,262,037	12,294,840
Additions	324,920	74,466	102,996	116,651	42,652	1,897,030	2,558,715
Transfers in (out)	157,743	501,796	718,620	42,000	39,422	(1,459,581)	-
Disposals and write-offs, net	(235)	(5,341)	(6,878)	(1,661)	(354)	(12,766)	(27,235)
Asset revaluation surplus	462,784	-	-	-	-	-	462,784
Loss from asset revaluation	(26,458)	-	-	-	-	-	(26,458)
Depreciation charges (Note 28)	(56,817)	(195,913)	(498,649)	(69,494)	(46,014)	-	(866,887)
Depreciation capitalised to assets	-	(22,696)	(313)	-	-	-	(23,009)
Currency differences on translation, net	(1,475)	(3,829)	(6,693)	(1,331)	(150)	(4,238)	(17,716)
Closing net book value	<u>6,582,657</u>	<u>3,282,054</u>	<u>2,342,334</u>	<u>307,882</u>	<u>157,625</u>	<u>1,682,482</u>	<u>14,355,034</u>
<b>At 31 December 2014</b>							
Cost	5,703,770	3,422,209	4,867,492	818,019	401,059	1,682,482	16,895,031
<u>Add</u> Surplus on asset revaluation	1,266,222	603,025	-	-	-	-	1,869,247
<u>Less</u> Cumulative losses	(147,386)	(57,382)	-	-	-	-	(204,768)
from asset revaluation							
<u>Less</u> Accumulated depreciation	(239,949)	(685,798)	(2,517,617)	(510,137)	(243,434)	-	(4,196,935)
<u>Less</u> Allowance for impairment	-	-	(7,541)	-	-	-	(7,541)
Net book value	<u>6,582,657</u>	<u>3,282,054</u>	<u>2,342,334</u>	<u>307,882</u>	<u>157,625</u>	<u>1,682,482</u>	<u>14,355,034</u>

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**15 Property, plant and equipment, net (Cont'd)**

	<b>Baht'000</b>						<b>Total</b>
	<b>Consolidated</b>						
	<b>Revaluation basis</b>		<b>Cost basis</b>			<b>Assets under construction and installation</b>	
<b>Land and land improvements</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Fixtures and office equipment</b>			
<b>For the year ended 31 December 2015</b>							
Opening net book value	6,582,657	3,282,054	2,342,334	307,882	157,625	1,682,482	14,355,034
Additions	88,640	34,524	125,802	32,534	39,730	1,669,468	1,990,698
Transfers in (out)	303,606	995,471	776,437	37,402	36,738	(2,149,654)	-
Disposals and write-offs, net	(49,109)	(2,762)	(9,910)	(5,455)	(291)	(1,202)	(68,729)
Asset revaluation surplus	2,459	-	-	-	-	-	2,459
Depreciation charges (Note 28)	(80,264)	(220,712)	(578,517)	(85,565)	(56,651)	-	(1,021,709)
Depreciation capitalised to assets	-	(51,366)	(1,167)	-	-	-	(52,533)
Currency differences on translation, net	(152)	(2,763)	(3,801)	767	658	(14,439)	(19,730)
Closing net book value	<u>6,847,837</u>	<u>4,034,446</u>	<u>2,651,178</u>	<u>287,565</u>	<u>177,809</u>	<u>1,186,655</u>	<u>15,185,490</u>
<b>At 31 December 2015</b>							
Cost	6,065,495	4,429,354	5,745,883	858,641	476,214	1,186,655	18,762,242
<u>Add</u> Surplus on asset revaluation	1,241,219	603,024	-	-	-	-	1,844,243
<u>Less</u> Cumulative losses from asset revaluation	(147,386)	(57,382)	-	-	-	-	(204,768)
<u>Less</u> Accumulated depreciation	(311,491)	(940,550)	(3,088,481)	(571,076)	(298,405)	-	(5,210,003)
<u>Less</u> Allowance for impairment	-	-	(6,224)	-	-	-	(6,224)
Net book value	<u>6,847,837</u>	<u>4,034,446</u>	<u>2,651,178</u>	<u>287,565</u>	<u>177,809</u>	<u>1,186,655</u>	<u>15,185,490</u>

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**15 Property, plant and equipment, net (Cont'd)**

	<b>Baht'000</b>						<b>Total</b>
	<b>Company</b>						
	<b>Revaluation basis</b>		<b>Cost basis</b>			<b>Assets under construction and installation</b>	
	<b>Land and land improvements</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Fixtures and office equipment</b>		
<b>At 1 January 2014</b>							
Cost	1,457,636	1,109,316	1,986,883	178,601	212,848	785,939	5,731,223
<u>Add</u> Surplus on asset revaluation	467,509	398,546	-	-	-	-	866,055
<u>Less</u> Cumulative losses from asset revaluation	(55,142)	(43,999)	-	-	-	-	(99,141)
<u>Less</u> Accumulated depreciation	(89,176)	(174,368)	(1,050,536)	(137,034)	(131,043)	-	(1,582,157)
<u>Less</u> Allowance for impairment	-	-	(7,541)	-	-	-	(7,541)
Net book value	<u>1,780,827</u>	<u>1,289,495</u>	<u>928,806</u>	<u>41,567</u>	<u>81,805</u>	<u>785,939</u>	<u>4,908,439</u>
<b>For the year ended 31 December 2014</b>							
Opening net book value	1,780,827	1,289,495	928,806	41,567	81,805	785,939	4,908,439
Additions	184,767	4,824	69,196	22,098	31,736	991,320	1,303,941
Transfers in (out)	115,671	232,858	379,027	15,738	31,283	(774,577)	-
Disposals and write-offs, net	(93)	(600)	(6,249)	(56)	(175)	(593)	(7,766)
Depreciation charges (Note 28)	(29,275)	(74,595)	(210,135)	(15,191)	(30,052)	-	(359,248)
Closing net book value	<u>2,051,897</u>	<u>1,451,982</u>	<u>1,160,645</u>	<u>64,156</u>	<u>114,597</u>	<u>1,002,089</u>	<u>5,845,366</u>
<b>At 31 December 2014</b>							
Cost	1,757,456	1,344,442	2,328,077	208,487	264,223	1,002,089	6,904,774
<u>Add</u> Surplus on asset revaluation	467,509	398,546	-	-	-	-	866,055
<u>Less</u> Cumulative losses from asset revaluation	(55,142)	(43,999)	-	-	-	-	(99,141)
<u>Less</u> Accumulated depreciation	(117,926)	(247,007)	(1,159,891)	(144,331)	(149,626)	-	(1,818,781)
<u>Less</u> Allowance for impairment	-	-	(7,541)	-	-	-	(7,541)
Net book value	<u>2,051,897</u>	<u>1,451,982</u>	<u>1,160,645</u>	<u>64,156</u>	<u>114,597</u>	<u>1,002,089</u>	<u>5,845,366</u>

**Sri Trang Agro-Industry Public Company Limited and its subsidiaries**  
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**15 Property, plant and equipment, net (Cont'd)**

	<b>Baht'000</b>						<b>Total</b>
	<b>Company</b>						
	<b>Revaluation basis</b>		<b>Cost basis</b>			<b>Assets under construction and installation</b>	
<b>Land and land improvements</b>	<b>Buildings and structures</b>	<b>Machinery and equipment</b>	<b>Vehicles</b>	<b>Fixtures and office equipment</b>			
<b>For the year ended 31 December 2015</b>							
Opening net book value	2,051,897	1,451,982	1,160,645	64,156	114,597	1,002,089	5,845,366
Additions	23,366	2,865	66,356	9,329	21,334	783,365	906,615
Transfers in (out)	225,240	278,993	405,976	20,884	19,507	(950,600)	-
Disposals and write-offs, net	(49,079)	(1,610)	(1,642)	-	(72)	-	(52,403)
Asset revaluation surplus	2,459	-	-	-	-	-	2,459
Depreciation charges (Note 28)	(51,710)	(89,280)	(275,502)	(22,676)	(38,072)	-	(477,240)
Closing net book value	<u>2,202,173</u>	<u>1,642,950</u>	<u>1,355,833</u>	<u>71,693</u>	<u>117,294</u>	<u>834,854</u>	<u>6,224,797</u>
<b>At 31 December 2015</b>							
Cost	1,975,750	1,609,983	2,795,365	237,373	304,877	834,854	7,758,202
<u>Add</u> Surplus on asset revaluation	442,506	398,545	-	-	-	-	841,051
<u>Less</u> Cumulative losses from asset revaluation	(55,142)	(43,998)	-	-	-	-	(99,140)
<u>Less</u> Accumulated depreciation	(160,941)	(321,580)	(1,433,308)	(165,680)	(187,583)	-	(2,269,092)
<u>Less</u> Allowance for impairment	-	-	(6,224)	-	-	-	(6,224)
Net book value	<u>2,202,173</u>	<u>1,642,950</u>	<u>1,355,833</u>	<u>71,693</u>	<u>117,294</u>	<u>834,854</u>	<u>6,224,797</u>



**15 Property, plant and equipment, net (Cont'd)**

The Group's land, land improvements, buildings and structures thereon were last revalued in the fourth quarter of 2012 by independent valuers using the market approach and the depreciated replacement cost. The asset revaluation surplus net of applicable deferred income taxes was credited to 'other component of equity' (Note 25). The Group's land, land improvements, buildings and structures thereon present at level 2 fair value.

There were no transfers between level during the year

The table below shows deferred income tax impact on asset revaluation surplus.

