

Sri Trang Agro-Industry Public Company Limited  
and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month and six-month periods  
ended 30 June 2019

## **Independent Auditor's Report on Review of Interim Financial Information**

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

I have reviewed the accompanying consolidated statement of financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries as at 30 June 2019, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Sri Trang Agro-Industry Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

**Emphasis of matter**

I draw attention to Note 1.2 a) to the interim 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.

Supachai Phanyawattano  
Certified Public Accountant (Thailand) No. 3930

EY Office Limited  
Bangkok: 14 August 2019

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2019

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2019</u> (Unaudited but reviewed)	<u>31 December 2018</u> (Audited/restated)	<u>30 June 2019</u> (Unaudited but reviewed)	<u>31 December 2018</u> (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		2,623,181,029	4,259,163,167	166,703,830	381,814,522
Trade and other receivables	4	5,490,608,084	5,969,543,349	2,761,804,341	3,233,142,662
Amounts due from futures brokers		712,068,975	976,274,751	30,237,806	31,299,805
Inventories	5	10,739,623,882	12,451,783,488	4,351,526,392	6,063,579,623
Current portion of long-term loans to subsidiaries	3	-	-	244,586,400	742,550,400
Derivative financial instruments	6	207,429,857	59,600,920	114,214,237	33,078,993
Other current assets		540,911,032	509,552,159	58,663,233	60,608,671
<b>Total current assets</b>		<u>20,313,822,859</u>	<u>24,225,917,834</u>	<u>7,727,736,239</u>	<u>10,546,074,676</u>
<b>Non-current assets</b>					
Fixed deposits pledged as collateral		701,500	27,427,758	-	-
Long-term loans to subsidiaries	3	-	-	1,222,932,000	1,775,664,000
Investments in subsidiaries	7	-	-	18,792,566,873	18,499,227,048
Investments in associates	8	451,798,400	394,919,332	157,568,800	157,568,800
Investment in joint venture	9	385,475,790	406,381,384	134,716,526	134,716,526
Long-term investments		138,228,051	136,498,052	137,918,821	136,182,449
Investment properties		193,075,487	201,527,752	75,663,125	75,663,125
Property, plant and equipment	10	27,110,795,011	26,381,941,743	8,835,590,650	9,093,221,983
Rubber and palm plantations	11	2,176,161,633	2,051,492,015	8,674,586	8,310,123
Intangible assets	12	398,108,945	425,916,589	372,435,971	395,579,708
Goodwill		3,174,667,132	3,174,667,132	-	-
Withholding tax deducted at source		701,308,914	701,722,319	458,654,023	457,692,522
Deferred tax assets - net		243,811,987	236,109,672	-	-
Other non-current assets		38,090,853	49,898,651	11,074,350	17,043,732
<b>Total non-current assets</b>		<u>35,012,223,703</u>	<u>34,188,502,399</u>	<u>30,207,795,725</u>	<u>30,750,870,016</u>
<b>Total assets</b>		<u>55,326,046,562</u>	<u>58,414,420,233</u>	<u>37,935,531,964</u>	<u>41,296,944,692</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 financial position (continued)

As at 30 June 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited/restated)	30 June 2019 (Unaudited but reviewed)	31 December 2018 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	13	2,388,159,555	2,676,957,627	1,220,723,720	1,417,779,403
Short-term borrowings from financial institutions	14	14,881,114,705	15,766,907,288	10,581,774,000	11,320,258,000
Current portions of:					
- Long-term borrowings from financial institutions	14	1,629,722,827	1,464,225,965	922,321,600	965,000,000
- Debentures	14	-	810,000,000	-	810,000,000
- Finance lease liabilities	14	22,401,698	20,693,350	3,842,703	3,785,801
Short-term loans from subsidiaries	3	-	-	160,000,000	300,000,000
Income tax payable		141,325,239	186,693,776	-	-
Derivative financial instruments	6	142,228,845	171,403,131	82,134,026	111,332,231
Other current liabilities		35,862,026	39,482,319	10,745,578	17,505,972
<b>Total current liabilities</b>		<b>19,240,814,895</b>	<b>21,136,363,456</b>	<b>12,981,541,627</b>	<b>14,945,661,407</b>
<b>Non-current liabilities</b>					
Non-current portions of:					
- Long-term borrowings from financial institutions	14	8,097,154,504	8,237,974,750	3,082,958,000	3,989,386,000
- Debentures	14	1,455,000,000	1,455,000,000	1,455,000,000	1,455,000,000
- Finance lease liabilities	14	24,084,036	29,039,974	4,745,438	5,755,749
Deferred tax liabilities - net		735,204,992	774,253,967	94,863,511	80,088,388
Provision for retirement benefit obligations	15	440,924,525	335,441,277	156,317,335	118,115,622
Other non-current liabilities		33,220,871	35,067,391	-	-
<b>Total non-current liabilities</b>		<b>10,785,588,928</b>	<b>10,866,777,359</b>	<b>4,793,884,284</b>	<b>5,648,345,759</b>
<b>Total liabilities</b>		<b>30,026,403,823</b>	<b>32,003,140,815</b>	<b>17,775,425,911</b>	<b>20,594,007,166</b>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2019

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 June 2019</u>	<u>31 December 2018</u>	<u>30 June 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited/restated)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
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					
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 (deficit) from the change in the ownership interests in subsidiaries					
		285,929,242	(173,134,488)	-	-
Retained earnings					
Appropriated - statutory reserve		153,600,000	153,600,000	153,600,000	153,600,000
Unappropriated		8,116,280,194	9,019,096,813	5,580,898,560	6,092,271,684
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax		4,033,440,535	4,102,659,313	2,025,062,694	2,057,910,140
Surplus on changes in value of available-for-sale investments - net of income tax					
		12,608,467	11,224,468	12,593,167	11,204,070
Exchange differences on translation of financial statements in foreign currency					
		<u>(1,006,476,720)</u>	<u>(796,207,126)</u>	-	-
Equity attributable to owners of the Company		23,983,333,350	24,705,190,612	20,160,106,053	20,702,937,526
Non-controlling interests of the subsidiaries		1,316,309,389	394,583,851	-	-
Former interests before restructuring of the subsidiary					
	1.2 a)	-	1,311,504,955	-	-
<b>Total shareholders' equity</b>		<u>25,299,642,739</u>	<u>26,411,279,418</u>	<u>20,160,106,053</u>	<u>20,702,937,526</u>
<b>Total liabilities and shareholders' equity</b>		<u>55,326,046,562</u>	<u>58,414,420,233</u>	<u>37,935,531,964</u>	<u>41,296,944,692</u>
		-	-	-	-

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

Directors

(Unaudited but reviewed)

## Sri Trang Agro-Industry Public Company Limited and its subsidiaries

## Statement of comprehensive income

For the three-month period ended 30 June 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
Revenues from sales of goods and services		15,151,079,164	19,754,758,627	7,574,122,740	10,670,435,485
Cost of sales and services		<u>(13,697,993,144)</u>	<u>(17,494,173,194)</u>	<u>(6,996,680,185)</u>	<u>(9,584,483,943)</u>
<b>Gross profit</b>		1,453,086,020	2,260,585,433	577,442,555	1,085,951,542
Other income		106,910,605	43,001,623	65,032,112	28,504,215
Dividend income		1,275,016	1,234,075	651,830,022	931,732,138
Selling expenses		(705,710,612)	(945,662,731)	(447,075,952)	(652,080,226)
Administrative expenses		(414,391,021)	(392,410,235)	(177,639,932)	(151,053,189)
Gain (loss) on exchange rates - net		175,495,845	(443,849,008)	108,754,247	(239,690,761)
Other gain (loss) - net		<u>(64,868,330)</u>	<u>289,242,072</u>	<u>(53,541,774)</u>	<u>132,385,697</u>
<b>Operating profit</b>		551,797,523	812,141,229	724,801,278	1,135,749,416
Share of profit from investments in associates and joint venture		<u>36,438,744</u>	<u>57,022,681</u>	-	-
<b>Profit before finance income and finance cost and tax income (expense)</b>		588,236,267	869,163,910	724,801,278	1,135,749,416
Finance income		10,270,077	3,137,037	19,744,262	29,020,289
Finance cost		<u>(245,590,226)</u>	<u>(227,490,250)</u>	<u>(113,138,694)</u>	<u>(140,387,528)</u>
<b>Profit before tax income (expense)</b>		352,916,118	644,810,697	631,406,846	1,024,382,177
Tax income (expense)	16	<u>(53,967,908)</u>	<u>(37,856,070)</u>	<u>(22,232,104)</u>	<u>54,660,894</u>
<b>Profit for period</b>		<u>298,948,210</u>	<u>606,954,627</u>	<u>609,174,742</u>	<u>1,079,043,071</u>
<b>Other comprehensive income:</b>					
<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		(140,411,057)	181,128,286	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax		<u>1,060,906</u>	<u>(4,970,453)</u>	<u>1,062,705</u>	<u>(4,929,456)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(139,350,151)</u>	<u>176,157,833</u>	<u>1,062,705</u>	<u>(4,929,456)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in revaluation of assets - net of income tax		-	<u>202,806,158</u>	-	<u>202,806,158</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	<u>202,806,158</u>	-	<u>202,806,158</u>
<b>Other comprehensive income for the period</b>		<u>(139,350,151)</u>	<u>378,963,991</u>	<u>1,062,705</u>	<u>197,876,702</u>
<b>Total comprehensive income for the period</b>		<u>159,598,059</u>	<u>985,918,618</u>	<u>610,237,447</u>	<u>1,276,919,773</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 comprehensive income (continued)**

