

Sri Trang Agro-Industry Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended 31 March 2020

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying consolidated statement of financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries as at 31 March 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Sri Trang Agro-Industry Public Company Limited for the same period (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Emphasis of matter

I draw attention to Note 1.2 to the interim consolidated financial statements regarding the accounting purpose, the amalgamation was considered to be a subsidiary restructuring under common control. Thus, the consolidated financial statements were restated to reflect the substance as if the amalgamation was carried out on 16 August 2018, even though the legal form of the subsidiary was formed by the amalgamation on 1 April 2019. My conclusion is not qualified in respect of this matter.

Other Matter

Due to the impact of COVID-19 outbreak situation, the Company has postponed the annual general meeting of the Company's shareholders which results in no resolution for the appointment of the auditor of the Company for the accounting period of 2020 yet. However, the Board of Director of the Company has a resolution to propose to the annual general meeting of the Company's shareholders to appoint me as the auditor of the Company for the accounting period of 2020. I therefore have conducted my review on the interim financial information for first quarter of 2020 which is in compliance with the notification of the Capital Market Supervisory Board (CMSB) No. TorChor. 28/2563 dated 27 March 2020.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 14 May 2020

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		3,066,181,564	2,381,822,723	253,590,499	190,156,195
Trade and other receivables	4	6,182,575,515	4,978,433,863	3,345,401,921	2,592,916,467
Amounts due from futures brokers		701,196,755	729,665,751	30,445,317	30,384,003
Inventories	5	13,477,692,823	13,493,550,977	6,798,532,050	7,221,648,620
Current portion of long-term loans to subsidiaries	3	-	-	1,560,600,000	839,347,600
Derivative financial instruments	1.4	-	62,616,087	-	27,014,973
Other current financial assets	1.4, 6	179,297,975	-	123,463,468	-
Other current assets	7	1,046,510,826	896,717,549	54,084,321	26,096,713
Total current assets		24,653,455,458	22,542,806,950	12,166,117,576	10,927,564,571
Non-current assets					
Fixed deposits pledged as collateral	1.4	-	701,500	-	-
Long-term loans to subsidiaries, net of current portion	3	-	-	-	599,534,000
Other non-current financial assets	1.4, 6	94,551,083	-	93,725,092	-
Investments in subsidiaries	8	-	-	18,728,335,673	18,673,335,673
Investments in associates	9	523,683,488	499,600,353	157,568,800	157,568,800
Investment in a joint venture	10	471,807,558	396,391,528	134,716,526	134,716,526
Long-term investments	1.4	-	109,898,445	-	109,726,337
Investment properties		199,903,861	190,331,553	75,663,125	75,663,125
Property, plant and equipment	11	27,410,842,472	27,801,517,575	8,377,294,779	8,530,038,383
Right-of-use assets	1.4, 12	340,615,823	-	155,408,126	-
Rubber and palm plantations	13	2,275,465,456	2,246,720,190	12,958,744	13,025,646
Intangible assets	14	418,853,827	385,901,094	387,881,467	356,550,652
Goodwill		3,174,667,132	3,174,667,132	-	-
Withholding tax deducted at source		652,109,555	660,045,134	462,202,209	462,202,209
Deferred tax assets		332,107,591	284,240,626	-	-
Other non-current assets		39,475,958	38,044,369	11,705,468	11,918,138
Total non-current assets		35,934,083,804	35,788,059,499	28,597,460,009	29,124,279,489
Total assets		60,587,539,262	58,330,866,449	40,763,577,585	40,051,844,060

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	15	2,915,145,030	2,528,644,697	1,026,026,315	987,831,101
Short-term borrowings from financial institutions	16	17,341,624,617	16,948,937,304	13,462,928,000	13,502,988,000
Current portions of:					
- Long-term borrowings from financial institutions	16	3,461,379,734	2,621,766,985	2,425,830,400	1,674,276,400
- Finance lease liabilities	1.4, 2.2, 16	-	20,727,960	-	3,496,674
- Lease liabilities	1.4, 16	122,396,554	-	65,112,603	-
Short-term loan from a subsidiary	3	-	-	160,000,000	160,000,000
Income tax payable		228,498,729	152,301,474	-	-
Derivative financial instruments	1.4	-	143,244,779	-	70,355,004
Other current financial liabilities	1.4, 6	368,030,612	-	157,327,411	-
Other current liabilities		62,912,192	56,775,301	15,698,506	16,421,118
Total current liabilities		24,499,987,468	22,472,398,500	17,312,923,235	16,415,368,297
Non-current liabilities					
Non-current portions of:					
- Long-term borrowings from financial institutions	16	6,723,610,809	7,873,898,511	1,196,350,000	2,027,976,000
- Debentures	16	1,455,000,000	1,455,000,000	1,455,000,000	1,455,000,000
- Finance lease liabilities	1.4, 2.2, 16	-	16,320,705	-	3,190,780
- Lease liabilities	1.4, 16	193,232,680	-	87,798,723	-
Deferred tax liabilities		650,678,031	606,693,364	103,994,851	50,877,308
Provision for retirement benefit obligations		392,461,275	384,950,854	129,361,085	126,247,714
Other non-current liabilities		33,230,239	33,218,344	-	-
Total non-current liabilities		9,448,213,034	10,370,081,778	2,972,504,659	3,663,291,802
Total liabilities		33,948,200,502	32,842,480,278	20,285,427,894	20,078,660,099

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	31 March 2020	31 December 2019	31 March 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
1,535,999,998 ordinary shares of Baht 1 each		<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>
Issued and fully paid-up					
1,535,999,998 ordinary shares of Baht 1 each		1,535,999,998	1,535,999,998	1,535,999,998	1,535,999,998
Premium on ordinary shares		10,851,951,634	10,851,951,634	10,851,951,634	10,851,951,634
Surplus from the change in the ownership interests in subsidiaries					
		288,463,490	288,463,490	-	-
Retained earnings					
Appropriated - statutory reserve		153,600,000	153,600,000	153,600,000	153,600,000
Unappropriated		9,323,098,637	8,413,145,159	5,962,531,103	5,429,641,988
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax		3,931,692,705	3,964,398,998	1,979,228,772	1,994,351,161
Surplus (deficit) on changes in fair value through other comprehensive income of investments in equity - net of income tax					
	1.4	(5,294,307)	7,544,783	(5,161,816)	7,639,180
Cash flow hedge reserve - net of income tax	1.4, 2.1	(24,778,488)	-	-	-
Exchange differences on translation of financial statements in foreign currency					
		<u>(858,371,750)</u>	<u>(1,096,075,583)</u>	<u>-</u>	<u>-</u>
Equity attributable to owners of the Company		25,196,361,919	24,119,028,479	20,478,149,691	19,973,183,961
Non-controlling interests of the subsidiaries		<u>1,442,976,841</u>	<u>1,369,357,692</u>	<u>-</u>	<u>-</u>
Total shareholders' equity		<u>26,639,338,760</u>	<u>25,488,386,171</u>	<u>20,478,149,691</u>	<u>19,973,183,961</u>
Total liabilities and shareholders' equity		<u>60,587,539,262</u>	<u>58,330,866,449</u>	<u>40,763,577,585</u>	<u>40,051,844,060</u>
		-	-	-	-