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Asset revaluation surplus	1,844,243	1,869,247	841,051	866,054
<u>Less</u> Accumulated depreciation on asset revaluation surplus	(192,175)	(170,541)	(134,511)	(119,653)
<u>Less</u> Deferred income tax	(224,268)	(228,162)	(52,213)	(55,159)
Asset revaluation surplus, net of accumulated depreciation and deferred income taxes	<u>1,427,800</u>	<u>1,470,544</u>	<u>654,327</u>	<u>691,242</u>

If the land, land improvements, buildings and structures were stated on the historical cost basis, the total carrying amount of the property, plant and equipment would be as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Cost	19,637,642	17,760,272	8,262,286	7,408,857
<u>Less</u> Accumulated depreciation	(6,087,974)	(4,383,299)	(2,789,503)	(1,818,781)
<u>Less</u> Allowance for impairment	(6,224)	(7,541)	(6,224)	(7,541)
Net book value	<u>13,543,444</u>	<u>13,369,432</u>	<u>5,466,559</u>	<u>5,582,535</u>

**Consolidated financial statements**

The Group's depreciation expense of Baht 907 million (2014: Baht 757 million) was charged in costs of sales and services and of Baht 115 million (2014: Baht 110 million) in administrative expenses.

As at 31 December 2015, certain land, land improvements, buildings and structures thereon, and machinery and equipment of some subsidiaries with the total net book value amounting to Baht 1,342 million (2014: Baht 986 million) are mortgaged as collateral for credit facilities and short-term and long-term loans from banks as explained in Note 22.

**15 Property, plant and equipment, net (Cont'd)**

**Company financial statements**

The Company's depreciation expense of Baht 421 million (2014: Baht 311 million) was charged in "costs of sales and services" and of Baht 56 million (2014: Baht 48 million) in "administrative expenses".

Leased assets included above, where the Group and the Company are lessees under finance leases, comprise vehicles, fixtures and office equipment:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Cost of assets acquired under finance leases	199,967	190,645	62,880	56,645
<u>Less</u> Accumulated depreciation	<u>(112,400)</u>	<u>(84,525)</u>	<u>(52,736)</u>	<u>(46,832)</u>
Net book value	<u>87,567</u>	<u>106,120</u>	<u>10,144</u>	<u>9,813</u>

The Group leases various vehicles and fixtures and office equipment under non-cancellable finance lease agreements. The lease terms are between 3 to 5 years, and ownership of the assets lies within the Group.

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**16 Rubber and palm plantations, net**

	Baht'000				
	Consolidated				
	Rubber		Palm		Total
Mature	Immature	Mature	Immature		
<b>At 1 January 2014</b>					
Cost	6,734	537,566	11,023	-	555,323
<u>Less</u> Accumulated amortisation	(2,726)	-	(4,940)	-	(7,666)
Net book value	<u>4,008</u>	<u>537,566</u>	<u>6,083</u>	<u>-</u>	<u>547,657</u>
<b>For the year ended 31 December 2014</b>					
Opening net book value	4,008	537,566	6,083	-	547,657
Additions	-	331,386	-	-	331,386
Transfers in (out)	1,718	(1,937)	219	-	-
Amortisation charges (Note 28)	(214)	-	(591)	-	(805)
Depreciation capitalised to assets	(951)	23,960	-	-	23,009
Closing net book value	<u>4,561</u>	<u>890,975</u>	<u>5,711</u>	<u>-</u>	<u>901,247</u>
<b>At 31 December 2014</b>					
Cost	8,451	890,975	11,242	-	910,668
<u>Less</u> Accumulated amortisation	(3,890)	-	(5,531)	-	(9,421)
Net book value	<u>4,561</u>	<u>890,975</u>	<u>5,711</u>	<u>-</u>	<u>901,247</u>
<b>For the year ended 31 December 2015</b>					
Opening net book value	4,561	890,975	5,711	-	901,247
Additions	-	269,036	-	-	269,036
Transfers in (out)	3,778	(4,726)	-	948	-
Disposals and write-offs, net	(13)	-	(876)	-	(889)
Amortisation charges (Note 28)	(132)	-	(555)	-	(687)
Depreciation capitalised to assets	(1,579)	54,141	-	(29)	52,533
Closing net book value	<u>6,615</u>	<u>1,209,426</u>	<u>4,280</u>	<u>919</u>	<u>1,221,240</u>
<b>At 31 December 2015</b>					
Cost	11,888	1,209,426	8,721	948	1,230,983
<u>Less</u> Accumulated amortisation	(5,273)	-	(4,441)	(29)	(9,743)
Net book value	<u>6,615</u>	<u>1,209,426</u>	<u>4,280</u>	<u>919</u>	<u>1,221,240</u>

**Sri Trang Agro-Industry Public Company Limited and its subsidiaries**  
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**16 Rubber and palm plantations, net (Cont'd)**

	<b>Baht'000</b>		
	<b>Company</b>		
	<b>Rubber Mature</b>	<b>Palm Mature</b>	<b>Total</b>
<b>At 1 January 2014</b>			
Cost	3,584	5,703	9,287
<u>Less</u> Accumulated amortisation	(1,663)	(3,063)	(4,726)
Net book value	<u>1,921</u>	<u>2,640</u>	<u>4,561</u>
<b>For the year ended 31 December 2014</b>			
Opening net book value	1,921	2,640	4,561
Amortisation charges (Note 28)	(161)	(319)	(480)
Closing net book value	<u>1,760</u>	<u>2,321</u>	<u>4,081</u>
<b>At 31 December 2014</b>			
Cost	3,584	5,703	9,287
<u>Less</u> Accumulated amortisation	(1,824)	(3,382)	(5,206)
Net book value	<u>1,760</u>	<u>2,321</u>	<u>4,081</u>
<b>For the year ended 31 December 2015</b>			
Opening net book value	1,760	2,321	4,081
Disposals and write-offs, net	-	(876)	(876)
Amortisation charges (Note 28)	(91)	(280)	(371)
Closing net book value	<u>1,669</u>	<u>1,165</u>	<u>2,834</u>
<b>At 31 December 2015</b>			
Cost	3,584	3,182	6,766
<u>Less</u> Accumulated amortisation	(1,915)	(2,017)	(3,932)
Net book value	<u>1,669</u>	<u>1,165</u>	<u>2,834</u>

**17 Intangible assets, net**

	<b>Computer software</b>	
	<b>Consolidated</b>	<b>Company</b>
	<b>Baht'000</b>	<b>Baht'000</b>
<b>At 1 January 2014</b>		
Cost	90,786	50,945
<u>Less</u> Accumulated amortisation charges	<u>(63,739)</u>	<u>(36,913)</u>
Net book value	<u>27,047</u>	<u>14,032</u>
<b>For the year ended 31 December 2014</b>		
Opening net book value	27,047	14,032
Additions	14,552	3,058
Disposal and write-offs, net	(160)	-
Amortisation charges (Note 28)	(9,784)	(4,779)
Currency differences on translation, net	(15)	-
Closing net book value	<u>31,640</u>	<u>12,311</u>
<b>At 31 December 2014</b>		
Cost	101,036	52,370
<u>Less</u> Accumulated amortisation charges	<u>(69,396)</u>	<u>(40,059)</u>
Net book value	<u>31,640</u>	<u>12,311</u>
<b>For the year ended 31 December 2015</b>		
Opening net book value	31,640	12,311
Additions	330,684	329,512
Write-offs, net	(9)	-
Amortisation charges (Note 28)	(32,702)	(27,137)
Currency differences on translation, net	699	-
Closing net book value	<u>330,312</u>	<u>314,686</u>
<b>At 31 December 2015</b>		
Cost	432,048	381,831
<u>Less</u> Accumulated amortisation charges	<u>(101,736)</u>	<u>(67,145)</u>
Net book value	<u>330,312</u>	<u>314,686</u>

**18 Investment properties**

The movements in the investment properties are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Opening net book amount	170,255	176,254	27,770	27,770
Losses from fair value estimation of investment properties	(29,193)	(6,663)	-	-
Currency differences on translation, net	13,449	664	-	-
Ending net book amount	<u>154,511</u>	<u>170,255</u>	<u>27,770</u>	<u>27,770</u>

The investment property of the Group is property held for a currently undetermined future use and land not in use. The Group has not determined whether it will be held as owner-occupied property or for short-term capital appreciation. The land not used in operations and the investment property of the Group present at level 2 fair value.

The land not used in operations was revalued by an independent valuer using the market approach.

Investment property is carried at fair value at the date of statements of financial position as determined by the most recent transacted market value of a property in the location and of the same category as the one held by the subsidiary. Valuation is made annually based on the property's highest-and-best-use using the Direct Market Comparison Method.