**For the three-month period ended 30 June 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit attributable to:</b>				
Owners of the Company	270,043,867	591,925,380	<u>609,174,742</u>	<u>1,079,043,071</u>
Non-controlling interests of the subsidiaries	<u>28,904,343</u>	<u>15,029,247</u>		
	<u>298,948,210</u>	<u>606,954,627</u>		
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	132,229,296	969,710,774	<u>610,237,447</u>	<u>1,276,919,773</u>
Non-controlling interests of the subsidiaries	<u>27,368,763</u>	<u>16,207,844</u>		
	<u>159,598,059</u>	<u>985,918,618</u>		
<b>Earnings per share</b>	17			
Basic earnings per share				
Profit attributable to owners of the Company	<u>0.18</u>	<u>0.39</u>	<u>0.40</u>	<u>0.70</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 comprehensive income

For the six-month period ended 30 June 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
<b>Profit or loss:</b>					
Revenues from sales of goods and services		30,021,810,120	37,443,825,341	15,707,439,558	21,579,570,691
Cost of sales and services		<u>(27,515,857,061)</u>	<u>(33,672,793,030)</u>	<u>(14,685,773,248)</u>	<u>(19,665,932,660)</u>
<b>Gross profit</b>		2,505,953,059	3,771,032,311	1,021,666,310	1,913,638,031
Other income		136,071,207	138,832,055	98,929,064	71,862,517
Dividend income		1,292,946	1,267,002	651,847,952	931,765,065
Selling expenses		(1,492,018,284)	(1,739,094,384)	(1,009,006,408)	(1,236,247,460)
Administrative expenses		(792,965,532)	(826,290,131)	(321,803,084)	(307,159,861)
Gain (loss) on exchange rates - net		273,283,294	(189,084,717)	168,035,768	(50,487,154)
Other gain (loss) - net		<u>(513,613,280)</u>	<u>790,634,767</u>	<u>(334,942,242)</u>	<u>355,155,896</u>
<b>Operating profit</b>		118,003,410	1,947,296,903	274,727,360	1,678,527,034
Share of profit from investments in associates and joint ventures		<u>73,631,275</u>	<u>137,168,464</u>	-	-
<b>Profit before finance income and finance cost and tax income (expense)</b>					
		191,634,685	2,084,465,367	274,727,360	1,678,527,034
Finance income		22,144,728	4,853,166	43,975,104	54,428,775
Finance cost		<u>(485,176,673)</u>	<u>(464,144,639)</u>	<u>(235,056,687)</u>	<u>(283,103,886)</u>
<b>Profit (loss) before tax income (expense)</b>		(271,397,260)	1,625,173,894	83,645,777	1,449,851,923
Tax income (expense)	16	<u>(43,503,487)</u>	<u>(155,862,524)</u>	<u>(13,466,348)</u>	<u>1,893,479</u>
<b>Profit (loss) for period</b>		<u>(314,900,747)</u>	<u>1,469,311,370</u>	<u>70,179,429</u>	<u>1,451,745,402</u>
<b>Other comprehensive income:</b>					
<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		(214,933,017)	(2,702,724)	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax		<u>1,383,999</u>	<u>(7,142,782)</u>	<u>1,389,097</u>	<u>(6,580,470)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(213,549,018)</u>	<u>(9,845,506)</u>	<u>1,389,097</u>	<u>(6,580,470)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in revaluation of assets - net of income tax		-	231,472,239	-	202,806,158
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	231,472,239	-	202,806,158
<b>Other comprehensive income for the period</b>		<u>(213,549,018)</u>	<u>221,626,733</u>	<u>1,389,097</u>	<u>196,225,688</u>
<b>Total comprehensive income for the period</b>		<u>(528,449,765)</u>	<u>1,690,938,103</u>	<u>71,568,526</u>	<u>1,647,971,090</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 comprehensive income (continued)**

**For the six-month period ended 30 June 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Profit (loss) attributable to:</b>				
Owners of the Company	(357,635,398)	1,423,746,044	<u>70,179,429</u>	<u>1,451,745,402</u>
Non-controlling interests of the subsidiaries	38,403,254	45,565,326		
Former interests before restructuring of the subsidiary	<u>4,331,397</u>	<u>-</u>		
	<u>(314,900,747)</u>	<u>1,469,311,370</u>		
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	(568,703,130)	1,649,713,673	<u>71,568,526</u>	<u>1,647,971,090</u>
Non-controlling interests of the subsidiaries	35,921,968	41,224,430		
Former interests before restructuring of the subsidiary	<u>4,331,397</u>	<u>-</u>		
	<u>(528,449,765)</u>	<u>1,690,938,103</u>		
<b>Earnings per share</b>	17			
Basic earnings per share				
Profit (loss) attributable to owners of the Company	<u>(0.23)</u>	<u>0.93</u>	<u>0.05</u>	<u>0.95</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 six-month period ended 30 June 2019

(Unit: Baht)

<b>Consolidated financial statements</b>												
Equity attributable to owners of the Company												
					Other components of shareholders' equity							
					Other comprehensive income							
		Retained earnings			Surplus on		Exchange		Total other	Total equity	Equity attributable	Total
Issued and	Premium	Deficit from the	Appropriated	Unappropriated	Surplus on	value of	differences on	components	attributable to	to non-controlling	shareholders'	
paid-up	on ordinary	ownership interests	- statutory	- net of income tax	revaluation of assets	investments	translation of	of shareholders'	owners of	interests of the	equity	
share capital	shares	in subsidiaries	reserve	- net of income tax	- net of income tax	in foreign currency	equity	the Company	subsidiaries	equity		
<b>Balance as at 1 January 2018</b>	1,535,999,998	10,851,951,634	(173,134,488)	128,000,000	7,165,408,573	4,049,446,188	16,432,908	(666,077,422)	3,399,801,674	22,908,027,391	368,864,048	23,276,891,439
Profit for period	-	-	-	1,423,746,044	-	-	-	-	1,423,746,044	45,565,326	1,469,311,370	
Other comprehensive income for the period	-	-	-	-	231,472,239	(7,142,782)	1,638,171	225,967,628	225,967,628	(4,340,895)	221,626,733	
Total comprehensive income for the period	-	-	-	1,423,746,044	231,472,239	(7,142,782)	1,638,171	225,967,628	1,649,713,672	41,224,431	1,690,938,103	
Amortisation on assets revaluation	-	-	-	76,347,389	(76,347,389)	-	-	(76,347,389)	-	-	-	
Dividend paid by the subsidiaries	-	-	-	-	-	-	-	-	-	(48,850,588)	(48,850,588)	
Transferred unappropriated retained earnings to statutory reserve	-	-	-	25,600,000	(25,600,000)	-	-	-	-	-	-	
<b>Balance as at 30 June 2018</b>	<b>1,535,999,998</b>	<b>10,851,951,634</b>	<b>(173,134,488)</b>	<b>153,600,000</b>	<b>8,639,902,006</b>	<b>4,204,571,038</b>	<b>9,290,126</b>	<b>(664,439,251)</b>	<b>3,549,421,913</b>	<b>24,557,741,063</b>	<b>361,237,891</b>	<b>24,918,978,954</b>

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

(Unaudited but reviewed)