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

Directors

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2020

					(Unit: Baht)			
	Note	Consolidated financial statements			Separate financial statements			
		2020	2019		2020	2019		
			(Restated)					
Profit or loss:								
Revenues from sales of goods and services		17,481,081,424	14,870,730,956		9,720,682,274	8,133,316,818		
Cost of sales and services		(15,015,439,056)	(13,817,863,917)		(8,464,051,017)	(7,689,093,063)		
Gross profit		2,465,642,368	1,052,867,039		1,256,631,257	444,223,755		
Other income		29,246,179	29,160,602		19,820,549	33,896,952		
Dividend income		702,078	17,930		702,078	17,930		
Selling and distribution expenses		(887,033,526)	(786,307,672)		(585,403,901)	(561,930,456)		
Administrative expenses		(370,630,343)	(378,574,511)		(143,928,709)	(144,163,152)		
Gain (loss) on exchange rates		(37,019,146)	131,727,620		72,247,606	52,957,985		
Other gain (loss)		(92,330,417)	(482,685,121)		53,370,790	(275,076,932)		
Profit (loss) from operating activities		1,108,577,193	(433,794,113)		673,439,670	(450,073,918)		
Share of profit from investments in associates and a joint venture		99,499,165	37,192,531		-	-		
Finance income		4,243,836	11,874,651		18,313,154	24,230,842		
Finance cost		(204,696,158)	(239,586,447)		(117,668,305)	(121,917,993)		
Profit (loss) before income tax		1,007,624,036	(624,313,378)		574,084,519	(547,761,069)		
Income tax	17	(80,489,381)	10,464,421		(56,317,793)	8,765,755		
Profit (loss) for the period		<u>927,134,655</u>	<u>(613,848,957)</u>		<u>517,766,726</u>	<u>(538,995,314)</u>		
Other comprehensive income:								
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>								
Exchange differences on translation of financial statements in foreign currency		238,722,923	(74,521,960)		-	-		
Gain on change in value of available-for-sale investments - net of income tax	1.4	-	323,093		-	326,392		
Loss on cash flow hedge - net of income tax	1.4	(2,055,134)	-		-	-		
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>236,667,789</u>	<u>(74,198,867)</u>		-	326,392		
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>								
Actuarial loss - net of income tax		(10,765)	-		-	-		
Loss on investments in equity designated at fair value through other comprehensive income - net of income tax	1.4	(12,839,090)	-		(12,800,996)	-		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(12,849,855)</u>	-		<u>(12,800,996)</u>	-		
Other comprehensive income for the period		<u>223,817,934</u>	<u>(74,198,867)</u>		<u>(12,800,996)</u>	<u>326,392</u>		
Total comprehensive income for the period		<u>1,150,952,589</u>	<u>(688,047,824)</u>		<u>504,965,730</u>	<u>(538,668,922)</u>		

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries**Statement of comprehensive income (continued)****For the three-month period ended 31 March 2020**

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			(Restated)		
Profit (loss) attributable to:					
Owners of the Company		854,145,782	(627,679,265)	<u>517,766,726</u>	<u>(538,995,314)</u>
Non-controlling interests of the subsidiaries		72,988,873	9,498,911		
Former interests before restructuring of the subsidiary		<u>-</u>	<u>4,331,397</u>		
		<u>927,134,655</u>	<u>(613,848,957)</u>		
Total comprehensive income attributable to:					
Owners of the Company		1,077,333,440	(700,932,426)	<u>504,965,730</u>	<u>(538,668,922)</u>
Non-controlling interests of the subsidiaries		73,619,149	8,553,205		
Former interests before restructuring of the subsidiary		<u>-</u>	<u>4,331,397</u>		
		<u>1,150,952,589</u>	<u>(688,047,824)</u>		
Earnings per share	18				
Basic earnings per share					
Profit (loss) attributable to owners of the Company		<u>0.56</u>	<u>(0.41)</u>	<u>0.34</u>	<u>(0.35)</u>

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

(Unaudited but reviewed)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2020