**19 Deferred income tax**

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Deferred income tax assets:</b>				
Deferred income tax assets to be recovered within 12 months	96,985	78,602	26,980	11,729
Deferred income tax assets to be recovered after more than 12 months	211,492	150,681	13,263	11,850
	<u>308,477</u>	<u>229,283</u>	<u>40,243</u>	<u>23,579</u>
<b>Deferred income tax liabilities:</b>				
Deferred income tax liabilities to be settled within 12 months	19,585	2,493	19,586	2,492
Deferred income tax liabilities to be settled after more than 12 months	237,272	252,745	53,838	57,737
	<u>256,857</u>	<u>255,238</u>	<u>73,424</u>	<u>60,229</u>
Deferred income tax - net	<u>51,620</u>	<u>(25,955)</u>	<u>(33,181)</u>	<u>(36,650)</u>

**19 Deferred income tax (Cont'd)**

The movements of deferred income tax for the years are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Opening net book amounts	(25,955)	61,656	(36,650)	(16,089)
Charged/credited to profit or loss	69,621	19,421	1,237	(19,932)
Charged/credited to other comprehensive income	4,307	(104,854)	2,232	(629)
Cumulative currency differences on translation	3,647	(2,178)	-	-
Ending net book amounts	<u>51,620</u>	<u>(25,955)</u>	<u>(33,181)</u>	<u>(36,650)</u>

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**19 Deferred income tax (Cont'd)**

	<b>Consolidated</b>								
	<b>1 January 2014 Baht'000</b>	<b>Recorded to profit or loss Baht'000</b>	<b>Recorded to other comprehensive income Baht'000</b>	<b>Cumulative currency differences on translation Baht'000</b>	<b>31 December 2014 Baht'000</b>	<b>Recorded to profit or loss Baht'000</b>	<b>Recorded to other comprehensive income Baht'000</b>	<b>Cumulative currency differences on translation Baht'000</b>	<b>31 December 2015 Baht'000</b>
<b>Deferred income tax assets</b>									
Tax losses carried forward	98,172	13,631	-	(1,109)	110,694	54,614	-	(559)	164,749
Unrealised gains (losses) on derivative financial instruments	35,321	(17,102)	-	(514)	17,705	(18,237)	-	3,477	2,945
Allowance for inventory cost in excess of net realisable value	16,452	8,075	-	(458)	24,069	41,206	-	(2,118)	63,157
Cumulative loss from asset revaluation	19,439	5,628	-	(47)	25,020	(97)	-	(132)	24,791
Provision for retirement benefit obligations	14,930	1,827	(2,581)	774	14,950	2,623	3,532	830	21,935
Others	24,621	13,041	-	(817)	36,845	(7,883)	-	1,938	30,900
	<u>208,935</u>	<u>25,100</u>	<u>(2,581)</u>	<u>(2,171)</u>	<u>229,283</u>	<u>72,226</u>	<u>3,532</u>	<u>3,436</u>	<u>308,477</u>
<b>Deferred income tax liabilities</b>									
Asset revaluation surplus	128,961	(2,197)	101,397	-	228,161	(4,075)	182	-	224,268
Fair value estimation of investment properties	1,108	-	-	-	1,108	-	-	-	1,108
Unrealised gains (losses) on derivative financial instruments	4,472	(1,979)	-	-	2,493	17,092	-	-	19,585
Adjustment of inventory from fair value to the lower of cost or net realisable value	10,253	10,290	-	(38)	20,505	(10,222)	-	(248)	10,035
Others	2,485	(435)	876	45	2,971	(191)	(956)	37	1,861
	<u>147,279</u>	<u>5,679</u>	<u>102,273</u>	<u>7</u>	<u>255,238</u>	<u>2,604</u>	<u>(774)</u>	<u>(211)</u>	<u>256,857</u>
<b>Deferred income tax assets (liabilities), net</b>	<b><u>61,656</u></b>	<b><u>19,421</u></b>	<b><u>(104,854)</u></b>	<b><u>(2,178)</u></b>	<b><u>(25,955)</u></b>	<b><u>69,622</u></b>	<b><u>4,306</u></b>	<b><u>3,647</u></b>	<b><u>51,620</u></b>



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**19 Deferred income tax (Cont'd)**

	Company						
	1 January 2014 Baht'000	Recorded to profit or loss Baht'000	Recorded to other comprehensive income Baht'000	31 December 2014 Baht'000	Recorded to profit or loss Baht'000	Recorded to other comprehensive income Baht'000	31 December 2015 Baht'000
<b>Deferred income tax assets</b>							
Unrealised gains (losses) on derivative financial instruments	31,999	(20,485)	-	11,514	2,985	-	14,499
Allowance for inventory cost in excess of net realisable value	3,293	(3,079)	-	214	12,266	-	12,480
Cumulative loss from asset revaluation	7,886	(1)	-	7,885	(97)	-	7,788
Provision for retirement benefit obligations	3,295	460	194	3,949	49	1,461	5,459
Others	17	-	-	17	-	-	17
	<u>46,490</u>	<u>(23,105)</u>	<u>194</u>	<u>23,579</u>	<u>15,203</u>	<u>1,461</u>	<u>40,243</u>
<b>Deferred income tax liabilities</b>							
Asset revaluation surplus	56,353	(1,194)	-	55,159	(3,127)	181	52,213
Fair value estimation of investment properties	1,108	-	-	1,108	-	-	1,108
Unrealised gains (losses) on derivative financial instruments	4,472	(1,979)	-	2,493	17,093	-	19,586
Others	646	-	823	1,469	-	(952)	517
	<u>62,579</u>	<u>(3,173)</u>	<u>823</u>	<u>60,229</u>	<u>13,966</u>	<u>(771)</u>	<u>73,424</u>
<b>Deferred income tax assets (liabilities), net</b>	<u><b>(16,089)</b></u>	<u><b>(19,932)</b></u>	<u><b>(629)</b></u>	<u><b>(36,650)</b></u>	<u><b>1,237</b></u>	<u><b>2,232</b></u>	<u><b>(33,181)</b></u>

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**20 Other non-current assets**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Refundable deposits	21,643	21,587	10,298	9,059
Others	14,790	12,679	3,559	3,660
<b>Total other non-current assets</b>	<b>36,433</b>	<b>34,266</b>	<b>13,857</b>	<b>12,719</b>

**21 Trade accounts payable and other payables**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Trade accounts payable				
- other companies	1,214,278	1,272,262	625,074	701,252
Trade accounts payable				
- related companies (Note 36.3)	399,597	218,285	262,336	278,576
Accrued expenses	824,969	743,523	461,226	413,540
Deferred income	116,533	246,678	37,301	72,839
Deposits and retentions received from customers	132,017	98,753	22,227	20,479
<b>Total trade accounts payable and other payables</b>	<b>2,687,394</b>	<b>2,579,501</b>	<b>1,408,164</b>	<b>1,486,686</b>

**22 Borrowings**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Current</b>				
Borrowings for packing credit	201,301	264,184	201,301	264,184
Short-term borrowings from financial institutions	13,006,556	8,796,812	7,532,470	3,997,300
Bills payable	238,373	347,414	-	-
<b>Total short-term borrowings from financial institutions</b>	<b>13,446,230</b>	<b>9,408,410</b>	<b>7,733,771</b>	<b>4,261,484</b>
Current portion of long-term borrowings from financial institutions	451,404	140,264	200,000	50,000
Current portion of debentures	850,000	-	850,000	-
Current portion of finance lease liabilities	25,045	30,046	3,866	3,585
<b>Total current borrowings</b>	<b>14,772,679</b>	<b>9,578,720</b>	<b>8,787,637</b>	<b>4,315,069</b>
<b>Non-current</b>				
Long-term borrowings from financial institutions	3,742,215	2,913,462	3,740,157	2,910,000
Debentures	600,000	1,450,000	600,000	1,450,000
Finance lease liabilities	10,904	33,311	4,281	3,980
<b>Total non-current borrowings</b>	<b>4,353,119</b>	<b>4,396,773</b>	<b>4,344,438</b>	<b>4,363,980</b>
<b>Total borrowings</b>	<b>19,125,798</b>	<b>13,975,493</b>	<b>13,132,075</b>	<b>8,679,049</b>

## **22 Borrowings (Cont'd)**

### **22.1 Short-term borrowings from financial institutions**

#### **(a) Consolidated financial statements**

As 31 December 2015, the Group has facilities of overdrafts, borrowings for packing credit and short-term borrowings from several financial institutions totaling Baht 33,796 million, USD 381 million and IDR 10 billion (2014: Baht 35,361 million, USD 416 million and IDR 10 billion). As at 31 December 2015, the Group has no bank overdraft (2014: Nil). The borrowings for packing credit and short-term borrowings bear interest at the rates ranging from 1.19% to 12.31% per annum (2014: 1.01% to 13.65% per annum).

As at 31 December 2015, the Group's facilities of overdrafts, borrowings for packing credit and short-term borrowings were guaranteed by land, land improvements, buildings and structures thereon, and machinery and equipment of some subsidiaries as described in Note 15, fixed deposits of a subsidiary balance of Baht 7 million and certain of the Company's directors (no fee charged) (2014: Baht 7 million). According to a condition of the borrowings agreements, the Company and its 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. In addition, the Company and the subsidiaries must comply with other conditions and restrictions stated in the borrowings agreements.

#### **(b) Company financial statements**

As at 31 December 2015, the Company had facilities of overdrafts, borrowing for packing credit and short-term borrowing from several financial institutions totaling Baht 22,724 million (2014: Baht 24,224 million). The borrowing for packing credit and short-term borrowing amounting to Baht 7,734 million (2014: 4,262 million) bear interest at the rates ranging from 1.50% to 2.34% per annum (2014: 1.50% to 2.78% per annum). According to a condition of the borrowings agreements, the Company is not allowed to create any encumbrance on its assets, except for encumbrances created with the prior consent of the banks and permitted liens. In addition, the Company must comply with other conditions and restrictions stated in the borrowings agreements.