## Sri Trang Agro-Industry Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2019

(Unit: Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
					Other components of shareholders' equity									
					Other comprehensive income									
			Surplus (deficit)		Retained earnings		Surplus on		Exchange		Total other		Total equity	
			from the change		Appropriated		revaluation of		differences on		components		attributable to	
			in the ownership		- statutory		assets - net		translation of		of shareholders'		owners of	
			interests in		reserve		of income tax		financial statements		equity		the Company	
			subsidiaries		Unappropriated		of income tax		in foreign currency		of shareholders'		interests of	
			subsidiaries				of income tax				of the subsidiary		before restructuring	
											of the subsidiary		shareholders'	
											equity		equity	
<b>Balance as at 1 January 2019 - as previously reported</b>	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 (Note 1.2 a))	-	-	-	-	-	-	-	-	-	-	-	1,311,504,955	1,311,504,955	
<b>Balance as at 1 January 2019 - as restated</b>	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 period	-	-	-	-	(357,635,398)	-	-	-	-	(357,635,398)	38,403,254	4,331,397	(314,900,747)	
Other comprehensive income for the period	-	-	-	-	-	-	1,383,999	(212,451,731)	(211,067,732)	(211,067,732)	(2,481,286)	-	(213,549,018)	
Total comprehensive income for the period	-	-	-	-	(357,635,398)	-	1,383,999	(212,451,731)	(211,067,732)	(568,703,130)	35,921,968	4,331,397	(528,449,765)	
Amortisation on assets revaluation	-	-	-	-	69,218,778	(69,218,778)	-	-	(69,218,778)	-	-	-	-	
Dividend paid (Note 18)	-	-	-	-	(614,399,999)	-	-	-	-	(614,399,999)	-	-	(614,399,999)	
Dividend paid by the subsidiaries	-	-	-	-	-	-	-	-	-	-	(3,190)	-	(3,190)	
Effect of restructuring of the subsidiary (Note 1.2 a))	-	-	461,245,867	-	-	-	-	-	-	461,245,867	854,590,485	(1,315,836,352)	-	
Purchase of investment in subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-	
under common control (Note 1.2 b))	-	-	(2,182,137)	-	-	-	-	2,182,137	2,182,137	-	-	-	-	
Increase in share capital of the subsidiary (Note 7.1)	-	-	-	-	-	-	-	-	-	-	31,216,275	-	31,216,275	
<b>Balance as at 30 June 2019</b>	1,535,999,998	10,851,951,634	285,929,242	153,600,000	8,116,280,194	4,033,440,535	12,608,467	(1,006,476,720)	3,039,572,282	23,983,333,350	1,316,309,389	-	25,299,642,739	

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

(Unaudited but reviewed)

## Sri Trang Agro-Industry Public Company Limited and its subsidiaries

## Statement of changes in shareholders' equity (continued)

For the six-month period ended 30 June 2019

(Unit: Baht)

	Separate financial statements							
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity			
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income			
					Surplus on revaluation of assets - net of income tax	Surplus on value of available-for-sale investments - net of income tax	Total other components of shareholders' equity	Total shareholders' equity
<b>Balance as at 1 January 2018</b>	1,535,999,998	10,851,951,634	128,000,000	4,751,554,758	1,944,873,058	15,842,499	1,960,715,557	19,228,221,947
Profit for period	-	-	-	1,451,745,402	-	-	-	1,451,745,402
Other comprehensive income for the period	-	-	-	-	202,806,158	(6,580,470)	196,225,688	196,225,688
Total comprehensive income for the period	-	-	-	1,451,745,402	202,806,158	(6,580,470)	196,225,688	1,647,971,090
Amortisation on assets revaluation	-	-	-	52,413,073	(52,413,073)	-	(52,413,073)	-
Transferred unappropriated retained earnings to statutory reserve	-	-	25,600,000	(25,600,000)	-	-	-	-
<b>Balance as at 30 June 2018</b>	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>153,600,000</u>	<u>6,230,113,233</u>	<u>2,095,266,143</u>	<u>9,262,029</u>	<u>2,104,528,172</u>	<u>20,876,193,037</u>
<b>Balance as at 1 January 2019</b>	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
Profit for period	-	-	-	70,179,429	-	-	-	70,179,429
Other comprehensive income for the period	-	-	-	-	-	1,389,097	1,389,097	1,389,097
Total comprehensive income for the period	-	-	-	70,179,429	-	1,389,097	1,389,097	71,568,526
Amortisation on assets revaluation	-	-	-	32,847,446	(32,847,446)	-	(32,847,446)	-
Dividend paid (Note 18)	-	-	-	(614,399,999)	-	-	-	(614,399,999)
<b>Balance as at 30 June 2019</b>	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>153,600,000</u>	<u>5,580,898,560</u>	<u>2,025,062,694</u>	<u>12,593,167</u>	<u>2,037,655,861</u>	<u>20,160,106,053</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****Cash flow statement****For the six-month period ended 30 June 2019**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(271,397,260)	1,625,173,894	83,645,777	1,449,851,923
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange rates	(58,451,269)	(1,231,637)	1,443,687	(1,905,006)
Unrealised loss (gain) on revaluation of derivative financial instruments	(177,003,223)	788,465,842	(110,333,449)	375,584,268
Reversal of allowance for doubtful accounts	(9,062,267)	(1,423,441)	-	-
Reversal of reduction of inventory cost to net realisable value	(93,670,446)	(336,327,867)	(47,709,575)	(235,954,803)
Expenses for retirement benefit obligations	107,113,406	20,965,312	39,506,931	5,491,346
Depreciation	1,188,078,486	1,092,474,979	415,993,831	419,102,813
Amortisation - rubber and palm plantations	3,363,259	1,611,651	213,182	117,483
Amortisation - intangible assets	36,097,073	33,722,080	29,062,371	29,016,929
Impairment loss from assets revaluation (reversal)	-	10,799,066	-	(175,950)
Finance cost	485,176,673	464,144,639	235,056,687	283,103,886
Finance income	(22,144,728)	(4,853,166)	(43,975,104)	(54,428,775)
Dividend income	(1,292,946)	(1,267,002)	(651,847,952)	(931,765,065)
Share of profit from investments in associates and joint ventures	(73,631,275)	(137,168,464)	-	-
Loss on disposal and write-off of machinery, equipment and intangible assets	20,957,723	6,243,801	3,629,149	3,532,194
Gain on change in fair value of investment properties	1,870,257	-	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	1,136,003,463	3,561,329,687	(45,314,465)	1,341,571,243
Operating assets (increase) decrease				
Trade and other receivables	469,119,419	874,171,694	465,627,563	557,217,207
Amounts due from futures brokers	264,205,776	122,081,654	1,062,000	(11,107,638)
Inventories	1,805,830,052	5,712,048,075	1,759,762,805	2,534,339,444
Other current assets	33,238,241	82,993,141	32,523,794	98,554,343
Other non-current assets	11,152,977	13,384,695	5,314,562	4,454,009
Operating liabilities increase (decrease)				
Trade and other payables	(387,817,182)	72,623,414	(185,579,953)	(263,866,843)
Other current liabilities	(3,620,293)	12,173,494	(6,760,394)	6,335,395
Provision for retirement benefit obligations	(1,630,158)	(608,520)	(1,305,218)	(459,000)
Cash flows provided by operating activities	3,326,482,295	10,450,197,334	2,025,330,694	4,267,038,160
Cash paid for interest expenses	(489,266,145)	(640,021,538)	(240,542,075)	(289,833,480)
Cash received for interest income	22,888,089	15,365,932	46,823,789	72,803,982
Cash paid for corporate income tax	(206,841,768)	(262,502,260)	(30,578,356)	(43,538,648)
<b>Net cash flows provided by operating activities</b>	<b>2,653,262,471</b>	<b>9,563,039,468</b>	<b>1,801,034,052</b>	<b>4,006,470,014</b>

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

**Sri Trang Agro-Industry Public Company Limited and its subsidiaries****Cash flow statement (continued)****For the six-month period ended 30 June 2019**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities</b>				
Decrease in fixed deposits pledged as collateral	26,726,258	10,009,148	-	-
Dividends received	38,950,746	1,267,002	651,847,952	931,765,065
Cash received from repayment of long-term loan to a subsidiary	-	-	968,544,000	883,600,000
Increase in long-term loan to a subsidiary	-	-	-	(893,203,600)
Cash paid for investments in subsidiaries	-	-	(293,339,825)	(107,500,000)
Cash received from disposal of property, plant and equipment	12,210,595	34,225,292	2,623,653	4,144,473
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets	(2,045,978,032)	(1,559,456,382)	(173,662,398)	(416,909,017)
<b>Net cash flows provided by (used in) investing activities</b>	<u>(1,968,090,433)</u>	<u>(1,513,954,940)</u>	<u>1,156,013,382</u>	<u>401,896,921</u>
<b>Cash flows from financing activities</b>				
Decrease in short-term borrowings from financial institutions	(793,727,610)	(7,445,748,296)	(738,484,000)	(4,603,675,000)
Increase in short-term loan from a subsidiary	-	-	160,000,000	300,000,000
Repayment of short-term loan from a subsidiary	-	-	(300,000,000)	-
Proceeds from long-term borrowings	1,200,000,000	2,079,400,000	-	629,400,000
Repayments of long-term borrowings	(1,090,525,600)	(1,130,654,000)	(867,525,600)	(150,000,000)
Repayments of debentures	(810,000,000)	(600,000,000)	(810,000,000)	(600,000,000)
Repayments of finance lease liabilities	(11,316,665)	(6,629,805)	(1,887,588)	(2,111,970)
Dividend paid	(614,260,938)	-	(614,260,938)	-
Dividend paid by the subsidiaries	(3,190)	(48,850,588)	-	-
Cash received from increase in share capital of the subsidiary	31,216,275	-	-	-
<b>Net cash flows used in financing activities</b>	<u>(2,088,617,728)</u>	<u>(7,152,482,689)</u>	<u>(3,172,158,126)</u>	<u>(4,426,386,970)</u>
<b>Increase (decrease) in translation adjustments</b>	<u>(232,536,448)</u>	<u>84,635,441</u>	<u>-</u>	<u>-</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(1,635,982,138)</u>	<u>981,237,280</u>	<u>(215,110,692)</u>	<u>(18,020,035)</u>
Cash and cash equivalents at beginning of period	<u>4,259,163,167</u>	<u>2,241,899,673</u>	<u>381,814,522</u>	<u>269,018,868</u>
<b>Cash and cash equivalents at end of period</b>	<u><u>2,623,181,029</u></u>	<u><u>3,223,136,953</u></u>	<u><u>166,703,830</u></u>	<u><u>250,998,833</u></u>

**Supplemental cash flows information**

Non-cash transactions:

Increase in payables from purchases of assets	92,492,594	3,917,149	-	14,937,530
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The accompanying notes are an integral part of the interim financial statements.