(Unit: Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
Other components of shareholders' equity														
Other comprehensive income														
Surplus (deficit) on changes in fair value														
Surplus (deficit) from														
through other														
Exchange														
differences on														
Total other														
Total equity														
Equity attributable														
Former interests														
Total														
Issued and	Premium	the change in	Retained earnings	Surplus on	comprehensive	Cash flow	differences on	Total other	Total equity	Equity attributable	Former interests	Total		
paid-up	on ordinary	the ownership	Appropriated	revaluation of	income of	hedge reserve	translation of	components	attributable to	to non-controlling	before restructuring	Total		
share capital	shares	interests in	- statutory	assets - net	investments in equity	- net of	financial statements	of shareholders'	owners of	interests of the	of the subsidiary	shareholders'		
		subsidiaries	reserve	Unappropriated	of income tax	- net of income tax	income tax	in foreign currency	equity	the Company	subsidiaries	equity		
Balance as at 1 January 2019 - as previously reported	1,535,999,998	10,851,951,634	(173,134,488)	153,600,000	9,019,096,813	4,102,659,313	11,224,468	-	(796,207,126)	3,317,676,655	24,705,190,612	394,583,851	-	25,099,774,463
Effect of restructuring of the subsidiary	-	-	-	-	-	-	-	-	-	-	-	1,311,504,955	-	1,311,504,955
Balance as at 1 January 2019 - as restated	1,535,999,998	10,851,951,634	(173,134,488)	153,600,000	9,019,096,813	4,102,659,313	11,224,468	-	(796,207,126)	3,317,676,655	24,705,190,612	394,583,851	1,311,504,955	26,411,279,418
Profit (loss) for the period - as restated (Note 1.2)	-	-	-	-	(627,679,265)	-	-	-	-	(627,679,265)	9,498,911	4,331,397	-	(613,848,957)
Other comprehensive income for the period	-	-	-	-	-	-	323,093	-	(73,576,254)	(73,253,161)	(73,253,161)	(945,706)	-	(74,198,867)
Total comprehensive income for the period	-	-	-	-	(627,679,265)	-	323,093	-	(73,576,254)	(73,253,161)	(700,932,426)	8,553,205	4,331,397	(688,047,824)
Amortisation on asset revaluation	-	-	-	-	34,804,457	(34,804,457)	-	-	-	(34,804,457)	-	-	-	-
Balance as at 31 March 2019	1,535,999,998	10,851,951,634	(173,134,488)	153,600,000	8,426,222,005	4,067,854,856	11,547,561	-	(869,783,380)	3,209,619,037	24,004,258,186	403,137,056	1,315,836,352	25,723,231,594
Balance as at 1 January 2020 - as previously reported	1,535,999,998	10,851,951,634	288,463,490	153,600,000	8,413,145,159	3,964,398,998	7,544,783	-	(1,096,075,583)	2,875,868,198	24,119,028,479	1,369,357,692	-	25,488,386,171
Cumulative effect of change in accounting policy (Note 2.1)	-	-	-	-	23,112,168	-	-	(23,112,168)	-	(23,112,168)	-	-	-	-
Balance as at 1 January 2020 - as restated	1,535,999,998	10,851,951,634	288,463,490	153,600,000	8,436,257,327	3,964,398,998	7,544,783	(23,112,168)	(1,096,075,583)	2,852,756,030	24,119,028,479	1,369,357,692	-	25,488,386,171
Profit for the period	-	-	-	-	854,145,782	-	-	-	-	-	854,145,782	72,988,873	-	927,134,655
Other comprehensive income for the period	-	-	-	-	(10,765)	-	(12,839,090)	(1,666,320)	237,703,833	223,198,423	223,187,658	630,276	-	223,817,934
Total comprehensive income for the period	-	-	-	-	854,135,017	-	(12,839,090)	(1,666,320)	237,703,833	223,198,423	1,077,333,440	73,619,149	-	1,150,952,589
Amortisation on asset revaluation	-	-	-	-	32,706,293	(32,706,293)	-	-	-	(32,706,293)	-	-	-	-
Balance as at 31 March 2020	1,535,999,998	10,851,951,634	288,463,490	153,600,000	9,323,098,637	3,931,692,705	(5,294,307)	(24,778,488)	(858,371,750)	3,043,248,160	25,196,361,919	1,442,976,841	-	26,639,338,760
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

(Unaudited but reviewed)

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2020

(Unit: Baht)

	Separate financial statements							
					Other components of shareholders' equity			
					Other comprehensive income			
					Surplus (deficit) on changes in fair value through other			
	Issued and paid-up share capital	Premium on ordinary shares	Appropriated - statutory reserve	Retained earnings Unappropriated	Surplus on revaluation of assets - net of income tax	comprehensive income of investments in equity - net of income tax	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2019	1,535,999,998	10,851,951,634	153,600,000	6,092,271,684	2,057,910,140	11,204,070	2,069,114,210	20,702,937,526
Loss for the period	-	-	-	(538,995,314)	-	-	-	(538,995,314)
Other comprehensive income for the period	-	-	-	-	-	326,392	326,392	326,392
Total comprehensive income for the period	-	-	-	(538,995,314)	-	326,392	326,392	(538,668,922)
Amortisation on asset revaluation	-	-	-	16,535,029	(16,535,029)	-	(16,535,029)	-
Balance as at 31 March 2019	1,535,999,998	10,851,951,634	153,600,000	5,569,811,399	2,041,375,111	11,530,462	2,052,905,573	20,164,268,604
Balance as at 1 January 2020	1,535,999,998	10,851,951,634	153,600,000	5,429,641,988	1,994,351,161	7,639,180	2,001,990,341	19,973,183,961
Profit for the period	-	-	-	517,766,726	-	-	-	517,766,726
Other comprehensive income for the period	-	-	-	-	-	(12,800,996)	(12,800,996)	(12,800,996)
Total comprehensive income for the period	-	-	-	517,766,726	-	(12,800,996)	(12,800,996)	504,965,730
Amortisation on asset revaluation	-	-	-	15,122,389	(15,122,389)	-	(15,122,389)	-
Balance as at 31 March 2020	1,535,999,998	10,851,951,634	153,600,000	5,962,531,103	1,979,228,772	(5,161,816)	1,974,066,956	20,478,149,691

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2020**

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit (loss) before income tax	1,007,624,036	(624,313,378)	574,084,519	(547,761,069)
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange rates	55,415,657	(73,147,750)	(26,355,835)	(12,885,766)
Unrealised loss (gain) on revaluation of derivative financial instruments	98,408,755	160,708,904	(9,476,088)	71,377,649
Allowance for expected credit losses/doubtful debts (reversal)	3,387,782	(90,000)	-	-
Reduction of inventory cost to net realisable value (reversal)	168,648,553	(110,702,738)	68,570,381	(78,453,151)
Expenses for retirement benefit obligations	7,510,421	14,336,523	3,113,371	4,545,973
Depreciation	641,891,784	599,401,489	219,089,692	207,629,228
Amortisation - rubber and palm plantations	1,687,508	1,457,151	97,186	106,002
Amortisation - intangible assets	18,903,487	17,962,860	16,589,332	14,455,565
Finance income	(4,243,836)	(11,874,651)	(18,313,154)	(24,230,842)
Finance cost	204,696,158	239,586,447	117,668,305	121,917,993
Dividend income	(702,078)	(17,930)	(702,078)	(17,930)
Share of profit from investments in associates and a joint venture	(99,499,165)	(37,192,531)	-	-
Loss on disposal and write-off of machinery, equipment, rubber and palm plantations and intangible assets	14,485,322	2,339,560	10,259,900	2,106,395
Loss on change in fair value of investment properties	-	1,870,257	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	2,118,214,384	180,324,213	954,625,531	(241,209,953)
Operating assets (increase) decrease				
Trade and other receivables	(1,118,885,906)	38,396,888	(725,295,696)	472,262,989
Amounts due from future brokers	28,468,996	(14,682,417)	(61,314)	562,565
Inventories	(152,790,399)	78,053,258	354,546,189	367,556,075
Other current assets	(114,384,190)	85,786,421	(11,204,235)	21,064,683
Other non-current assets	(1,431,589)	7,137,764	212,670	3,875,224
Operating liabilities increase (decrease)				
Trade and other payables	353,443,827	(183,902,022)	24,904,449	(449,378,083)
Other current liabilities	6,136,891	15,376,072	(722,612)	(2,184,238)
Provision for retirement benefit obligations	-	(302,600)	-	(176,600)
Other non-current liabilities	11,895	-	-	-
Cash flows provided by operating activities	1,118,783,909	206,187,577	597,004,982	172,372,662
Cash received for interest income	4,718,643	10,117,406	18,481,184	20,180,526
Cash paid for interest income	(217,860,185)	(222,592,906)	(107,169,055)	(103,608,025)
Cash paid for income tax	(34,549,837)	(34,673,039)	(16,783,374)	(15,978,688)
Net cash flows provided by (used in) operating activities	871,092,530	(40,960,962)	491,533,737	72,966,475