### **22.2 Long-term borrowings from financial institutions**

#### **(a) Consolidated financial statements**

##### **- Rubberland Products Co., Ltd.**

The first agreement At 31 December 2015, there was no balance (2014: Baht 37 million granted by a bank in 2009), was payable quarterly starting from November 2010 and was fully repaid in August 2015. This borrowing bears a monthly interest at the rate of MLR minus a fixed percentage per annum.

The second agreement At 31 December 2015, there was no balance (2014: Baht 52 million granted by a bank in 2010), was payable quarterly starting from December 2011 and was fully repaid in December 2015. This borrowing bears a monthly interest at the rate of MLR minus a fixed percentage per annum.

**22 Borrowings (Cont'd)**

**22.2 Long-term borrowings from financial institutions (Cont'd)**

**(a) Consolidated financial statements (Cont'd)**

**- Anvar Parawood Co., Ltd.**

The first agreement At 31 December 2015, balance of Baht 3 million (2014: Baht 5 million), granted by a bank in 2013, was payable monthly starting from January 2014 and until June 2018. This borrowing bears a monthly interest at the rate of MLR minus a fixed percentage per annum.

**- Premier System Engineering Co., Ltd.**

The first agreement At 31 December 2015, balance of Baht 250 million (2014: Nil), granted by a bank in 2015, was payable at the end of the construction period or within two years from first drawn down. This borrowing bears a monthly interest at the rate of MLR minus a fixed percentage per annum.

**(b) Company financial statements**

The first agreement At 31 December 2015, balance of Baht 3,396 million (2014: Baht 2,960 million), granted by a bank in 2012, was payable quarterly from September 2012 to September 2022. This borrowing bears a monthly interest at the rate of MLR minus a fixed percentage per annum.

The second agreement At 31 December 2015, balance of Baht 544 million (2014: Nil), granted by a bank in 2015 was payable in full by the end of September 2017. This borrowing bears a monthly interest at the rate of a fixed percentage per annum.

The fair value of current borrowings equal their carrying amount, as the impact of discounting is not significant and are within level 2 of the fair value hierarchy.

**22 Borrowings (Cont'd)**

**22.3 Debentures**

On 1 December 2011, the Company issued and offered the unsubordinated, unsecured with name registered, and with debenture holders' representative debentures, amounting to 2,150,000 units. The debentures are divided into 2 tranches as follows:

- Debentures of Sri Trang Agro-Industry Public Company Limited No. 1/2011 Tranche 1 due 2014
- Debentures of Sri Trang Agro-Industry Public Company Limited No. 1/2011 Tranche 2 due 2016

On 13 February 2013, the Company issued and offered the unsubordinated, unsecured with name registered, and with debenture holders' representative debentures, amounting to 900,000 units. The debentures are divided into 2 tranches as follows:

- Debentures of Sri Trang Agro-Industry Public Company Limited No. 1/2013 Tranche 1 due 2016
- Debentures of Sri Trang Agro-Industry Public Company Limited No. 1/2013 Tranche 2 due 2018

The movement of the balance of the debentures can be presented as follows:

	<b>Consolidated and Company</b>	
	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Opening balance	1,450,000	3,050,000
Redemption during the year	-	(1,600,000)
Ending balance	<u>1,450,000</u>	<u>1,450,000</u>

The details of the debentures in the consolidated and Company financial statements can be presented as follows:

	<b>Interest rate (%)</b>	<b>Par value (Baht)</b>	<b>31 December 2014 (shares)</b>	<b>31 December 2015 (shares)</b>	<b>Term of interest payment</b>	<b>Due for redemption</b>
STA16DA	4.70 p.a.	1,000	550,000	550,000	1 June and 1 December every year	1 December 2016
STA182A	4.10 p.a.	1,000	300,000	300,000	13 February and 13 August every year	13 February 2016
STA162A	4.50 p.a.	1,000	600,000	600,000	13 February and 13 August every year	13 February 2018
			<u>1,450,000</u>	<u>1,450,000</u>		

The carrying amounts and fair values of the debentures are as follows;

	<b>Consolidated and Company</b>			
	<b>Carrying amounts</b>		<b>Fair values</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Debentures	<u>1,450,000</u>	<u>1,450,000</u>	<u>1,471,178</u>	<u>1,477,689</u>

The fair values of the debentures are based on quoted prices (unadjusted) in active markets and are within level 1 of the fair value hierarchy.

**22 Borrowings (Cont'd)**

**22.4 Additional information for the borrowings from financial institutions and debentures**

The interest rate exposures on the borrowings from financial institutions and debentures (excluding finance lease liabilities) of the Group and the Company are as follows:

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
<b>Short-term borrowings</b>				
- at floating rates	13,446,230	9,408,410	7,733,771	4,261,484
	<u>13,446,230</u>	<u>9,408,410</u>	<u>7,733,771</u>	<u>4,261,484</u>
<b>Long-term borrowings</b>				
- at fixed rates	543,807	-	543,807	-
- at floating rates	3,649,812	3,053,726	3,396,350	2,960,000
	<u>4,193,619</u>	<u>3,053,726</u>	<u>3,940,157</u>	<u>2,960,000</u>
<b>Debentures</b>				
- at fixed rates	1,450,000	1,450,000	1,450,000	1,450,000
<b>Total borrowings</b>				
- at fixed rates	1,993,807	1,450,000	1,993,807	1,450,000
- at floating rates	17,096,042	12,462,136	11,130,121	7,221,484
	<u>19,089,849</u>	<u>13,912,136</u>	<u>13,123,928</u>	<u>8,671,484</u>

Fair values of the long-term borrowings and debentures are based upon the borrowings rates which the management expects would be available to the Group and the Company at the date of statements of financial position. The fair values of short-term borrowings and long-term lease obligations approximate their carrying amounts.

Maturity of borrowings and debentures (excluding finance lease liabilities) is as follows:

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Not later than 1 year	14,747,634	9,548,674	8,783,771	4,311,484
Later than 1 year but not later than 3 years	1,645,865	1,277,808	1,643,807	1,275,000
Later than 3 years but not later than 5 years	1,100,000	1,325,654	1,100,000	1,325,000
Later than 5 years	1,596,350	1,760,000	1,596,350	1,760,000
<b>Total borrowings from financial institutions and debentures</b>	<u>19,089,849</u>	<u>13,912,136</u>	<u>13,123,928</u>	<u>8,671,484</u>

The carrying amounts of borrowings from financial institutions and debentures are denominated in the following currencies:

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
USD	2,001,145	2,659,851	543,807	-
IDR	1,425,321	704,575	-	-
THB	15,663,383	10,547,710	12,580,121	8,671,484
<b>Total borrowings from financial institutions and debentures</b>	<u>19,089,849</u>	<u>13,912,136</u>	<u>13,123,928</u>	<u>8,671,484</u>

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**22 Borrowings (Cont'd)**

**22.5 Finance lease liabilities**

The minimum lease payments recognised as liabilities from the finance leases are summarised as follows:

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Not later than 1 year	25,874	32,472	3,866	3,878
Later than 1 year but not later than 5 years	11,638	34,517	4,889	4,211
	37,512	66,989	8,755	8,089
<u>Less</u> future finance charges on finance leases	(1,563)	(3,632)	(608)	(524)
Present values of finance lease Liabilities	<u>35,949</u>	<u>63,357</u>	<u>8,147</u>	<u>7,565</u>
Finance lease liabilities				
- Current	25,045	30,046	3,866	3,585
- Non-current	10,904	33,311	4,281	3,980
	<u>35,949</u>	<u>63,357</u>	<u>8,147</u>	<u>7,565</u>

The present value of finance lease liabilities is as follows:

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Not later than 1 year	25,045	30,046	3,866	3,585
Later than 1 year but not later than 5 years	10,904	33,311	4,281	3,980
	<u>35,949</u>	<u>63,357</u>	<u>8,147</u>	<u>7,565</u>

**22.6 Borrowing facilities**

The Group and the Company have the following undrawn committed borrowing facilities:

	Consolidated					
	2015			2014		
	Baht'000	USD'000	Million Rupiah	Baht'000	USD'000	Million Rupiah
Floating rate						
- Expiring within one year	<u>24,182,589</u>	<u>301,083</u>	<u>10,000</u>	<u>30,157,176</u>	<u>314,009</u>	<u>10,000</u>
				Company		
				2015	2014	
				Baht'000	Baht'000	
Floating rate						
- Expiring within one year				<u>14,990,389</u>	<u>20,802,676</u>	

The facilities expiring within one year are annual facilities subject to reviews at various dates during the year. The other facilities have been arranged to help finance the proposed expansion of activities for the Group and the Company.

**23 Provision for post-employment benefit obligations**

The amounts recognised in the statement of financial position are determined as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Present value of unfunded obligation	161,704	115,226	73,883	53,448

The movements in the defined benefit obligations over the years are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
At 1 January	115,226	106,867	53,448	44,584
Current service costs	19,773	10,315	5,501	4,870
Interest costs	4,816	5,360	1,709	1,646
Employee benefits paid	(7,233)	(862)	(6,543)	(294)
Actuarial gains (losses) on defined employee benefit plans	29,122	(6,454)	19,768	2,642
At 31 December	161,704	115,226	73,883	53,448

The amounts recognised in the statement of income are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Current service costs	19,773	10,315	5,501	4,870
Interest costs	4,816	5,360	1,709	1,646
Total	24,589	15,675	7,210	6,516

Accumulated actuarial gains (losses) on defined employee benefit plans recognised in the other comprehensive income for the years ended 31 December 2015 and 2014 are as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Actuarial gains (losses) in the year	(29,122)	6,454	(19,768)	(2,642)
Cumulative actuarial gains	12,082	41,204	(15,861)	3,907



**23 Provision for post-employment benefit obligations (Cont'd)**

The principal actuarial assumptions used were as follows:

	Percentage			
	Consolidated		Company	
	2015	2014	2015	2014
Discount rate	2.9	3.6	2.9	3.6
Inflation rate	3.0	3.0	3.0	3.0
Future salary increases (monthly staff)	5.0	7.0	5.0	7.0
Future salary increases (daily staff)	3.0	3.0	3.0	3.0

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	1 %	Decrease by 10%	Increase by 12%
Future salary increases	1 %	Increase by 11%	Decrease by 10%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

The weighted average duration of the defined benefit obligation is 15 years.