**Sri Trang Agro-Industry Public Company Limited and its subsidiaries**

**Notes to interim consolidated financial statements**

**For the three-month and six-month periods ended 30 June 2019**

**1. General information**

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

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

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

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

**1.2 Basis of consolidation**

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

These consolidated interim 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 2018. However, during the period, there were changes in the composition of the Group, as follows:

- a) As described in Note 7.1 to the financial statements, the restructuring of the subsidiary. On 1 April 2019, Sri Trang Gloves (Thailand) Public Company Limited (“STGT”) was established as the result of the amalgamation in accordance with the Public Limited Companies Act B.E. 2535. The amalgamating companies were as follows:
  - 1) Sri Trang Gloves (Thailand) Company Limited (“Sri Trang Gloves”)
  - 2) Thaikong Public Company Limited (“TK”)



(Unaudited but reviewed)

As a result of the amalgamation, all of their assets, liabilities, rights, duties and responsibilities were transferred to the subsidiary by law. Therefore, as at 1 April 2019, the registered, issued and fully paid-up capital of STGT was Baht 825 million (8,250,000 ordinary shares with a par value Baht 100 per share)

After the amalgamation, the Company and Rubberland Products Company Limited collectively hold 81.08 percent of all shares of STGT (73.24 percent held by the Company).

Even though the legal form of STGT was registered and formed by the amalgamation on 1 April 2019, since Dr. Viyavood Sincharoenkul (“Dr. Viyavood”), who is the major shareholder and Director of the Company, has invested in TK through the acquisition of shares held by Thaikong Group Co., Ltd. since 16 August 2018. For the accounting purpose after the amalgamation, the Group adopts Thai Accounting Guidance for business combination under common control to apply for the consolidated financial statements which are accounted for by using similar to pooling of interests method. Thus, 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.

As at 1 April 2019 (Amalgamation date), the book value of net assets acquired and the effect on the consolidated financial statements were as follows.

	(Unit: Thousand Baht)
	<u>Consolidated financial statements</u>
<u>Assets</u>	
Cash and cash equivalents	167,989
Trade and other receivables	345,719
Inventories	146,704
Other current assets	26,941
Fixed deposits pledged as collateral	25,284
Property, plant and equipment	2,383,034
Intangible assets	5,982
Goodwill	220,885

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated  
financial statements

<u>Liabilities</u>	
Short-term borrowings from financial institutions	(105,950)
Trade and other payables	(223,296)
Income tax payable	(25,529)
Derivative financial instruments	(12,991)
Other current liabilities	(14,554)
Long-term borrowings from financial institutions	(1,544,180)
Finance lease liabilities	(13,093)
Deferred tax liabilities - net	(60,259)
Provision for retirement benefit obligations	(6,850)
<b>Total net assets acquired</b>	<b>1,315,836</b>
<u>Less: Increase in non-controlling interests of the subsidiary</u>	<u>(854,590)</u>
<b>Surplus from the change in the ownership interests in subsidiary</b>	<b><u>461,246</u></b>

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 six-month period ended 30 June 2019.

(Unaudited but reviewed)

The consolidated statement of financial position as at 31 December 2018 were adjusted to reflect the above transactions. The amounts of the adjustments affecting the restated consolidated financial statements are summarised below:

(Unit: Thousand Baht)

**Consolidated statement of  
financial position**

	As at 31 December 2018		
	Effect from the amalgamation	Eliminate transactions in the consolidated financial statements	Total increase (decrease)
Cash and cash equivalents	61,863	-	61,863
Trade and other receivables	350,256	(72,726)	277,530
Inventories	140,363	-	140,363
Other current assets	9,273	-	9,273
Fixed deposits pledged as collateral	25,284	-	25,284
Property, plant and equipment	1,925,888	-	1,925,888
Intangible assets	5,229	-	5,229
Goodwill	220,885	-	220,885
<b>Total assets</b>	<b>2,739,041</b>	<b>(72,726)</b>	<b>2,666,315</b>
Short-term borrowings from financial institutions	150,521	-	150,521
Trade and other payables	75,644	(72,726)	2,918
Current portions of:			
- Long-term borrowings from financial institutions	204,226	-	204,226
- Finance lease liabilities	4,445	-	4,445
Other current liabilities	2,275	-	2,275
Non-current portions of:			
- Long-term borrowings from financial institutions	893,589	-	893,589
- Finance lease liabilities	3,891	-	3,891
Deferred tax liabilities - net	86,519	-	86,519
Provision for retirement benefit obligations	6,426	-	6,426
<b>Total liabilities</b>	<b>1,427,536</b>	<b>(72,726)</b>	<b>1,354,810</b>
Former interests before restructuring of the subsidiary	1,311,505	-	1,311,505
<b>Total shareholders' equity</b>	<b>1,311,505</b>	<b>-</b>	<b>1,311,505</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,739,041</b>	<b>(72,726)</b>	<b>2,666,315</b>

- b) On 28 June 2019, STGT acquired ordinary shares of Shi Dong Shanghai Medical Equipment Co., Ltd. (“SDME”) with 99.99 percent of shareholding from Startex Rubber Co., Ltd. (“STC”), at a price of Baht 163 million. This acquisition of SDME is under common control of the Company before and after the acquisition of investment. Following the acquisition, the shareholding of the Group in SDME was changed from 99.99 percent to 81.08 percent (calculation the shareholding through STGT).

The Group recorded the effect of the change in shareholding of the subsidiary, amounting to Baht 2 million, under the caption of “Deficit from changes in shareholding percentage in subsidiary” in shareholders’ equity in the consolidated financial statements for the six-month period ended 30 June 2019.

- c) As described in Note 7.3 to the financial statements, on 18 June 2019, the Company established Sri Trang IBC Company Limited, with a registered share capital of Baht 10 million, to operate in the provision of technical, innovation, information, and advisory services, with the Company to have a 99.99 percent shareholding.

### **1.3 New financial reporting standards**

#### **(a) Financial reporting standards that became effective in the current period**

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which were effective for fiscal periods beginning on or after 1 January 2019. 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:

#### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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

This standard does not have any significant impact on the Group's financial statements.

**(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020**

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve 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. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Group is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

### **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 under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

## **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2018, except for the change in the accounting policies due to the adoption of TFRS 15, *Revenue from Contracts with Customers*, as follow:

### **Revenue recognition**

#### ***Sale of goods***

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, and discounts.

#### ***Rendering of services***

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Group's engineers or project managers.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position. The amounts recognised as unbilled receivables are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

(Unaudited but reviewed)

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of “Advance received from customers” in the statement of financial position. Advance received from customers are recognised as revenue when the Group perform under the contract.

### 3. Related party transactions

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

(Unit: Thousand Baht)

For the three-month periods ended 30 June

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Transactions with subsidiaries</u>				
Sales of goods	-	-	1,223,911	900,830
Purchases of goods	-	-	1,060,399	1,636,275
Service income	-	-	43,662	40,003
Dividend income	-	-	614,330	930,499
Rental income	-	-	60	61
Interest income	-	-	18,713	28,793
Service expenses	-	-	110,051	153,823
Rental expenses	-	-	1,276	865
Interest expenses	-	-	13	145
<u>Transactions with associates</u>				
Sales of goods	5,334	4,068	-	-
Purchases of goods	36	113	-	15
Service income	8,158	8,209	2,494	2,385
Rental income	100	100	-	-
Service expenses	18	-	-	-
Dividend income	12,155	-	10,725	-
<u>Transactions with joint venture</u>				
Purchases of goods	185,963	614,975	-	54,936
Service income	2,359	2,295	2,352	2,295
Dividend income	25,503	-	25,503	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the six-month periods ended 30 June