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries**Cash flow statement (continued)****For the three-month period ended 31 March 2020**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
		(Restated)		
Cash flows from investing activities				
Decrease in fixed deposits pledged as collateral	-	1,441,858	-	-
Dividends received	702,078	17,930	702,078	17,930
Cash received from repayment of long-term loan to a subsidiary	-	-	-	710,265,600
Cash paid for investment in a subsidiary	-	-	(55,000,000)	(50,000,000)
Cash received from disposal of property, plant and equipment, rubber and palm plantations and intangible assets	5,893,550	7,579,713	1,250,681	250,869
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets	(490,591,243)	(1,038,226,177)	(116,318,350)	(106,634,168)
Net cash flows provided by (used in) investing activities	<u>(483,995,615)</u>	<u>(1,029,186,676)</u>	<u>(169,365,591)</u>	<u>553,900,231</u>
Cash flows from financing activities				
Increase (decrease) short-term borrowings from financial institutions	436,199,659	50,613,832	(40,060,000)	77,116,000
Proceeds from long-term borrowings	-	750,000,000	-	-
Repayments of long-term borrowings	(431,000,000)	(884,525,600)	(200,000,000)	(792,525,600)
Repayments of lease liabilities	(37,864,616)	(5,089,890)	(18,673,005)	(952,454)
Dividend paid	(837)	-	(837)	-
Net cash flows used in financing activities	<u>(32,665,794)</u>	<u>(89,001,658)</u>	<u>(258,733,842)</u>	<u>(716,362,054)</u>
Increase (decrease) in translation adjustments	<u>329,927,720</u>	<u>(76,907,668)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	<u>684,358,841</u>	<u>(1,236,056,964)</u>	<u>63,434,304</u>	<u>(89,495,348)</u>
Cash and cash equivalents at beginning of the period	<u>2,381,822,723</u>	<u>4,259,163,167</u>	<u>190,156,195</u>	<u>381,814,522</u>
Cash and cash equivalents at end of the period	<u><u>3,066,181,564</u></u>	<u><u>3,023,106,203</u></u>	<u><u>253,590,499</u></u>	<u><u>292,319,174</u></u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	-	105,451,501	-	-
Increase in retention	-	11,600,358	-	-
Purchases of assets by entering into lease agreements	9,233,959	5,959,346	6,281,303	-

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2020

1. General information

1.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

1.2 The restructuring of the subsidiary

As described in the 2019 annual financial statements.

On 1 April 2019, Sri Trang Gloves (Thailand) Public Company Limited ("STGT") was a subsidiary and public company established as the result of the amalgamation between companies as follows.

1) Sri Trang Gloves (Thailand) Company Limited ("Sri Trang Gloves")

2) Thaikong Public Company Limited ("TK")

For the accounting purpose, the Group adopted Thai Accounting Guidance for business combination under common control. The consolidated financial statements were restated to reflect the substance as if Dr. Viyavood had invested in TK by applying purchase method, and the amalgamation of TK and Sri Trang Gloves was carried out on 16 August 2018.

The Group recorded the effect of the restructuring of STGT of Baht 461 million under the caption of "Surplus from the change in the ownership interests in subsidiaries" in the shareholder's equity of the consolidated financial statements for the year ended 31 December 2019.

The consolidated statements of comprehensive income and the related consolidated statements of cash flows for the three-month period ended 31 March 2019 were adjusted to reflect the above transactions. The amounts of the adjustments affecting the restated consolidated financial statements are summarised below:

(Unit: Thousand Baht)			
For the three-month period ended 31 March 2019			
	Effect from the amalgamation	Effect from elimination of transactions in the consolidated financial statements	Total adjustments affecting the restated consolidated financial statements increase (decrease)
Consolidated statement of comprehensive income			
Revenues from sales of goods	363,602	(740,840)	(377,238)
Gross profit	42,951	-	42,951
Income tax	729	-	729
Profit for the period	4,331	-	4,331
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	4,331	-	4,331
Profit attributable to:			
Former interests before restructuring of the subsidiary	4,331	-	4,331
Total comprehensive income attributable to:			
Former interests before restructuring of the subsidiary	4,331	-	4,331

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the three-month period ended 31 March 2019		
	Effect from the amalgamation	Effect from elimination of transactions in the consolidated financial statements	Total adjustments affecting the restated consolidated financial statements increase (decrease)
Consolidated statement of cash flows			
Net cash flows provided by operating activities	104,822	-	104,822
Net cash flows used in investing activities	(402,923)	-	(402,923)
Net cash flows provided by financing activities	404,227	-	404,227
Net increase in cash and cash equivalents	106,126	-	106,126

Moreover, there were transactions of the restructuring of shareholding within the Group, which changed proportion of shareholding. The effect of the change amounting to approximately Baht 0.4 million, was under the caption of “Surplus from the change in the ownership interests in subsidiaries”.

1.3 Basis of consolidation

These interim consolidated financial statements include the financial statements of Sri Trang Agro-Industry Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019, with no significant changes in structure related to subsidiaries occurring during the current period.

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

1.4 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards does not have significant impact on the Group's financial statements resulted from the following items.

- Recognition of credit losses
- Recognition of derivatives - The Group already measured at their fair value.
- The Group measures investments in equity instruments of a non-listed company and classifies the investments as financial assets at fair value, through profit or loss.
- The Group changes the presentation of financial assets and liabilities in the financial statements.