Expected maturity analysis of undiscounted defined benefit obligations as at 31 December 2015:

	Consolidated				
	Less than a year Baht'000	Between 1-2 years Baht'000	Between 2-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
Defined benefit obligations	27,318	7,118	29,210	613,658	677,304

  

	Company				
	Less than a year Baht'000	Between 1-2 years Baht'000	Between 2-5 years Baht'000	Over 5 years Baht'000	Total Baht'000
Defined benefit obligations	15,403	3,327	11,858	237,889	268,477

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**24 Share capital and share premium**

	Consolidated and Company					
	Par value (Baht per share)	Number of registered shares (Shares)	Issued and paid-up shares (Shares)	Ordinary shares (Baht'000)	Share premium (Baht'000)	Total (Baht'000)
At 1 January 2014	1	1,280,000,000	1,280,000,000	1,280,000	8,550,990	9,830,990
Issue of shares	-	-	-	-	-	-
At 31 December 2014	1	1,280,000,000	1,280,000,000	1,280,000	8,550,990	9,830,990
At 1 January 2015	1	1,280,000,000	1,280,000,000	1,280,000	8,550,990	9,830,990
Issue of shares	-	-	-	-	-	-
At 31 December 2015	1	1,280,000,000	1,280,000,000	1,280,000	8,550,990	9,830,990

As at 31 December 2015, the total authorised number of ordinary shares was 1,280,000,000 shares (2014: 1,280,000,000 shares) with a par value of Baht 1 per share (2014: Baht 1 per share). 1,280,000,000 shares were issued and fully paid-up (2014: 1,280,000,000 shares).

**25 Other component of equity**

Other component of equity can be analysed as follows:

	Consolidated				
	Deduction arising from acquisition of additional interest in subsidiaries from non- controlling interests Baht'000	Asset revaluation surplus, net of accumulated depreciation Baht'000	Unrealised gains on available-for- sale investments Baht'000	Cumulative currency differences on translation Baht'000	Total Baht'000
<b>For the year ended 31 December 2015</b>					
At 1 January 2015	(173,134)	1,470,544	18,864	(445,859)	870,415
Asset revaluation surplus, before tax	-	2,459	-	-	2,459
Asset revaluation surplus, tax	-	(182)	-	-	(182)
Disposal of assets, before tax	-	(27,462)	-	-	(27,462)
Disposal of assets, tax	-	2,030	-	-	2,030
Depreciation transfer on assets revaluation, before tax	-	(21,634)	-	-	(21,634)
Depreciation transfer on assets revaluation, tax	-	2,045	-	-	2,045
Change in fair value of available-for-sale investments, before tax (Note 14)	-	-	(12,988)	-	(12,988)
Change in fair value of available-for-sale investments, tax	-	-	956	-	956
Currency differences on translation	-	-	-	177,312	177,312
At 31 December 2015	(173,134)	1,427,800	6,832	(268,547)	992,951
<b>For the year ended 31 December 2014</b>					
At 1 January 2014	(173,134)	1,130,229	8,547	(453,395)	512,247
Asset revaluation surplus, before tax	-	462,784	-	-	462,784
Asset revaluation surplus, tax	-	(92,557)	-	-	(92,557)
Depreciation transfer on assets revaluation, before tax	-	(23,268)	-	-	(23,268)
Depreciation transfer on assets revaluation, tax	-	2,197	-	-	2,197
Change in fair value of available-for-sale investments, before tax (Note 14)	-	-	11,193	-	11,193
Change in fair value of available-for-sale investments, tax	-	-	(835)	-	(835)
Change in tax rate used in deferred tax recognition	-	(8,841)	(41)	-	(8,882)
Currency differences on translation	-	-	-	7,536	7,536
At 31 December 2014	(173,134)	1,470,544	18,864	(445,859)	870,415

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**25 Other component of equity (Cont'd)**

	<b>Company</b>		<b>Total Baht'000</b>
	<b>Asset revaluation surplus, net of accumulated depreciation Baht'000</b>	<b>Unrealised gains on available- for-sale investments Baht'000</b>	
<b>For the year ended 31 December 2015</b>			
At 1 January 2015	691,242	18,418	709,660
Asset revaluation surplus, before tax	2,459	-	2,459
Asset revaluation surplus, tax	(182)	-	(182)
Disposal of assets, before tax	(27,462)	-	(27,462)
Disposal of assets, tax	2,029	-	2,029
Depreciation transfer on assets revaluation, before tax	(14,857)	-	(14,857)
Depreciation transfer on assets revaluation, tax	1,098	-	1,098
Change in fair value of available-for-sale investments, before tax (Note 14)	-	(12,890)	(12,890)
Change in fair value of available-for-sale investments, tax	-	952	952
At 31 December 2015	<u>654,327</u>	<u>6,480</u>	<u>660,807</u>
<b>For the year ended 31 December 2014</b>			
At 1 January 2014	706,206	8,096	714,302
Depreciation transfer on assets revaluation, before tax	(16,158)	-	(16,158)
Depreciation transfer on assets revaluation, tax	1,194	-	1,194
Change in fair value of available-for-sale investments, before tax (Note 14)	-	11,145	11,145
Change in fair value of available-for-sale investments, tax	-	(823)	(823)
At 31 December 2014	<u>691,242</u>	<u>18,418</u>	<u>709,660</u>

**26 Legal reserve**

	<b>Consolidated and Company</b>	
	<b>2015 Baht'000</b>	<b>2014 Baht'000</b>
At 1 January	128,000	128,000
Appropriation during the year	-	-
At 31 December	<u>128,000</u>	<u>128,000</u>

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The legal reserve is non-distributable.

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**27 Revenues from sales and services**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Revenues from sales of goods	61,278,526	75,529,614	29,004,269	37,058,138
Service income	13,256	261	10,512	-
<b>Total revenues from sales of goods and services</b>	<b>61,291,782</b>	<b>75,529,875</b>	<b>29,014,781</b>	<b>37,058,138</b>

**28 Expense by nature**

The following significant items have been charged to the operating profit for the years.

<b>For the years ended 31 December</b>	<b>Notes</b>	<b>Consolidated</b>		<b>Company</b>	
		<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Changes in finished goods and work-in-process		(3,550,327)	3,498,116	(1,064,471)	1,578,083
Raw materials and consumables used		40,327,516	49,410,689	21,173,884	26,060,798
(Reversal of) allowance for inventory cost in excess of net realisable value		373,838	74,498	167,855	(642)
Employee costs and key management benefits	29	1,923,935	1,894,366	748,663	728,767
Depreciation charges	15	1,021,709	866,887	477,240	359,248
Amortisation charges - plantations	16	687	805	371	480
Amortisation charges - intangible assets	17	32,702	9,784	27,137	4,779
Transportation and distribution expense		1,177,724	1,108,878	730,458	697,626
Energy expense		1,019,700	1,079,404	515,420	484,268
Cess expense		815,226	796,569	550,332	551,861

Additional information

The cess expense is a fee charged to exporters of natural rubber products to be deposited into the rubber replanting aid fund managed by the Office of the Rubber Replanting Aid Fund (ORRAF) in Thailand for the purpose of replanting support.

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**29 Employee costs and key management benefits**

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Wages and salaries	1,694,539	1,680,541	660,937	664,932
Social security costs	51,179	47,577	20,506	17,583
Provident Fund	19,887	17,820	9,066	8,383
Post-employment benefit expenses	24,589	15,675	7,210	6,516
Other employment benefits	133,741	132,753	50,944	31,353
<b>Total employee costs and key management benefits</b>	<b>1,923,935</b>	<b>1,894,366</b>	<b>748,663</b>	<b>728,767</b>

**30 Other income**

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Income from insurance claim	2,116	5,077	2,116	5,077
Storage income	32,684	45,004	5,181	5,181
Dividend income	36,755	1,639	386,750	1,057,449
Rental income	22,591	17,766	7,235	1,689
Income from sales of scraps	3,573	6,760	730	2,556
Office service income	13,678	6,178	19,665	12,165
Income from seizure of deposits	15,446	6,294	2,990	-
Others	59,478	45,226	37,570	30,823
<b>Total other income</b>	<b>186,321</b>	<b>133,944</b>	<b>462,237</b>	<b>1,114,940</b>

**31 Other gains, net**

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Gains from rubber derivative financial instruments	1,079,982	1,134,826	787,612	875,057
Gains(losses) from disposal or write-off fixed assets	44,509	(6,188)	34,139	(5,348)
Losses from fair value estimation of investment properties	(29,193)	(6,663)	-	-
<b>Total other gains, net</b>	<b>1,095,298</b>	<b>1,121,975</b>	<b>821,751</b>	<b>869,709</b>

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**32 Finance costs, net**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Finance income</b>				
Interest income from debentures	39,334	39,300	39,333	39,300
Interest income from bank deposits	8,842	7,437	958	2,021
Interest income from customers and brokers	-	401	-	59
Interest income from related parties	-	2,564	37,686	33,453
<b>Total finance income</b>	<b>48,176</b>	<b>49,702</b>	<b>77,977</b>	<b>74,833</b>
<b>Finance costs</b>				
Interest expense on bank borrowings	(588,221)	(594,768)	(360,937)	(367,731)
Interest expense on finance leases	(221)	(363)	-	-
Net foreign exchange losses on financing activities	(268,881)	(68,255)	-	-
<b>Total finance costs</b>	<b>(857,323)</b>	<b>(663,386)</b>	<b>(360,937)</b>	<b>(367,731)</b>
<b>Total finance costs, net</b>	<b>(809,147)</b>	<b>(613,684)</b>	<b>(282,960)</b>	<b>(292,898)</b>

**33 Income tax**

The weighted average tax rate for the consolidated financial statements for the year ended 31 December 2015 was 2.8% (2014: 3.7%). The decrease was due to the recognition of tax losses of the current year deferred income tax asset. The weighted average tax rate for the Company financial statements for the year ended 31 December 2015 was 0.4% (2014: 1.4%).