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Transactions with subsidiaries</u>				
Sales of goods	-	-	2,693,872	2,175,797
Purchases of goods	-	-	1,895,699	3,009,574
Service income	-	-	85,518	77,206
Dividend income	-	-	614,330	930,499
Rental income	-	-	128	122
Interest income	-	-	41,327	53,979
Service expenses	-	-	254,123	300,593
Rental expenses	-	-	2,474	2,063
Interest expenses	-	-	827	145
<u>Transactions with associates</u>				
Sales of goods	10,656	12,407	-	-
Purchases of goods	44	139	8	15
Service income	16,576	16,655	4,977	4,729
Dividend income	12,155	-	10,725	-
Rental income	200	200	-	-
Service expenses	26	-	-	-
<u>Transactions with joint ventures</u>				
Purchases of goods	714,888	1,115,086	-	64,008
Service income	9,627	6,120	9,617	6,120
Dividend income	25,503	-	25,503	-

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
- (3) Dividend income is made with announced payment rate
- (4) Interest income/expenses are charged at rates with reference to loan agreements



(Unaudited but reviewed)

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

As at 30 June 2019 and 31 December 2018, the balances of the accounts between the Group and those related parties were as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Audited/ restated)		(Audited)
<b><u>Trade accounts receivable</u></b> (Note 4)				
Subsidiaries	-	-	426,834	962,370
Associates	3,245	3,796	770	784
Joint venture	1,626	-	-	-
	<u>4,871</u>	<u>3,796</u>	<u>427,604</u>	<u>963,154</u>
<b><u>Advance payment for goods</u></b> (Note 4)				
Subsidiaries	-	-	29,875	45,375
<b><u>Accrued income</u></b> (Note 4)				
Subsidiaries	-	-	8,159	14,267
Associates	250	406	-	-
	<u>250</u>	<u>406</u>	<u>8,159</u>	<u>14,267</u>
<b><u>Advance payment</u></b> (Note 4)				
Subsidiaries	-	-	4,248	3,146
Associates	18	2	-	2
Joint venture	20	-	-	-
	<u>38</u>	<u>2</u>	<u>4,248</u>	<u>3,148</u>
<b><u>Other receivables</u></b> (Note 4)				
Subsidiaries	-	-	7,445	1,133
Associates	548	883	-	-
Joint venture	-	818	-	818
	<u>548</u>	<u>1,701</u>	<u>7,445</u>	<u>1,951</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited/ restated)		(Audited)
<b><u>Trade accounts payables</u></b> (Note 13)				
Subsidiaries	-	-	482,655	383,080
Associates	13	-	-	-
Joint venture	-	17,917	-	-
	<u>13</u>	<u>17,917</u>	<u>482,655</u>	<u>383,080</u>
<b><u>Accrued expenses</u></b> (Note 13)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,419</u>	<u>35,890</u>
<b><u>Other payables</u></b> (Note 13)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>4,766</u>	<u>17,892</u>

### **Outstanding balances arising from loans to subsidiaries**

As at 30 June 2019 and 31 December 2018, the balances of loans between the Company and subsidiaries were as follows.

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
<b><u>Accrued interest income</u></b> (Note 4)				
Subsidiaries	<u>-</u>	<u>-</u>	<u>562</u>	<u>2,621</u>
<b><u>Long-term loans to</u></b>				
Subsidiaries	<u>-</u>	<u>-</u>	<u>1,467,518</u>	<u>2,518,214</u>

(Unaudited but reviewed)

As at 30 June 2019 and 31 December 2018, long-term loans to subsidiaries were unsecured and could be summarised as below.

		Separate financial statements			
		As at 30 June 2019			
		Principle		Interest rates %	Borrowing periods
Relationship		USD million	(Equivalent) Baht million		
PT Sri Trang Lingga Indonesia	A direct subsidiary	23	703	4.18 - 4.30	3 years
PT Star Rubber	An indirect subsidiary	25	765	4.18 - 5.05	3 years
Total		<u>48</u>	<u>1,468</u>		

		Separate financial statements			
		As at 31 December 2018			
		Principle		Interest rates %	Borrowing periods
Relationship		USD million	(Equivalent) Baht million		
		(Audited)			
PT Sri Trang Lingga Indonesia	A direct subsidiary	45	1,453	4.18 - 4.30	3 years
PT Star Rubber	An indirect subsidiary	33	1,065	4.18 - 5.05	1 - 3 years
Total		<u>78</u>	<u>2,518</u>		

Movements in the balance of long-term loans to subsidiaries during the six-month period ended 30 June 2019 were as follows.

(Unit: Thousand Baht)

		Separate financial statements				
Long-term loans		Balance as at 31 December 2018	Increase during the period	Decrease during the period	Unrealised loss on exchange rate	Balance as at 30 June 2019
		(Audited)				
Subsidiaries		<u>2,518,214</u>	<u>-</u>	<u>(968,544)</u>	<u>(82,152)</u>	<u>1,467,518</u>

(Unaudited but reviewed)

Movements in the balance of a short-term loan from a subsidiaries during the six-month period ended 30 June 2019 were as follows.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2018 (Audited)	Increase during the period	Decrease during the period	Balance as at 30 June 2019
Short-term loan				
Subsidiaries	300,000	160,000	(300,000)	160,000

#### Directors and management's benefits

During the three-month and six-month periods ended 30 June 2019 and 2018, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	61,170	59,706	12,631	12,686
Post-employment benefits	1,465	1,538	327	321
Total	<u>62,635</u>	<u>61,244</u>	<u>12,958</u>	<u>13,007</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits	122,394	119,031	26,049	25,372
Post-employment benefits	2,928	2,945	653	643
Total	<u>125,322</u>	<u>121,976</u>	<u>26,702</u>	<u>26,015</u>

#### Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 20.3.1 to the interim financial statements.

(Unaudited but reviewed)

**4. Trade and other receivables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Audited/ restated)		(Audited)
<b><u>Trade accounts receivable - related parties</u></b> (Note 3)				
Aged on the basis of due dates				
Not yet due	4,871	3,792	343,964	876,843
Past due				
Up to 30 days	-	4	46,749	83,311
31 - 60 days	-	-	35,735	876
61 - 90 days	-	-	-	519
91 - 120 days	-	-	1,156	-
121 - 365 days	-	-	-	1,605
Total trade accounts receivable - related parties	<u>4,871</u>	<u>3,796</u>	<u>427,604</u>	<u>963,154</u>
<b><u>Trade accounts receivable - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	4,053,576	4,647,254	1,874,644	1,851,651
Past due				
Up to 30 days	436,429	445,066	253,768	191,475
31 - 60 days	32,031	22,505	9,402	14,385
61 - 90 days	14,871	25,926	3,581	4,122
91 - 120 days	9,998	-	21	-
121 - 365 days	40,538	35,083	1,557	34,513
Over 365 days	43,567	54,044	39,635	47,553
Total	<u>4,631,010</u>	<u>5,229,878</u>	<u>2,182,608</u>	<u>2,143,699</u>
Less: Allowance for doubtful debts	<u>(32,380)</u>	<u>(41,442)</u>	<u>(27,636)</u>	<u>(27,636)</u>
Total trade accounts receivable - unrelated parties, net	<u>4,598,630</u>	<u>5,188,436</u>	<u>2,154,972</u>	<u>2,116,063</u>
Total trade accounts receivable, net	<u>4,603,501</u>	<u>5,192,232</u>	<u>2,582,576</u>	<u>3,079,217</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited/ restated)		(Audited)
<b><u>Other receivables</u></b>				
Advance payment for goods - related parties (Note 3)	-	-	29,875	45,375
Advance payment for goods - unrelated parties	319,613	256,820	60,946	11,459
Prepaid expenses	174,059	126,099	55,067	39,663
Accrued interest income - related parties (Note 3)	-	-	562	2,621
Accrued income - related parties (Note 3)	250	406	8,159	14,267
Accrued income - unrelated parties	10,928	32,186	6,956	28,845
Receivables from insurance companies and estimated accrued insurance claims *	311,368	289,835	-	-
Advance payment - related parties (Note 3)	38	2	4,248	3,148
Advance payment - unrelated parties	32,985	29,108	4,481	4,831
Other receivables - related parties (Note 3)	548	1,701	7,445	1,951
Other receivables - unrelated parties	37,318	41,153	1,489	1,766
Total other receivables	887,107	777,311	179,228	153,926
Total trade and other receivables, net	5,490,608	5,969,543	2,761,804	3,233,143

\* From the fire incident of Thaikong Public Company Limited before the restructuring of the subsidiary.

## 5. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Audited/restated)		(Audited)
Inventories - at cost	10,896,338	12,702,167	4,383,131	6,142,895
Less: Reduction of cost to net realisable value	(156,714)	(250,384)	(31,605)	(79,315)
Inventories, net	10,739,624	12,451,783	4,351,526	6,063,580

**Additional information**

Information on inventory balances of the Group, for only ribbed smoked sheets, concentrated latex and block rubber, as at 30 June 2019 and 31 December 2018 is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Inventories at net realisable value (NRV)*	8,788,262	10,411,061	4,159,095	5,886,610
Inventories at lower of cost or net realisable value (NRV) - as measured and included in the financial statements	8,511,532	10,201,733	4,125,572	5,793,784
Difference	276,730	209,328	33,523	92,826

\* 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.