The Group applies hedge accounting for certain derivatives during the current period. (Note 2.1 to the interim financial statements).

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

Cumulative effects of the initial adoption of new financial reporting standards are disclosed in Note 2.2 to the interim financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019, except the initial adoption of new financial reporting standards disclosed in Note 1.4 to the interim financial statements.

1.5.1 Financial instruments

Classification and measurement

Financial assets that are equity instruments of listed companies are measured at fair value through other comprehensive income, with no subsequent recycling to profit or loss.

Financial assets that are equity instruments of a non-listed company are measured at fair value through profit or loss.

Impairment of financial assets

The Group recognises an expected credit loss on its financial assets measured at amortised cost, without requiring a credit loss event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses by stratifying, with differing methods of determining credit losses and the effective interest rate applied for each stratified group, except for that of trade receivables, the Group applies a simplified approach to determine the expected credit losses.

Hedge Accounting

The Group's hedge accounting meets criteria of cash flow hedge. A change in fair value of the effective portion of the hedging instrument is recognised in other comprehensive income, while a change in fair value of the ineffective portion of the hedging instruments is recognised in profit or loss.

1.5.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (the date on which the leased asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and allowance for impairment losses (if any). The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made on or before the commencement date.

Unless ownership of the leased asset transfers to the Group at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the lease term or the end of the useful life for each category of the leased asset.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the carrying amount of lease liabilities will be changed from related interest and payment made under lease agreement and will be remeasured if there is a modification of lease condition.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

2. Cumulative effects of the initial adoption of new financial reporting standards

As described in Note 1.4 to the interim financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effects of the initial adoption of new financial reporting standards are recognised as an adjustment to the retained earnings as at 1 January 2020 without restatement of the comparative information.

2.1 Financial instruments

As at 1 January 2020, financial assets and liabilities were classified and measured in accordance with TFRS 9 by amortised cost, except for derivative financial instruments were classified and measured by fair value through profit or loss, or fair value through other comprehensive income for the effective portion of the hedging instrument.

The impacts on the beginning balance of retained earnings of 2020 from the initial adoption of financial reporting standards related to financial instruments are presented as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	31 December 2019	1 January 2020
Recognition of cash flow hedges		
Retained earnings - unappropriated	8,413,145	8,436,257
Cash flow hedge reserve - net of income tax	-	(23,112)

2.2 Leases

The Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	305,029	126,759
Less: Short-term leases and leases of low-value assets	(67,988)	(5,164)
Add: Option to extend lease term	94,079	53,070
Less: Contracts reassessed as service agreements	(9,958)	(1,194)
Less: Others	(8,539)	(8,071)
Less: Deferred interest expenses	(13,141)	(6,785)
Increase in lease liabilities due to TFRS 16 adoption	299,482	158,615
Liabilities under finance lease agreements as at		
31 December 2019	37,049	6,687
Lease liabilities as at 1 January 2020	336,531	165,302
Comprise of:		
Current lease liabilities	134,890	68,487
Non-current lease liabilities	201,641	96,815
	336,531	165,302

Right-of-use assets in accordance with TFRS 16 initially adopted as at 1 January 2020 were as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Land and land improvement	7,776	4,605
Buildings and building improvement	179,561	83,680
Motor vehicles	174,046	78,535
Equipment	1,214	1,214
Total right-of-use assets	362,597	168,034

3. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u> (Restated)	<u>2020</u>	<u>2019</u> (Restated)
Transactions with subsidiaries				
Sales of goods	-	-	2,048,740	1,469,961
Purchases of goods	-	-	482,254	762,960
Service income	-	-	47,474	41,856
Rental income	-	-	58	67
Interest income	-	-	18,313	22,615
Service expenses	-	-	153,255	144,073
Rental expenses	-	-	200	1,198
Interest expenses	-	-	399	814
Transactions with associates				
Sales of goods	3,873	5,322	-	-
Purchases of goods	8	8	-	8
Service income	6,285	8,418	663	2,484
Rental income	100	100	-	-
Service expenses	11	8	-	-
Transactions with a joint venture				
Purchases of goods	639,930	528,926	-	-
Service income	3,732	7,268	3,724	7,265

The pricing policies of the Group are as follows:

- (1) Sales/purchases of good are made at market prices or reference to market prices
- (2) Service and rental income/expenses are based on contract prices or rates
- (3) Interest income/expenses are charged at rates with reference to loan agreements

Outstanding balances arising from sales/purchases of goods, providing/receiving of services and other income/expenses

As at 31 March 2020 and 31 December 2019, the balances of the accounts between the Group and those related parties were as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade accounts receivable (Note 4)				
Subsidiaries	-	-	644,367	376,906
Associates	3,053	1,919	119	133
Joint venture	1,786	1	-	-
	<u>4,839</u>	<u>1,920</u>	<u>644,486</u>	<u>377,039</u>
Other receivables (Note 4)				
Subsidiaries	-	-	10,860	16,150
Associates	601	2,334	-	-
Joint venture	-	44	-	44
	<u>601</u>	<u>2,378</u>	<u>10,860</u>	<u>16,194</u>
Advance payment for goods (Note 4)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,899</u>
Trade accounts payable (Note 15)				
Subsidiaries	-	-	313,634	215,530
Associates	3	21	-	21
Joint venture	28,948	7,694	-	-
	<u>28,951</u>	<u>7,715</u>	<u>313,634</u>	<u>215,551</u>
Other payables (Note 15)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>17,739</u>	<u>15,001</u>

Outstanding balances arising from loans to subsidiaries

As at 31 March 2020 and 31 December 2019, the balances of loans between the Group were as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	(Audited)		(Audited)	
Interest receivables (Note 4)				
Subsidiaries	-	-	199	367
Long-term loans				
Subsidiaries	-	-	1,560,600	1,438,882

As at 31 March 2020 and 31 December 2019, long-term loans to subsidiaries were unsecured and were summarised as below.

Separate financial statements					
31 March 2020					
Relationship	Principle		Interest rates (%)	Borrowing periods	
	Million USD	(Equivalent) Million Baht			
PT Sri Trang Lingga Indonesia	A direct subsidiary	23	748	4.18 - 4.30	3 Years
PT Star Rubber	An indirect subsidiary	25	813	4.18 - 5.05	3 Years
Total		48	1,561		
Separate financial statements					
31 December 2019					
Relationship	Principle		Interest rates (%)	Borrowing periods	
	Million USD	(Equivalent) Million Baht			
PT Sri Trang Lingga Indonesia	A direct subsidiary	23	690	4.18 - 4.30	3 Years
PT Star Rubber	An indirect subsidiary	25	749	4.18 - 5.05	3 Years
Total		48	1,439		

Movements in the balance of long-term loans to subsidiaries during the three-month period ended 31 March 2020 were as follows.