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Current income tax:</b>				
Current income tax on profit of the years	101,139	59,553	-	-
<b>Deferred income tax:</b>				
Origination and reversal of temporary differences	(69,621)	(19,421)	(1,237)	19,932
<b>Total income tax</b>	<b>31,518</b>	<b>40,132</b>	<b>(1,237)</b>	<b>19,932</b>

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**33 Income tax (Cont'd)**

The taxes on the Group's profits before income tax differ from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Profit before income tax	1,143,274	1,076,370	336,509	1,461,576
Tax calculated at domestic tax rates applicable to profits in the respective countries	132,229	168,434	24,868	108,010
Share of tax on profits of associates and joint ventures	(47,948)	(39,543)	-	-
Tax effect of:				
- Income not subject to tax	17,318	(66,331)	14,669	(65,633)
- Expenses not deductible for tax purpose	(19,852)	(1,220)	1,199	1,259
- Double deductible expenses	(19,053)	(16,505)	(15,367)	(12,939)
- Change in tax rate	-	(2,151)	-	-
- Tax losses of the current year for which no deferred income tax asset was recognised	5,953	31,110	-	-
- Tax at concessionary rate of 10% see note (a)	(27,927)	(23,644)	-	-
- Utilisation of previously unrecognised tax losses	17,159	2,579	-	-
- Over/under estimation of income tax liability in the prior year	-	(13)	-	-
- Others	(26,361)	(12,584)	(26,606)	(10,765)
<b>Total income tax</b>	<b>31,518</b>	<b>40,132</b>	<b>(1,237)</b>	<b>19,932</b>

**Additional information**

- (a) On 11 May 2005, the Ministry of Trade and Industry of Singapore awarded the Global Trader Programme status to the company for the period from 1 April 2005 to 31 December 2009. Under this programme, income derived from qualifying trading transactions of approved products is taxed at the concessionary rate of 10%. On 16 February 2015, this status was extended from 1 January 2015 for a period of 5 years, to 31 December 2019.
- (b) The Company and certain subsidiaries in Thailand were granted tax incentives relating to the manufacturing of certain natural rubber products. The tax incentives include the following:
- Exemption from payment of import duty on imported machinery and equipment.
  - Exemption from payment of income tax for the period of eight years starting from the commencement date of the promoted business, and 50 percent reduced from the normal tax rate for the next five years after the period of eight years are expired.

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**33 Income tax (Cont'd)**

The tax (charge)/credit relating to component of others comprehensive income is as follows:

	<b>Consolidated</b>					
	<b>2015</b>			<b>2014</b>		
	<b>Before tax Baht'000</b>	<b>Tax (charge) credit Baht'000</b>	<b>After tax Baht'000</b>	<b>Before tax Baht'000</b>	<b>Tax (charge) credit Baht'000</b>	<b>After tax Baht'000</b>
Asset revaluation surplus	2,459	(182)	2,277	462,784	(92,557)	370,227
Change in tax rate used in deferred tax recognition	-	-	-	-	(9,063)	(9,063)
Change in fair value of available-for-sale investments	(12,988)	956	(12,032)	11,193	(835)	10,358
Actuarial gains on defined employee benefit plans	(29,122)	3,533	(25,589)	6,454	(2,400)	4,054
Cumulative currency differences on translation	170,894	3,646	174,540	9,838	(2,177)	7,661
<b>Total income tax charges to other comprehensive income</b>	<b>131,243</b>	<b>7,953</b>	<b>139,196</b>	<b>490,269</b>	<b>(107,032)</b>	<b>383,237</b>
	<b>Company</b>					
	<b>2015</b>			<b>2014</b>		
	<b>Before tax Baht'000</b>	<b>Tax (charge) credit Baht'000</b>	<b>After tax Baht'000</b>	<b>Before tax Baht'000</b>	<b>Tax (charge) credit Baht'000</b>	<b>After tax Baht'000</b>
Asset revaluation surplus	2,458	(181)	2,277	-	-	-
Change in fair value of available-for-sale investments	(12,891)	952	(11,938)	11,146	(824)	10,322
Actuarial gains on defined employee benefit plans	(19,767)	1,461	(18,307)	(2,642)	195	(2,447)
<b>Total income tax charges to other comprehensive income</b>	<b>(30,200)</b>	<b>2,232</b>	<b>(27,968)</b>	<b>8,504</b>	<b>(629)</b>	<b>7,875</b>



**34 Earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to owners of the parent by the weighted average number of paid-up ordinary shares in issue during the years.

	Consolidated		Company	
	2015	2014	2015	2014
Net profit attributable to owners of the parent (Baht'000)	1,118,035	1,037,762	337,746	1,441,643
Weighted average number of ordinary shares in issue (Shares'000)	1,280,000	1,280,000	1,280,000	1,280,000
Basic earnings per share (Baht per share)	0.87	0.81	0.26	1.13

There are no potential dilutive ordinary shares in issue during the years ended 31 December 2015 and 2014.

**35 Dividends**

At the Annual General Meeting of Shareholders held on 29 April 2015, it was resolved that dividend be paid to shareholders in respect of 2014 operating results at Baht 0.40 per share, totaling of Baht 512 million. The dividend was paid in May 2015 to the shareholders.

At the Annual General Meeting of Shareholders held on 29 April 2014, it was resolved that dividend be paid to shareholders in respect of 2013 operating results at Baht 0.65 per share, totaling of Baht 832 million. The dividend was paid in May 2014 to the shareholders.

**36 Related party transaction**

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Group's ultimate parent is Sri Trang Holdings Company Limited (incorporated in Thailand).

The following transactions were carried out with related companies:

**36.1 Revenue from sales and services and other incomes**

For the years ended 31 December	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
<b>Revenues from sales to:</b>				
Subsidiaries	-	-	3,161,655	2,828,148
An associate	28,254	30,940	-	-
A joint venture	3,116,608	3,605,049	1,062,007	1,066,311
	<u>3,144,862</u>	<u>3,635,989</u>	<u>4,223,662</u>	<u>3,894,459</u>
<b>Service income from:</b>				
Subsidiaries	-	-	28,078	57,113
Associates	19,037	19,387	1,075	896
A joint venture	289,858	261,940	23,507	14,628
	<u>308,895</u>	<u>281,327</u>	<u>52,660</u>	<u>72,637</u>
<b>Dividend income:</b>				
Subsidiaries	-	-	350,000	581,999
An associate	-	113,453	-	100,106
Joint ventures	-	411,011	-	323,710
	<u>-</u>	<u>524,464</u>	<u>350,000</u>	<u>1,005,815</u>
<b>Rental income:</b>				
Subsidiaries	-	-	923	851
A joint venture	12,042	12,102	648	708
	<u>12,042</u>	<u>12,102</u>	<u>1,571</u>	<u>1,559</u>
<b>Interest income:</b>				
Subsidiaries	-	-	37,686	30,889
An associate	-	2,564	-	2,564
	<u>-</u>	<u>2,564</u>	<u>37,686</u>	<u>33,453</u>

36 Related party transactions (Cont'd)

36.2 Purchases of goods and services

For the years ended 31 December	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
<b>Purchases of goods from:</b>				
Subsidiaries	-	-	1,444,779	1,920,614
An associate	60	74	-	-
Joint ventures	5,770,476	2,182,365	1,017,148	666,062
	<u>5,770,536</u>	<u>2,182,439</u>	<u>2,461,927</u>	<u>2,586,676</u>
<b>Service expenses from:</b>				
Subsidiaries	-	-	957,623	859,353
Associates	774	2,382	775	2,329
A Joint venture	536	87	42	-
	<u>1,310</u>	<u>2,469</u>	<u>958,440</u>	<u>861,682</u>
<b>Rental expense:</b>				
A subsidiary	-	-	1,229	1,229

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

As at 31 December	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
<b>Trade accounts receivable: (Note 9)</b>				
Subsidiaries	-	-	1,040,056	445,418
An associate	3,521	4,019	49	-
Joint ventures	90,781	96,248	882	13,726
	<u>94,302</u>	<u>100,267</u>	<u>1,040,987</u>	<u>459,144</u>
<b>Amounts due from futures broker:</b>				
An associate	<u>87,465</u>	<u>85,664</u>	<u>87,465</u>	<u>85,664</u>
<b>Other receivables:</b>				
Subsidiaries	-	-	21,139	15,917
Associates	607	895	12	629
Joint ventures	10,356	4,995	94	8
	<u>10,963</u>	<u>5,890</u>	<u>21,245</u>	<u>16,554</u>
<b>Trade accounts payable: (Note 21)</b>				
Subsidiaries	-	-	168,012	162,847
An associate	4	10	-	-
Joint ventures	399,593	218,275	94,324	115,729
	<u>399,597</u>	<u>218,285</u>	<u>262,336</u>	<u>278,576</u>

36 Related party transactions (Cont'd)

36.3 Outstanding balances arising from sales/purchases of goods/services and other incomes (Cont'd)

As at 31 December	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
<b>Other payables:</b>				
Subsidiaries	-	-	47,289	23,559
An associate	69	470	-	-
A Joint venture	4,328	20,830	8	28
	<u>4,397</u>	<u>21,300</u>	<u>47,297</u>	<u>23,587</u>

Trade accounts receivables from related parties arise mainly from sales transactions and are due approximately one month after the date of sales. The receivables are unsecured in nature and bear no interest. As at 31 December 2015, there is no allowance for impairment against receivables from related parties (2014: Nil).