(Unaudited but reviewed)

## 6. Derivative financial instruments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 June 2019		31 December 2018	
	Assets	Liabilities	Assets	Liabilities
				(Audited)
Cross currency swap	-	-	-	(4,479)
Interest rate swap	-	(15,302)	-	-
Foreign exchange options	5,010	(10,618)	641	(14,483)
Rubber options	6,436	(14,756)	127	(157)
Forward foreign exchange contracts	153,611	(33,294)	10,642	(45,743)
Rubber futures	42,187	(68,214)	45,413	(106,524)
Physical forward contracts	186	(45)	2,778	(17)
Total derivative financial instruments	<u>207,430</u>	<u>(142,229)</u>	<u>59,601</u>	<u>(171,403)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	30 June 2019		31 December 2018	
	Assets	Liabilities	Assets	Liabilities
				(Audited)
Cross currency swap	-	-	-	(4,479)
Foreign exchange options	1,915	(4,875)	641	(11,394)
Rubber options	6,305	(14,756)	127	(157)
Forward foreign exchange contracts	74,844	-	1,569	-
Rubber futures	31,150	(62,503)	30,742	(95,302)
Total derivative financial instruments	<u>114,214</u>	<u>(82,134)</u>	<u>33,079</u>	<u>(111,332)</u>



## 7. Investments in subsidiaries

### 7.1 Sri Trang Gloves (Thailand) Public Company Limited (“STGT”)

#### The restructuring of the subsidiary through the amalgamation

On 10 July 2018, the Board of Directors Meeting of the Company passed a resolution not to object to the proposed investment by Dr. Viyavood Sincharoenkul (“Dr. Viyavood”), who is the Chairman and Managing Director of the Company, in Thaikong Co., Ltd. (“Thaikong”), which is in the rubber glove manufacturing business, through the acquisition of shares held by Thaikong Group Co., Ltd. (“TKG”) by using his own funds. The Board of Directors also passed a resolution to conduct due diligence on TKG and Thaikong as well as to study the investment structure in details. Dr. Viyavood requested the Company to issue a written confirmation of the Company’s investment in Thaikong as well as the structure of the investment within 31 December 2018. This granted an exclusive right to the Company to invest in Thaikong, whether directly or indirectly, in order to incorporate Thaikong into the Group, at the cost at which Thaikong shares were acquired by Dr. Viyavood (including finance costs). Dr. Viyavood also allowed the Company to determine an appropriate structure for the investment.

Subsequently, on 30 August 2018, the Board of Directors resolved to approve the Company’s investment in Thaikong, through the amalgamation of Thaikong and Sri Trang Gloves (the Company and Rubberland Products Company Limited (“RBL”) collectively hold 90.23 percent of all shares of Sri Trang Gloves). In addition, Thaikong changed its juristic person from a limited company to a public limited company under the Public Limited Companies Act and registered the company’s conversion from “Thaikong Company Limited” to “Thaikong Public Company Limited” (“TK”) with the Ministry of Commerce on 19 September 2018.

On 29 March 2019, the Joint Shareholders Meeting between the shareholders of Sri Trang Gloves and the shareholders of TK approved the amalgamation of those companies in accordance with legally prescribed principles and methods. The amalgamation of the companies was registered with the Ministry of Commerce on 1 April 2019, the new company is named “**Sri Trang Gloves (Thailand) Public Company Limited**”. As a result, the corporate status of Sri Trang Gloves and TK was terminated on that day and all of its assets, liabilities, rights, duties and responsibilities were transferred to the new company by law, as described in Note 1.2 a) to the financial statements.

After the amalgamation, the Company and RBL collectively hold 81.08 percent of all shares of STGT (73.24 percent held by the Company).

### Increase in registered share capital of STGT

On 7 June 2019, the Extraordinary General Meeting of Shareholders of STGT passed a resolution to increase its registered share capital from Baht 825 million (8,250,000 ordinary shares with a par value of Baht 100 each) to Baht 990 million (9,900,000 ordinary shares with a par value of Baht 100 each) by issuing 1,650,000 new ordinary shares with a par value of Baht 100 each to the existing shareholders with a ratio of 5 existing shares to 1 newly share, at a price of Baht 100 per share. The subsidiary registered the increase of its capital with the Ministry of Commerce on 14 June 2019.

During the current period, the Company and RBL paid Baht 121 million and Baht 13 million, respectively for the additional capital. The Company and RBL maintain the shareholding in this subsidiary at 73.24 percent and 7.84 percent, respectively. Therefore, the Company has investments in this subsidiary of Baht 6,551 million presented in the separate financial statements as at 30 June 2019.

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

During the current period, the Company paid Baht 60 million for the additional capital of SRP that was called up in 2017.

In addition, on 3 April 2019, the Extraordinary Shareholder’s Meeting of SRP passed a resolution to increase its registered share capital from Baht 6,555 million (65,550,000 ordinary shares with a par value of Baht 100 each) to Baht 6,755 million (67,550,000 ordinary shares with a par value of Baht 100 each) by issuing newly 2,000,000 ordinary shares with a par value of Baht 100 each. During the current period, the Company paid Baht 110 million for the additional capital. Therefore, the separate financial statements as at 30 June 2019, the Company has investments in this subsidiary of Baht 6,665 million.

### **7.3 Sri Trang IBC Co., Ltd.**

On 14 May 2019, the Board of Directors of the Company passed resolutions to approve to establish of a new subsidiary in Thailand with a registered share capital of Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each) to operate in the provision of technical, innovation, information, and advisory services, with the Company to have a 99.99 percent shareholding. The Company completely register its establishment with Ministry of Commerce on 18 June 2019.

During the current period, the Company paid Baht 2.5 million for the paid-up capital.

(Unaudited but reviewed)

**8. Investments in associates**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Carrying amounts based on equity method		Cost	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Audited)		(Audited)
Semperflex Asia Co., Ltd.	443,652	386,798	142,500	142,500
Pattana Agro Futures Co., Ltd.	8,146	8,121	15,069	15,069
Total investments in associates	<u>451,798</u>	<u>394,919</u>	<u>157,569</u>	<u>157,569</u>

**9. Investment in joint venture**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Carrying amounts based on equity method		Cost	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Audited)		(Audited)
Thaitech Rubber Corp., Ltd.	385,476	406,381	134,717	134,717

**10. Property, plant and equipment**

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019 (Restated)	26,381,942	9,093,222
Acquisitions	2,040,409	164,608
Capitalised interest	9,790	-
Transfers to intangible assets (Note 12)	(1,251)	-
Disposals and write-offs, net	(33,112)	(6,245)
Depreciation	(1,188,078)	(415,994)
Depreciation capitalised to assets (Note 11)	(38,214)	-
Translation adjustment	(60,691)	-
Net book value as at 30 June 2019	<u>27,110,795</u>	<u>8,835,591</u>

(Unaudited but reviewed)

As at 30 June 2019, net book value of property, plant and equipment of a subsidiary with collateral against credit facilities, short-term and long-term borrowings received from a commercial bank is approximately Baht 166 million as described in Note 14 to the interim financial statements.

#### 11. Rubber and palm plantations

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019	2,051,492	8,310
Additions	89,819	578
Amortisation	(3,363)	(213)
Depreciation capitalised to assets (Note 10)	38,214	-
Net book value as at 30 June 2019	<u>2,176,162</u>	<u>8,675</u>

#### 12. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019 (Restated)	425,917	395,580
Additions	7,454	5,926
Transfers from equipment (Note 10)	1,251	-
Disposals and write-offs, net	(57)	(8)
Amortisation	(36,097)	(29,062)
Translation adjustment	(359)	-
Net book value as at 30 June 2019	<u>398,109</u>	<u>372,436</u>

(Unaudited but reviewed)

### 13. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited/ restated)		(Audited)
Trade payables - related parties (Note 3)	13	17,917	482,655	383,080
Trade payables - unrelated parties	1,231,253	1,320,048	387,020	491,518
Accrued expenses - related parties (Note 3)	-	-	1,419	35,890
Accrued expenses - unrelated parties	526,810	664,187	197,749	248,476
Deferred income for goods and others	332,973	491,248	93,502	184,081
Deposits and retentions received from customers	60,487	53,582	26,994	25,424
Other payables - related parties (Note 3)	-	-	4,766	17,892
Other payables - unrelated parties	236,492	129,453	26,518	31,315
Others	132	523	101	103
Total trade and other payables	<u>2,388,160</u>	<u>2,676,958</u>	<u>1,220,724</u>	<u>1,417,779</u>

**14. Borrowings**

Movements in the borrowing account during the six-month period ended 30 June 2019 are summarised below.