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 March 2020
	Balance as at 31 December 2019 (Audited)	Increase during the period	Decrease during the period	Unrealised gain on exchange rate	
Long-term loans					
Subsidiaries	1,438,882	-	-	121,718	1,560,600

Outstanding balances arising from loan from a subsidiary

As at 31 March 2020 and 31 December 2019, the Company had the balance of a short-term loan from Startex Rubber Co., Ltd. (a direct subsidiary) amounting to Baht 160 million, which was subjected to interest at the rate of 1.0 percent per annum. The loan was unsecured and was repayable on call.

Movements in the balance of short-term loan from a subsidiary during the three-month period ended 31 March 2020 were as follows.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2019 (Audited)	Increase during the period	Decrease during the period	Balance as at 31 March 2020
Short-term loan				
Subsidiary	160,000	-	-	160,000

Directors and management's benefits

During the three-month periods ended 31 March 2020 and 2019, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Restated)			
Short-term employee benefits	69,239	61,224	11,423	13,418
Post-employment benefits	2,406	2,599	801	688
Total	71,645	63,823	12,224	14,106

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 20 to the interim financial statements.

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
Trade accounts receivable - related parties (Note 3)				
Aged on the basis of due dates				
Not yet due	4,839	1,920	641,415	376,848
Past due				
Up to 30 days	-	-	486	191
31 - 60 days	-	-	2,253	-
61 - 90 days	-	-	332	-
Total trade accounts receivable - related parties	4,839	1,920	644,486	377,039
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	4,988,626	4,189,371	2,124,131	1,860,778
Past due				
Up to 30 days	704,245	392,819	419,374	214,480
31 - 60 days	69,078	47,265	25,437	25,584
61 - 90 days	20,977	6,292	18,393	3,491
91 - 120 days	1,358	19,143	3	9,632
121 - 365 days	-	8,783	-	123
Over 365 days	56,139	59,110	32,662	37,907
Total	5,840,423	4,722,783	2,620,000	2,151,995
Less: Allowance for expected credit losses/doubtful debts	(36,505)	(33,117)	(27,636)	(27,636)
Total trade accounts receivable - unrelated parties, net	5,803,918	4,689,666	2,592,364	2,124,359
Total trade accounts receivable, net	5,808,757	4,691,586	3,236,850	2,501,398

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
	(Audited)		(Audited)	
Other receivables				
Other receivables - related parties (Note 3)	601	2,378	10,860	16,194
Other receivables - unrelated parties	80,760	115,492	13,207	15,740
Interest receivables - related parties (Note 3)	-	-	199	367
Advance payment for goods - related parties (Note 3)	-	-	-	26,899
Prepaid expenses and advance payment for goods				
- unrelated parties	292,458	168,978	84,286	32,318
Total other receivables	373,819	286,848	108,552	91,518
Total trade and other receivables, net	6,182,576	4,978,434	3,345,402	2,592,916

5. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March 2020	31 December 2019	31 March 2020	31 December 2019
	(Audited)		(Audited)	
Inventories - at cost	13,763,346	13,610,556	6,872,356	7,226,902
Less: Reduction of cost to net				
realisable value	(285,653)	(117,005)	(73,824)	(5,253)
Inventories, net	13,477,693	13,493,551	6,798,532	7,221,649

Additional information

Inventory balances of the Group, for only ribbed smoked sheets, concentrated latex and block rubber, as at 31 March 2020 and 31 December 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
Inventories at net realisable value (NRV)*	12,288,192	12,341,229	7,212,873	7,566,209
Inventories at lower of cost or net				
realisable value (NRV) - as measured				
and included in the financial statements	11,345,258	11,379,981	6,603,031	7,018,544
Difference	942,934	961,248	609,842	547,665

* For reporting purposes, inventories are stated at the lower of cost or net realisable value, while for inventory management purposes the Group uses net realisable value (NRV) which is the estimated selling price in the ordinary course of business less the necessary costs of completion and cost to make the sale. The use of different valuation methods for these two purposes resulted in a difference at the reporting date.

Under Thai Financial Reporting Standards, such differences are not allowed to be recognised in the profit and loss until the inventories are actually sold. The amount of such difference changes over time depending on the actual price at the time of sale.

6. Other financial assets and liabilities

	(Unit: Thousand Baht)	
	31 March 2020	
	Other financial assets	
	Consolidated	Separate
	financial statements	financial statements
Other current financial assets		
Derivatives not designated as hedging instruments		
Rubber options	53,965	53,965
Forward foreign exchange contracts	438	-
Rubber futures	109,483	69,498
Physical forward contracts	15,412	-
Total other current financial assets	179,298	123,463
Other non-current financial assets		
Fixed deposits pledged as collateral	701	-
Investments in equity instruments of listed companies at fair value through other comprehensive income	25,850	25,725
Investment in equity instrument of a non-listed company at fair value through profit or loss	68,000	68,000
Total other non-current financial assets	94,551	93,725
Total other financial assets	273,849	217,188

(Unaudited but reviewed)

(Unit: Thousand Baht)

31 March 2020

	Other financial liabilities	
	Consolidated	Separate
	financial statements	financial statements
Other current financial liabilities		
Derivatives not designated as hedging instruments		
Foreign exchange options	77,546	49,831
Rubber options	32,639	32,639
Forward foreign exchange contracts	190,978	73,601
Rubber futures	28,668	1,256
Derivatives designated as hedging instruments		
Interest rate swaps	38,200	-
Total other financial liabilities	368,031	157,327

Derivative financial instruments were measured at fair value with hierarchy level 2, except for rubber futures were measured at fair value with hierarchy level 1.

Investments in equity instruments were measured at fair value with hierarchy level 1.

Investments in equity instruments of a non-listed company were measured at fair value with hierarchy level 3, which used of unobservable inputs such as financial information of the invested company.

During the current period, there were no transfers within the fair value hierarchy.