Trade accounts payable to related parties arise mainly from purchase transactions and are due approximately one month after the date of purchase. The payables bear no interest.

36.4 Outstanding balances arising from long-term borrowings to subsidiaries

As at 31 December	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
<b>Accrued interest income:</b>				
Subsidiaries	-	-	13,180	12,078
<b>Long-term borrowings to:</b>				
Subsidiaries	-	-	1,625,605	992,656

Long-term borrowings to subsidiaries can be summarised as follows:

	Relationship	Company			
		Principle		Interest rates %	Borrowings periods
		USD million	(Equivalent) Baht million		
PT Sri Trang Lingga Indonesia	A subsidiary	5	181	3.33	5 years
PT Sri Trang Lingga Indonesia	A subsidiary	10	362	2.66	3 years
PT Sri Trang Lingga Indonesia	A subsidiary	15	539	2.65	2 years
PT Star Rubber	An indirect subsidiary	15	543	3.33	5 years

**36 Related party transactions (Cont'd)**

**36.4 Outstanding balances arising from long-term borrowings to subsidiaries (Cont'd)**

The movements in the balance of long-term borrowings to subsidiaries are as follows:

	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
At 1 January	-	65,356	992,656	1,053,928
Increase (Decrease)	-	(65,356)	540,000	(65,356)
Unrealised gains on exchange rate	-	-	92,949	4,084
Total	-	-	1,625,605	992,656

**36.5 Key management compensation**

Key management includes directors (executive and non-executive), executives and head of internal audit department. The compensation paid or payable to key management is as below:

For the years ended 31 December	Consolidated		Company	
	2015 Baht'000	2014 Baht'000	2015 Baht'000	2014 Baht'000
Salaries and other short-term employee benefits	248,897	263,671	51,789	55,878
Post-employment benefits	3,321	3,014	1,318	1,334
Total	252,218	266,685	53,107	57,212

**37 Financial instruments by category**

	Consolidated			
	31 December 2015			
	Loans and receivables Baht'000	Assets at fair value through the profit and loss Baht'000	Available-for-sale Baht'000	Total Baht'000
<b>Assets as per statement of financial position</b>				
Cash and cash equivalents	2,197,241	-	-	2,197,241
Derivative financial instruments	-	336,737	-	336,737
Trade accounts receivable, net	3,370,755	-	-	3,370,755
Amounts due from futures brokers	702,086	-	-	702,086
Fixed deposits pledged as collateral	33,464	-	-	33,464
Long-term investments	-	-	50,626	50,626
Total	6,303,546	336,737	50,626	6,690,909

**Sri Trang Agro-Industry Public Company Limited and its subsidiaries**  
**Notes to the consolidated and Company financial statements**  
**For the year ended 31 December 2015**

**37 Financial instruments by category (Cont'd)**

	<b>Consolidated</b>		
	<b>31 December 2015</b>		
	<b>Liabilities at fair value through the profit and loss Baht'000</b>	<b>Other financial liabilities Baht'000</b>	<b>Total Baht'000</b>
<b>Liabilities as per statement of financial position</b>			
Trade accounts payable	-	1,613,875	1,613,875
Short-term borrowings from financial institutions	-	13,446,230	13,446,230
Current portion of long-term borrowings	-	451,404	451,404
Current portion of debenture	-	850,000	850,000
Current portion of finance lease liabilities	-	25,045	25,045
Derivative financial instruments	271,563	-	271,563
Long-term borrowings from financial institutions	-	3,742,215	3,742,215
Debentures	-	600,000	600,000
Finance lease liabilities	-	10,904	10,904
<b>Total</b>	<b>271,563</b>	<b>20,739,673</b>	<b>21,011,236</b>

	<b>Consolidated</b>			
	<b>31 December 2014</b>			
	<b>Loans and receivables Baht'000</b>	<b>Assets at fair value through the profit and loss Baht'000</b>	<b>Available- for-sale Baht'000</b>	<b>Total Baht'000</b>
<b>Assets as per statement of financial position</b>				
Cash and cash equivalents	2,131,619	-	-	2,131,619
Derivative financial instruments	-	89,767	-	89,767
Trade accounts receivable, net	4,380,983	-	-	4,380,983
Amounts due from futures brokers	392,450	-	-	392,450
Fixed deposits pledged as collateral	34,586	-	-	34,586
Long-term investments	-	-	63,672	63,672
<b>Total</b>	<b>6,939,638</b>	<b>89,767</b>	<b>63,672</b>	<b>7,093,077</b>

	<b>Consolidated</b>		
	<b>31 December 2014</b>		
	<b>Liabilities at fair value through the profit and loss Baht'000</b>	<b>Other financial liabilities Baht'000</b>	<b>Total Baht'000</b>
<b>Liabilities as per statement of financial position</b>			
Trade accounts payable	-	1,490,547	1,490,547
Short-term borrowings from financial institutions	-	9,408,410	9,408,410
Current portion of long-term borrowings	-	140,264	140,264
Current portion of finance lease liabilities	-	30,046	30,046
Derivative financial instruments	212,827	-	212,827
Long-term borrowings from financial institutions	-	2,913,462	2,913,462
Debentures	-	1,450,000	1,450,000
Finance lease liabilities	-	33,311	33,311
<b>Total</b>	<b>212,827</b>	<b>15,466,040</b>	<b>15,678,867</b>

**Sri Trang Agro-Industry Public Company Limited and its subsidiaries**  
**Notes to the consolidated and Company financial statements**  
**For the year ended 31 December 2015**

**37 Financial instruments by category (Cont'd)**

	<b>Company</b>			
	<b>31 December 2015</b>			
	<b>Loans and receivables Baht'000</b>	<b>Assets at fair value through the profit and loss Baht'000</b>	<b>Available- for-sale Baht'000</b>	<b>Total Baht'000</b>
<b>Assets as per statement of financial position</b>				
Cash and cash equivalents	302,242	-	-	302,242
Derivative financial instruments	-	265,028	-	265,028
Trade accounts receivable, net	2,212,673	-	-	2,212,673
Amounts due from futures brokers	87,465	-	-	87,465
Current portion of long-term loan to subsidiaries	362,252	-	-	362,252
Long-term loans to subsidiaries	1,263,353	-	-	1,263,353
Fixed deposits pledged as collateral	13,824	-	-	13,824
Long-term investments	-	-	49,718	49,718
<b>Total</b>	<b>4,241,809</b>	<b>265,028</b>	<b>49,718</b>	<b>4,556,555</b>

	<b>Company</b>		
	<b>31 December 2015</b>		
	<b>Liabilities at fair value through the profit and loss Baht'000</b>	<b>Other financial liabilities Baht'000</b>	<b>Total Baht'000</b>
<b>Liabilities as per statement of financial position</b>			
Trade accounts payable	-	887,410	887,410
Short-term borrowings from financial institutions	-	7,733,771	7,733,771
Current portion of long-term borrowings from financial institutions	-	200,000	200,000
Current portion of debenture	-	850,000	850,000
Current portion of finance lease liabilities	-	3,866	3,866
Derivative financial instruments	196,212	-	196,212
Long-term borrowings from financial institutions	-	3,740,157	3,740,157
Debentures	-	600,000	600,000
Finance lease liabilities	-	4,281	4,281
<b>Total</b>	<b>196,212</b>	<b>14,019,485</b>	<b>14,215,697</b>

**Sri Trang Agro-Industry Public Company Limited and its subsidiaries**  
**Notes to the consolidated and Company financial statements**  
**For the year ended 31 December 2015**

**37 Financial instruments by category (Cont'd)**

	<b>Company</b>			
	<b>31 December 2014</b>			
	<b>Loans and receivables Baht'000</b>	<b>Assets at fair value through the profit and loss Baht'000</b>	<b>Available- for-sale Baht'000</b>	<b>Total Baht'000</b>
<b>Assets as per statement of financial position</b>				
Cash and cash equivalents	351,506	-	-	351,506
Derivative financial instruments	-	33,731	-	33,731
Trade accounts receivable, net	2,121,894	-	-	2,121,894
Amounts due from futures brokers	85,664	-	-	85,664
Long-term borrowing to subsidiaries	992,656	-	-	992,656
Fixed deposits pledged as collateral	13,623	-	-	13,623
Long-term investments	-	-	62,666	62,666
<b>Total</b>	<b>3,565,343</b>	<b>33,731</b>	<b>62,666</b>	<b>3,661,740</b>