	Consolidated	(Unit: Thousand Baht)
	financial statements	Separate financial statements
Balance as at 1 January 2019 (Restated)	27,783,842	18,549,186
Decrease in short-term borrowings from financial institutions	(793,728)	(738,484)
Additions of long-term borrowing from financial institutions	1,200,000	-
Repayments of long-term borrowings from financial institutions	(1,090,526)	(867,526)
Additions of finance lease liabilities	8,346	934
Repayments of finance lease liabilities	(11,317)	(1,888)
Repayments of debentures	(810,000)	(810,000)
Unrealised gain on exchange rates	(82,062)	(81,580)
Additions of deferred financial service fee	(4,058)	-
Amortisation of deferred financial service fee	841	-
Translation adjustments	(91,860)	-
Balance as at 30 June 2019	<u>26,109,478</u>	<u>16,050,642</u>

**Short-term and long-term borrowings from financial institutions**

As at 30 June 2019, certain of short-term and long-term borrowings of local subsidiary totaling Baht 31 million (31 December 2018: Baht 31 million) were guaranteed by land, land improvements, buildings and structures thereon, and machinery and equipment of a subsidiary as described in Note 10 to the interim financial statements, and by the guarantee of certain of the Company's directors. According to a condition of the borrowing agreements, the Company and the subsidiary are not allowed to create any encumbrance on their assets, except for encumbrances created with the prior consent of the banks and permitted liens.

During the current period, a local subsidiary drew down Baht 550 million of loans. The subsidiary had entered into a long-term loan agreement with a local commercial bank granting credit facilities of Baht 1,445 million, with a term of 6 years. The loan is subject to interest at MLR less a fixed rate per annum, is unsecured and loan principal is payable on a quarterly basis, with the first payment due in March 2020 and interest is payable on a quarterly basis.

As at 30 June 2019, an overseas subsidiary has a credit facility with a financial institution totaling USD 15 million or approximately Baht 461 million (31 December 2018: USD 19 million or approximately Baht 616 million). The subsidiary's short-term borrowings of USD 8.5 million or approximately Baht 261 million (31 December 2018: USD 10.5 million or approximately Baht 341 million) were guaranteed by the Company and the standby-letters of credit of a commercial bank as referred in Note 20.3 to the interim financial statements.

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

#### Debentures

In May 2019, the Company repaid Baht 810 million of debentures, consisting of 810,000 units with a face value of Baht 1,000 each.

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

#### Finance lease liabilities

Finance leases of the Group are mainly related to the lease of vehicles. The terms of the lease agreements are generally 3 - 5 years.

### **15. Provision for retirement benefit obligations**

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional provision for retirement benefit obligations of Baht 81 million (The Company only: Baht 30 million) as a result. The Group reflect the effect of the change by recognising expenses in profit or loss in the current period.

### **16. Income tax**

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

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

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

(Unaudited but reviewed)

Tax expenses (income) for the three-month and six-month periods ended 30 June 2019 and 2018 are made up as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	45,665	173,067	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	8,303	(135,211)	22,232	(54,661)
<b>Tax expense (income) reported in the profit or loss</b>	<u>53,968</u>	<u>37,856</u>	<u>22,232</u>	<u>(54,661)</u>

(Unit: Thousand Baht)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	100,895	265,259	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(57,392)	(109,396)	13,446	(1,893)
<b>Tax expense (income) reported in the profit or loss</b>	<u>43,503</u>	<u>155,863</u>	<u>13,446</u>	<u>(1,893)</u>

## 17. Earnings per share

	For the three-month periods ended 30 June			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Basic earnings per share</b>				
Profit attributable to owners of the Company (Thousand Baht)	270,044	591,925	609,175	1,079,043
Weighted average number of ordinary shares (Thousand shares)	1,536,000	1,536,000	1,536,000	1,536,000
Earnings per share (Baht per share)	0.18	0.39	0.40	0.70



(Unaudited but reviewed)

	For the six-month periods ended 30 June			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Basic earnings per share</b>				
Profit (loss) attributable to owners of the Company (Thousand Baht)	(357,635)	1,423,746	70,179	1,451,745
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)	(0.23)	0.93	0.05	0.95

## 18. Dividends

Dividends	Approved by	(Unit: Million Baht)	
		Total dividends	Dividend per share
Final dividends for 2018	Annual General Meeting of the shareholders on 30 April 2019	614	0.40

## 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 and six-month periods ended 30 June 2019 and 2018 has been presented as follows:

(Unaudited but reviewed)

For the three-month period ended 30 June 2019

(Unit: Thousand Baht)

	Natural rubber and gloves							Engineering	Plantation	Others	Elimination	Consolidation
	United states of							Thailand	Thailand	Thailand		
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		
<b>Revenues</b>												
Revenues from external customers	9,237,410	551,945	3,742,914	91,843	1,517,692	1,362	-	1,810	33	6,070	-	15,151,079
Inter-segment revenues	3,678,679	1,814,139	128,571	-	-	-	76,794	625,965	205	262,468	(6,586,821)	-
<b>Total revenues</b>	<u>12,916,089</u>	<u>2,366,084</u>	<u>3,871,485</u>	<u>91,843</u>	<u>1,517,692</u>	<u>1,362</u>	<u>76,794</u>	<u>627,775</u>	<u>238</u>	<u>268,538</u>	<u>(6,586,821)</u>	<u>15,151,079</u>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(493,705)	(91,213)	(2,487)	(69)	(530)	-	(1,278)	(5,827)	(8,346)	(5,261)	-	(608,716)
Finance income	21,070	1,013	6,356	-	115	1	-	353	29	270	(18,937)	10,270
Finance cost	(169,663)	(93,334)	(55)	(3,645)	-	-	(2,166)	-	(57)	(396)	23,726	(245,590)
Share of profit from investments in associates and joint venture	36,439	-	-	-	-	-	-	-	-	-	-	36,439
<b>Profit (loss) before income tax expense</b>	<u>1,010,282</u>	<u>(88,379)</u>	<u>87,943</u>	<u>(9,427)</u>	<u>45,543</u>	<u>(843)</u>	<u>1,738</u>	<u>7,335</u>	<u>(15,625)</u>	<u>22,310</u>	<u>(707,961)</u>	<u>352,916</u>
Tax income (expense)	(52,711)	13,272	(5,178)	3,303	(7,157)	-	-	(1,432)	186	(4,251)	-	(53,968)
<b>Profit (loss) for the period</b>	<u>957,571</u>	<u>(75,107)</u>	<u>82,765</u>	<u>(6,124)</u>	<u>38,386</u>	<u>(843)</u>	<u>1,738</u>	<u>5,903</u>	<u>(15,439)</u>	<u>18,059</u>	<u>(707,961)</u>	<u>298,948</u>
<b>Total assets</b>	<u>55,629,620</u>	<u>5,648,149</u>	<u>5,199,568</u>	<u>247,362</u>	<u>1,081,464</u>	<u>25,915</u>	<u>176,251</u>	<u>1,134,761</u>	<u>6,794,275</u>	<u>4,179,770</u>	<u>(24,791,088)</u>	<u>55,326,047</u>

(Unaudited but reviewed)

For the three-month period ended 30 June 2018

(Unit: Thousand Baht)

	Natural rubber and gloves							Engineering	Plantation	Others	Elimination	Consolidation
	United states of							Thailand	Thailand	Thailand		
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		
<b>Revenues</b>												
Revenues from external customers	13,862,857	601,829	4,695,558	93,643	441,717	-	-	58,523	703	(72)	-	19,754,758
Inter-segment revenues	2,850,370	2,154,992	89,403	-	19,628	-	97,635	305,899	-	257,513	(5,775,440)	-
<b>Total revenues</b>	<u>16,713,227</u>	<u>2,756,821</u>	<u>4,784,961</u>	<u>93,643</u>	<u>461,345</u>	<u>-</u>	<u>97,635</u>	<u>364,422</u>	<u>703</u>	<u>257,441</u>	<u>(5,775,440)</u>	<u>19,754,758</u>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(476,154)	(77,885)	(1,865)	(103)	(481)	-	(1,304)	(5,861)	(7,908)	(9,021)	-	(580,582)
Finance income	29,670	454	221	-	336	-	-	1,125	73	196	(28,938)	3,137
Finance cost	(182,901)	(61,306)	1,095	(4,183)	-	-	(12,275)	-	-	(493)	32,573	(227,490)
Share of profit from investments in associates and joint venture	57,023	-	-	-	-	-	-	-	-	-	-	57,023
<b>Profit (loss) before income tax expense</b>	<u>1,507,617</u>	<u>(107,497)</u>	<u>151,964</u>	<u>(41,980)</u>	<u>103,039</u>	<u>(111)</u>	<u>(7,457)</u>	<u>10,480</u>	<u>(25,618)</u>	<u>6,509</u>	<u>(952,135)</u>	<u>644,811</u>
Tax income (expense)	31,079	(16,650)	(15,542)	8,813	(43,109)	-	(145)	(1,862)	26	(466)	-	(37,856)
<b>Profit (loss) for the period</b>	<u>1,538,696</u>	<u>(124,147)</u>	<u>136,422</u>	<u>(33,167)</u>	<u>59,930</u>	<u>(111)</u>	<u>(7,602)</u>	<u>8,618</u>	<u>(25,592)</u>	<u>6,043</u>	<u>(952,135)</u>	<u>606,955</u>
<b>Total assets</b>	<u>54,282,897</u>	<u>6,481,957</u>	<u>5,420,865</u>	<u>257,905</u>	<u>1,254,699</u>	<u>25,842</u>	<u>258,715</u>	<u>1,410,174</u>	<u>6,638,924</u>	<u>4,118,237</u>	<u>(25,284,192)</u>	<u>54,866,023</u>