7. Other current Assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Refundable value-added tax	965,834	848,191	26,830	18,607
Prepaid withholding tax	52,416	24,262	16,783	-
Input tax waiting for tax invoice or not yet due	28,261	24,265	10,471	7,490
Total other current assets	1,046,511	896,718	54,084	26,097

8. Investments in subsidiaries**Sri Trang Rubber & Plantation Co., Ltd. (“SRP”)**

On 19 September 2019, the Board of Directors of the Company passed resolutions to approve to increase SRP's registered share capital amounting to Baht 250 million for operation in 2020. During the current period, the Company paid Baht 55 million for the additional capital. Therefore, the separate financial statements as at 31 March 2020, the Company had investments in the subsidiary of Baht 6,800 million.

9. Investments in associates

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Cost	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
Semperflex Asia Co., Ltd.	516	492	143	143
Pattana Agro Futures Co., Ltd.	8	8	15	15
Total investments in associates	524	500	158	158

On 14 May 2020, the Board of Directors of the Company passed resolutions to approve the disposal of an investment in Pattana Agro Futures Co., Ltd. to the shareholder. The disposal of this company will be completed within the second quarter of 2020.

10. Investment in a joint venture

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Cost	
	31 March 2020	31 December 2019 (Audited)	31 March 2020	31 December 2019 (Audited)
Thaitech Rubber Corp., Ltd.	472	396	135	135

11. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2019	27,801,518	8,530,038
Adjustments of TFRS 16 adoption (Note 2.2)	(62,373)	(9,419)
Acquisitions	422,787	68,366
Capitalised interest	24,411	-
Disposals and write-off, net	(17,689)	(11,507)
Depreciation	(604,111)	(200,183)
Depreciation capitalised to assets (Note 13)	(16,656)	-
Translation adjustment	(137,045)	-
Net book value as at 31 March 2020	<u>27,410,842</u>	<u>8,377,295</u>

As at 31 March 2020, net book value of land and building with collateral against credit facilities was approximately Baht 166 million as described in Note 16 to the interim financial statements.

12. Right-of-use assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2019	-	-
Adjustments of TFRS 16 adoption (Note 2.2)	362,597	168,034
Additions	9,234	6,281
Depreciation	(37,781)	(18,907)
Translation adjustment	6,566	-
Net book value as at 31 March 2020	<u>340,616</u>	<u>155,408</u>

13. Rubber and palm plantations

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	2,246,720	13,026
Acquisition	16,445	30
Disposals and write-off, net	(2,668)	-
Amortisation	(1,688)	(97)
Depreciation capitalised to assets (Note 11)	16,656	-
Net book value as at 31 March 2020	<u>2,275,465</u>	<u>12,959</u>

14. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	385,901	356,551
Additions	51,359	47,922
Disposals and write-off, net	(22)	(3)
Amortisation	(18,903)	(16,589)
Translation adjustment	519	-
Net book value as at 31 March 2020	418,854	387,881

15. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade accounts payable - related parties (Note 3)	28,951	7,715	313,634	215,551
Trade accounts payable - unrelated parties	1,151,790	1,041,799	278,643	258,377
Other payables - related parties (Note 3)	-	-	17,739	15,001
Other payables - unrelated parties	808,770	887,490	250,847	288,041
Advance receipt for goods and others	925,634	591,641	165,163	210,861
Total trade and other payables	2,915,145	2,528,645	1,026,026	987,831

16. Borrowings

Movements in the borrowing accounts during the three-month period ended 31 March 2020 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Balance as at 31 December 2019	28,936,651	18,666,928
Adjustments of TFRS 16 adoption (Note 2.2)	299,482	158,615
Increase (decrease) in short-term borrowings from		
financial institutions	436,200	(40,060)
Repayments of long-term borrowings from		
financial institutions	(431,000)	(200,000)
Increase in lease liabilities	9,234	6,281
Repayments of lease liabilities	(37,865)	(18,673)
Unrealised gain on exchange rates	122,771	119,929
Amortisation of finance fee	397	-
Translation adjustment	(38,626)	-
Balance as at 31 March 2020	29,297,244	18,693,020

Short-term borrowings from financial institutions

Short-term borrowings of some local subsidiaries totaling Baht 20 million (31 December 2019: Baht 28 million) were guaranteed by land, land improvements, buildings and structures thereon of the subsidiaries as described in Note 11 to the interim financial statements.

An overseas subsidiary had credit facilities and balances of short-term borrowing from a financial institution as follows:

	Consolidated financial statements			
	31 March 2020		31 December 2019	
	Million US Dollar	(Equivalent) Million Baht	Million US Dollar	(Equivalent) Million Baht
				(Audited)
Credit facilities	10	327	15	452
Balance of short-term borrowings				
from a financial institution	3	90	9	264

The credit facilities of short-term borrowings were guaranteed by the Company and the standby-letters of credit of a commercial bank as disclosed in Note 20 to the interim financial statements.

Long-term borrowings from financial institutions

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

17. Income tax

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

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

Income tax for the three-month periods ended 31 March 2020 and 2019 are made up as follows.

	(Unit: Thousand Baht)			
	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Restated)			
Current income tax:				
Interim corporate income tax charge	80,831	55,230	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(342)	(65,694)	56,318	(8,766)
Income tax reported in the profit or loss	<u>80,489</u>	<u>(10,464)</u>	<u>56,318</u>	<u>(8,766)</u>

The amounts of income tax relating to each component of other comprehensive income for the three-month periods ended 31 March 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax relating to				
Gain on change in value of				
available-for-sales investments	-	81	-	82
Loss on cash flow hedge	(7,640)	-	-	-
Actuarial loss	11	-	-	-
Loss on investments in equity				
designated at fair value through				
other comprehensive income	(3,210)	-	(3,200)	-
Total	(10,839)	81	(3,200)	82

18. Earnings per share

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Basic earnings per share				
Profit (loss) attributable to owners				
of the Company (Thousand Baht)	854,146	(627,679)	517,767	(538,995)
Weighted average number of ordinary shares				
(Thousand shares)	1,536,000	1,536,000	1,536,000	1,536,000
Earnings (loss) per share (Baht per share)	0.56	(0.41)	0.34	(0.35)

19. Segment information

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

Financial information by geographical area, which is presented to the Board of Directors of the Group is the chief operating decision makers of the Group, for the three-month periods ended 31 March 2020 and 2019 have been presented as follows:

(Unaudited but reviewed)

For the three-month period ended 31 March 2020

(Unit: Thousand Baht)