	<b>Company</b>		
	<b>31 December 2014</b>		
	<b>Liabilities at fair value through the profit and loss Baht'000</b>	<b>Other financial liabilities Baht'000</b>	<b>Total Baht'000</b>
<b>Liabilities as per statement of financial position</b>			
Trade accounts payable	-	979,828	979,828
Short-term loans from financial institutions	-	4,261,484	4,261,484
Current portion of long-term loans from financial institutions	-	50,000	50,000
Current portion of finance lease liabilities	-	3,585	3,585
Derivative financial instruments	155,820	-	155,820
Long-term loans from financial institutions	-	2,910,000	2,910,000
Debentures	-	1,450,000	1,450,000
Finance lease liabilities	-	3,980	3,980
<b>Total</b>	<b>155,820</b>	<b>9,658,877</b>	<b>9,814,697</b>



**38 Credit quality of financial assets**

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if any) or to historical information about counterparty default rates:

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Deposits held at call with banks</b>				
Aa1	116,465	44,588	-	-
Aa2	244,157	32,355	458	-
Aa3	22,551	166,998	-	-
A1	125,841	252,415	201	68,189
A3	-	318,412	-	100,158
Baa1	526,471	540,275	241,871	151,227
Baa2	63,738	24,006	41,574	16,693
Baa3	994,408	701,762	9,723	10,512
No rating	75,350	30,497	-	-
Total deposits held at call with banks	<u>2,168,981</u>	<u>2,111,308</u>	<u>293,827</u>	<u>346,779</u>
<b>Trade accounts receivable</b>				
Counterparties without external credit rating				
Group 1	120,800	1,945,488	54,177	1,667,626
Group 2	3,071,276	2,147,155	1,118,440	454,268
Group 3	178,679	288,340	-	-
Total unimpaired trade accounts receivable	<u>3,370,755</u>	<u>4,380,983</u>	<u>1,172,617</u>	<u>2,121,894</u>
<b>Derivative financial instruments</b>				
Counterparties with external credit rating				
Aa2	-	3,917	-	-
A3	-	3,305	-	-
Baa1	615	-	615	-
Counterparties without external credit rating				
Group 2	336,122	82,545	264,413	33,731
Total derivative financial instruments	<u>336,737</u>	<u>89,767</u>	<u>265,028</u>	<u>33,731</u>

**38 Credit quality of financial assets (Cont'd)**

	<b>Consolidated</b>		<b>Company</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
<b>Fixed deposits pledged as collateral</b>				
Aa2	-	2,406	-	-
Baa1	22,637	32,180	13,824	13,623
Baa2	10,827	-	-	-
Total fixed deposits pledged as collateral	<u>33,464</u>	<u>34,586</u>	<u>13,824</u>	<u>13,623</u>

- Group 1 New other customers/related parties (less than 6 months)  
Group 2 Existing customers/ related parties (more than 6 months) with no defaults in the past  
Group 3 Existing customers/ related parties (more than 6 months) with some defaults in the past that were fully recovered

Maintenance margins are held with high quality counterparties with no history of default. None of the financial assets that are fully performing has been renegotiated during the financial year.

**39 Promotional privileges**

By virtue of the provisions of Industrial Investment Promotion Act. B.E. 2520, the Group and the Company were granted certain privileges on their manufactures of concentrated latex, STR block rubber and Skim Crepe, which included among others, as follows:

- Exemption from payment of import duty on imported machinery and equipment as approved by BOI committee
- Exemption from payment of income tax for the period of eight years starting from the commencement date of the promoted business, and 50 percent reduced from the normal income tax rate for the next five years after the period of eight years is expired

As a promoted industry, the Group and the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

Sales classified as promoted and non-promoted business for the years ended 31 December 2015 and 2014 of the Group are summarised as follows:

	<b>2015</b>			<b>2014</b>		
	<b>Promoted business</b>	<b>Non-promoted business</b>	<b>Total</b>	<b>Promoted business</b>	<b>Non-promoted business</b>	<b>Total</b>
	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>	<b>Baht'000</b>
Export sales and service income, net	17,051,800	43,808,564	60,860,364	30,576,770	41,399,599	71,976,369
Domestic sales and service income, net	<u>3,976,167</u>	<u>10,230,657</u>	<u>14,206,824</u>	<u>6,819,914</u>	<u>10,634,257</u>	<u>17,454,171</u>
Total	<u>21,027,967</u>	<u>54,039,221</u>	<u>75,067,188</u>	<u>37,396,684</u>	<u>52,033,856</u>	<u>89,430,540</u>
Intersegmental balances			<u>(13,775,406)</u>			<u>(13,900,665)</u>
Total			<u>61,291,782</u>			<u>75,529,875</u>

**40 Contingent liabilities and commitments**

**40.1 Sales and purchases commitments**

The Group and the Company are committed to certain sales and purchases. 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:

	<u>Consolidated</u>	<u>Company</u>
	<b>2015</b>	<b>2015</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Purchases from:		
A joint venture	1,026,721	-
Third parties	2,864,244	-
	<u>3,890,965</u>	<u>-</u>
Sales to:		
A joint venture	245,715	-
Third parties	11,107,147	4,475,644
	<u>11,352,862</u>	<u>4,475,644</u>

**40.2 Capital commitments**

The Group and the Company has capital commitments as follows:

	<u>Consolidated</u>	<u>Company</u>
	<b>2015</b>	<b>2015</b>
	<b>Baht'000</b>	<b>Baht'000</b>
Capital commitments - purchase of fixed assets	<u>703,620</u>	<u>142,338</u>

**40 Contingent liabilities and commitments (Cont'd)**

**40.3 Commitments to guarantee borrowings**

40.3.1 The Group and the Company have commitments to guarantee the borrowings as follows:

	<b>Relationships</b>	<b>Currencies</b>	<b>31 December 2015</b>	
			<b>Amount</b>	<b>(Equivalent) Baht Million</b>
Sri Trang USA, Inc.	An overseas subsidiary	USD Million	27	976
PT Sri Trang Lingga Indonesia	An overseas subsidiary	Rupiah Billion	398	1,045
PT Star Rubber	An overseas subsidiary	USD Million Rupiah Billion	8 145	290 381

40.3.2 The Group has contingent liabilities for bank guarantees issued in favor of government agency totaling Baht 77 million and has pledged its fixed deposits of Baht 15 million as collateral for these bank guarantees.

**40.4 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 and the Company are as follows:

	<b>Consolidated</b>	<b>Company</b>
	<b>2015 Baht 000</b>	<b>2015 Baht '000</b>
Not later than 1 year	133,948	70,476
Later than 1 year but not later than 5 years	181,666	101,338
Later than 5 years	815	-
<b>Total</b>	<b>316,429</b>	<b>171,814</b>

#### **41 Commercial dispute relating to the Joint Venture Agreement**

On 5 September 2014, Semperit Technische Produkte Gesellschaft m.b.H. (“Semperit”) filed two requests for arbitration proceedings in Switzerland to the ICC International Court of Arbitration, alleging that (a) the Company; (b) Rubberland Products Co., Ltd. (“Rubberland”) (a subsidiary); and (c) other shareholders of Siam Sempermed Corp., Ltd. (“SSC”) (a joint venture company) had breached the Joint Venture Agreement and other related agreements. Semperit claimed initial damages of approximately EUR 35 million (equivalent to approximately Baht 1,393 million) and requested the arbitral tribunals to issue orders demanding that the Company and Rubberland (and other shareholders of SSC) undertake or refrain from undertaking certain acts with respect to SSC. Afterwards, Semperit submitted full statements of claims on 8 May 2015 and 8 July 2015.

The Company and Rubberland, among others, entered into the Joint Venture Agreement and other related agreements and have complied with the agreements since their execution. The dispute arose because, among others, the parties to the Joint Venture Agreement did not agree on the business plan of SSC in order to maintain and enhance its business competitiveness. In this regard, the Company and Semperit had entered into several negotiations in order to solve the conflicts among the parties for the maximum benefit of SSC but these efforts had proved to be unsuccessful results.

According to the legal advisor of the Company, the management of the Company believes that the Company is not obligated to pay the initial damages of approximately EUR 35 million as stated in the requests for arbitration proceedings submitted by Semperit because the Company and Rubberland did not breach any provisions of the Joint Venture Agreement and other related agreements with Semperit. Therefore, the management of the Company believes that the outcome of these disputes should not have any material impact upon the operation or the financial position of the Company and its subsidiaries.

In addition to the requests for arbitration proceedings against the Company and Rubberland as the parties to the Joint Venture Agreement, Semperit filed another request for arbitration against SSC. Semperit alleged that SSC had breached the Joint Venture Agreement and other commercial agreements entered into between SSC and Semperit. Semperit claimed initial damages of approximately EUR 3 million (equivalent to approximately Baht 119 million). Semperit submitted a full statement of claims on 8 June 2015.

According to the legal advisor of the Company, the management of the Company believes that there are reasonable grounds on which SSC can resist Semperit’s claims for damages in the Arbitration. Therefore, the management of the Company believes that the result of the dispute should not have any material impact upon the operation or the financial position of the Company and SSC.

Both the Company and SSC already filed the statements of defense. The disputes are under consideration of the arbitral tribunals.

In order to be conservative, the management of the Company has set aside accrued expenses in the financial statements with respect to defending the disputes in the arbitral proceedings.