(Unaudited but reviewed)

For the six-month period ended 30 June 2019

(Unit: Thousand Baht)

	Natural rubber and gloves							Engineering	Plantation	Others	Elimination	Consolidation
	United states of							Thailand	Thailand	Thailand		
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		
<b>Revenues</b>												
Revenues from external customers	19,390,675	1,397,263	7,224,578	145,758	1,841,172	2,592	-	7,578	212	11,982	-	30,021,810
Inter-segment revenues	6,491,837	3,302,522	163,033	-	-	-	174,310	1,132,523	5,412	528,924	(11,798,561)	-
<b>Total revenues</b>	<u>25,882,512</u>	<u>4,699,785</u>	<u>7,387,611</u>	<u>145,758</u>	<u>1,841,172</u>	<u>2,592</u>	<u>174,310</u>	<u>1,140,101</u>	<u>5,624</u>	<u>540,906</u>	<u>(11,798,561)</u>	<u>30,021,810</u>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(998,455)	(181,347)	(4,963)	(148)	(945)	-	(2,474)	(11,569)	(16,164)	(11,473)	-	(1,227,538)
Finance income	45,826	4,402	12,389	-	347	1	-	1,167	29	349	(42,365)	22,145
Finance cost	(348,821)	(173,401)	(105)	(8,484)	-	-	(4,004)	-	(117)	(768)	50,523	(485,177)
Share of profit from investments in associates and joint venture	73,631	-	-	-	-	-	-	-	-	-	-	73,631
<b>Profit (loss) before income tax expense</b>	<u>562,731</u>	<u>(236,794)</u>	<u>117,155</u>	<u>(32,300)</u>	<u>869</u>	<u>(581)</u>	<u>16,577</u>	<u>20,795</u>	<u>(42,051)</u>	<u>27,095</u>	<u>(704,893)</u>	<u>(271,397)</u>
Tax income (expense)	(41,200)	6,893	(5,030)	8,272	(2,880)	-	-	(4,609)	214	(5,164)	-	(43,504)
<b>Profit (loss) for the period</b>	<u>521,531</u>	<u>(229,901)</u>	<u>112,125</u>	<u>(24,028)</u>	<u>(2,011)</u>	<u>(581)</u>	<u>16,577</u>	<u>16,186</u>	<u>(41,837)</u>	<u>21,931</u>	<u>(704,893)</u>	<u>(314,901)</u>
<b>Total assets</b>	<u>55,629,620</u>	<u>5,648,149</u>	<u>5,199,568</u>	<u>247,362</u>	<u>1,081,464</u>	<u>25,915</u>	<u>176,251</u>	<u>1,134,761</u>	<u>6,794,275</u>	<u>4,179,770</u>	<u>(24,791,088)</u>	<u>55,326,047</u>

(Unaudited but reviewed)

For the six-month period ended 30 June 2018

(Unit: Thousand Baht)

	Natural rubber and gloves							Engineering	Plantation	Others	Elimination	Consolidation
	United states of							Thailand	Thailand	Thailand		
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		
<b>Revenues</b>												
Revenues from external customers	25,831,920	1,068,587	9,255,482	200,597	999,987	-	-	73,177	916	13,159	-	37,443,825
Inter-segment revenues	6,433,631	4,036,475	193,411	-	28,478	-	178,676	580,482	1,255	465,790	(11,918,198)	-
<b>Total revenues</b>	<u>32,265,551</u>	<u>5,105,062</u>	<u>9,448,893</u>	<u>200,597</u>	<u>1,028,465</u>	<u>-</u>	<u>178,676</u>	<u>653,659</u>	<u>2,171</u>	<u>478,949</u>	<u>(11,918,198)</u>	<u>37,443,825</u>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(922,203)	(151,579)	(3,898)	(349)	(981)	-	(2,537)	(11,788)	(16,331)	(18,143)	-	(1,127,809)
Finance income	55,193	900	369	-	534	-	-	1,712	73	196	(54,124)	4,853
Finance cost	(368,725)	(134,427)	(1,610)	(8,857)	-	-	(10,881)	-	-	(993)	61,348	(464,145)
Share of profit from investments in associates and joint venture	137,168	-	-	-	-	-	-	-	-	-	-	137,168
<b>Profit (loss) before income tax expense</b>	<u>2,311,835</u>	<u>(135,139)</u>	<u>301,708</u>	<u>(88,160)</u>	<u>300,025</u>	<u>(251)</u>	<u>(1,240)</u>	<u>16,631</u>	<u>(65,899)</u>	<u>5,444</u>	<u>(1,019,780)</u>	<u>1,625,174</u>
Tax income (expense)	(63,916)	(8,270)	(34,938)	20,714	(68,287)	-	-	(3,049)	2,247	(364)	-	(155,863)
<b>Profit (loss) for the period</b>	<u>2,247,919</u>	<u>(143,409)</u>	<u>266,770</u>	<u>(67,446)</u>	<u>231,738</u>	<u>(251)</u>	<u>(1,240)</u>	<u>13,582</u>	<u>(63,652)</u>	<u>5,080</u>	<u>(1,019,780)</u>	<u>1,469,311</u>
<b>Total assets</b>	<u>54,282,897</u>	<u>6,481,957</u>	<u>5,420,865</u>	<u>257,905</u>	<u>1,254,699</u>	<u>25,842</u>	<u>258,715</u>	<u>1,410,174</u>	<u>6,638,924</u>	<u>4,118,237</u>	<u>(25,284,192)</u>	<u>54,866,023</u>

(Unaudited but reviewed)

## 20. Commitments and contingent liabilities

### 20.1 Sales and purchases commitments

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 is not determined at the contract date as follows.

(Unit: Thousand Baht)

As at 30 June 2019

	Consolidated financial statements	Separate financial statements
<b>Purchases from:</b>		
Joint venture	452,456	-
Third parties	106,431	-
	<u>558,887</u>	<u>-</u>
<b>Sales to:</b>		
Subsidiaries	-	2,540,610
Third parties	12,942,062	8,090,314
	<u>12,942,062</u>	<u>10,630,924</u>

### 20.2 Capital commitments

The Group had capital commitments as follows.

(Unit: Thousand Baht)

As at 30 June 2019

	Consolidated financial statements	Separate financial statements
Capital commitments - purchase of fixed assets	<u>479,255</u>	<u>29,974</u>

(Unaudited but reviewed)

### 20.3 Commitments from guarantees on borrowings of subsidiaries and contingent liabilities

20.3.1 The Company had outstanding balance of commitments from guarantees on the borrowings of subsidiaries as follows.

Currencies	As at 30 June 2019	
	Consolidated financial statements / Separate financial statements	(Equivalent) Million Baht
Million USD	5	154
Billion Rupiah	1,120	2,452
Total		2,606

20.3.2 As at 30 June 2019, there were outstanding bank guarantees of Baht 153 million issued by banks on behalf of the Group primarily to guarantee electricity usage. The subsidiary had pledged its fixed deposits of Baht 1 million to guarantee electricity usage.

20.3.3 As at 30 June 2019, the Group had a credit facility of standby-letters of credit totaling USD 10 million, or approximately Baht 307 million.

### 20.4 Operating lease commitments - where the Group are is the lessee

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

	(Unit: Thousand Baht)	
	As at 30 June 2019	
	Consolidated financial statements	Separate financial statements
Not later than 1 year	127,446	79,968
Later than 1 year but not later than 5 years	118,548	78,098
Total	245,994	158,066

(Unaudited but reviewed)

## 21. Fair value measurements

As at 30 June 2019 and 31 December 2018, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 30 June 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets				
- equity securities	48,228	-	-	48,228
Derivative financial instruments (Note 6)	42,187	165,243	-	207,430
<b>Liabilities</b>				
Derivative financial instruments (Note 6)	68,214	74,015	-	142,229

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2018 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets				
- equity securities	46,498	-	-	46,498
Derivative financial instruments (Note 6)	45,413	14,188	-	59,601
<b>Liabilities</b>				
Derivative financial instruments (Note 6)	106,524	64,879	-	171,403



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	As at 30 June 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets				
- equity securities	47,919	-	-	47,919
Derivative financial instruments (Note 6)	31,150	83,064	-	114,214
<b>Liabilities</b>				
Derivative financial instruments (Note 6)	62,503	19,631	-	82,134

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2018 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets				
- equity securities	46,182	-	-	46,182
Derivative financial instruments (Note 6)	30,742	2,337	-	33,079
<b>Liabilities</b>				
Derivative financial instruments (Note 6)	95,302	16,030	-	111,332

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

## 22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 August 2019.