	Natural rubber and gloves							Engineering	Plantation	Others		Consolidated
	United states of										Elimination	financial
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		statements
Revenues												
Revenues from external customers	12,610,462	398,624	3,779,501	117,429	559,231	2,979	-	4,742	150	7,963	-	17,481,081
Inter-segment revenues	3,378,358	1,603,724	8,854	-	789	-	91,671	241,383	5,209	399,136	(5,729,124)	-
Total revenues	<u>15,988,820</u>	<u>2,002,348</u>	<u>3,788,355</u>	<u>117,429</u>	<u>560,020</u>	<u>2,979</u>	<u>91,671</u>	<u>246,125</u>	<u>5,359</u>	<u>407,099</u>	<u>(5,729,124)</u>	<u>17,481,081</u>
Unallocated income and expenses												
Depreciation and												
amortisation	(542,216)	(88,355)	(5,753)	(733)	(3,891)	(5)	(1,446)	(5,597)	(10,372)	(4,115)	-	(662,483)
Finance income	18,337	668	7,958	-	273	-	-	-	-	445	(23,437)	4,244
Finance cost	(162,248)	(54,720)	(8,802)	(2,409)	(373)	-	(1,930)	(30)	(68)	(237)	26,121	(204,696)
Share of profit from												
investments in associates												
and a joint venture	99,499	-	-	-	-	-	-	-	-	-	-	99,499
Profit (loss) before income tax	<u>1,250,785</u>	<u>(283,899)</u>	<u>173,850</u>	<u>(8,642)</u>	<u>(12,584)</u>	<u>(87)</u>	<u>9,083</u>	<u>6,650</u>	<u>(21,269)</u>	<u>17,731</u>	<u>(123,994)</u>	<u>1,007,624</u>
Income tax	(85,312)	(3,422)	(12,690)	1,384	8,363	-	15,041	(1,363)	30	(2,520)	-	(80,489)
Profit (loss) for the period	<u>1,165,473</u>	<u>(287,321)</u>	<u>161,160</u>	<u>(7,258)</u>	<u>(4,221)</u>	<u>(87)</u>	<u>24,124</u>	<u>5,287</u>	<u>(21,239)</u>	<u>15,211</u>	<u>(123,994)</u>	<u>927,135</u>
Total assets	<u>60,895,104</u>	<u>5,051,675</u>	<u>6,021,446</u>	<u>255,992</u>	<u>1,277,022</u>	<u>26,949</u>	<u>294,392</u>	<u>995,314</u>	<u>6,882,907</u>	<u>4,228,346</u>	<u>(25,341,608)</u>	<u>60,587,539</u>

(Unaudited but reviewed)

For the three-month period ended 31 March 2019 (Restated)

(Unit: Thousand Baht)

	Natural rubber and gloves							Engineering	Plantation	Others		Consolidated
	United states of										Elimination	financial
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		statements
Revenues												
Revenues from external customers	10,153,265	845,318	3,481,664	53,915	323,480	1,230	-	5,768	179	5,912	-	14,870,731
Inter-segment revenues	2,813,158	1,488,383	34,462	-	-	-	97,516	506,557	5,207	266,457	(5,211,740)	-
Total revenues	<u>12,966,423</u>	<u>2,333,701</u>	<u>3,516,126</u>	<u>53,915</u>	<u>323,480</u>	<u>1,230</u>	<u>97,516</u>	<u>512,325</u>	<u>5,386</u>	<u>272,369</u>	<u>(5,211,740)</u>	<u>14,870,731</u>
Unallocated income and expenses												
Depreciation and												
amortisation	(504,750)	(90,134)	(2,476)	(79)	(415)	-	(1,196)	(5,742)	(7,818)	(6,212)	-	(618,822)
Finance income	24,756	3,389	6,033	-	232	-	-	814	-	79	(23,428)	11,875
Finance cost	(179,158)	(80,067)	(49)	(4,839)	-	-	(1,838)	-	(60)	(372)	26,797	(239,586)
Share of profit from												
investments in associates												
and a joint venture	37,193	-	-	-	-	-	-	-	-	-	-	37,193
Profit (loss) before income tax	<u>(447,551)</u>	<u>(148,415)</u>	<u>29,212</u>	<u>(22,873)</u>	<u>(44,675)</u>	<u>262</u>	<u>14,839</u>	<u>13,460</u>	<u>(26,426)</u>	<u>4,786</u>	<u>3,068</u>	<u>(624,313)</u>
Income tax	11,512	(6,379)	148	4,969	4,277	-	-	(3,177)	28	(914)	-	10,464
Profit (loss) for the period	<u>(436,039)</u>	<u>(154,794)</u>	<u>29,360</u>	<u>(17,904)</u>	<u>(40,398)</u>	<u>262</u>	<u>14,839</u>	<u>10,283</u>	<u>(26,398)</u>	<u>3,872</u>	<u>3,068</u>	<u>(613,849)</u>
Total assets	<u>54,201,335</u>	<u>5,454,208</u>	<u>5,540,987</u>	<u>215,232</u>	<u>953,545</u>	<u>28,958</u>	<u>209,381</u>	<u>1,468,100</u>	<u>6,712,366</u>	<u>4,190,337</u>	<u>(24,418,485)</u>	<u>54,555,964</u>

20. Commitments and contingent liabilities

(Unit: Million Baht)

	31 March 2020	
	Consolidated	Separate
	financial statements	financial statements
Sales and purchases commitments*		
Purchases from		
Joint venture	475	-
Third parties	77	-
Sales to		
Subsidiaries	-	3,164
Third parties	15,869	10,075
Capital commitments - purchase of fixed assets	225	100
Guarantees on borrowings of subsidiaries		
(USD 5 million)	163	163
(IDR 702 Billion)	1,413	1,413
Guarantees and contingent liabilities		
Bank guarantees for electricity usage	153	71
Credit facility of standby-letters of credit		
(USD 5 million)	163	163
Letters of credit with overseas suppliers		
(USD 9 million)	299	-
The future aggregate minimum payments under non-cancellable lease and service agreements		
Not later than 1 year	40	3
Later than 1 year but not later than 5 years	61	3
Over 5 years	1	-

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

21. Events after the reporting period

On 16 April 2020, the Board of Directors of the Company passed resolutions to approve the payment of an interim dividend to the shareholders from the operating results of the year 2019 at a rate of Baht 0.35 per share, totaling Baht 537.6 million. The Company will pay the interim dividend and record this transaction on 15 May 2020.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2020.