

Sri Trang Agro-Industry Public Company Limited
and its subsidiaries
Report and consolidated financial statements
31 December 2020

Independent Auditor's Report

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

Opinion

I have audited the accompanying consolidated financial statements of Sri Trang Agro-Industry Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Sri Trang Agro-Industry Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries and of Sri Trang Agro-Industry Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

Revenue recognition

Revenue from sales of goods is significant to the financial statements. The Coronavirus disease 2019 pandemic has a direct impact on the competition in the rubber glove market and selling prices of rubber gloves. Moreover, the Group has a large number of customers under a variety of conditions. As a result, revenue from sale of goods is a significant account which directly affects the Group's operating results.

I assessed and tested the effectiveness of the Group's internal controls relating to the revenue cycle, examining supporting documents on a sampling basis for actual sale transactions occurring during the year, expanding the scope of audit near the end of the reporting period and testing sale transactions with respect to the accuracy and timing of revenue recognition. I also examined credit notes issued by the Group after the period end and performed analytical procedures on disaggregated data, including reconciliation of sales to cash receipts, to detect possible irregularities in sale transactions throughout the period, particularly accounting entries made through journal vouchers.

Financial instruments

The Group has entered into financial instruments with numerous counterparties that are financial institutions, in order to mitigate its exposure to fluctuations in rubber prices, foreign exchange rates and interest rates. It presents the fair value of such financial instruments in the statement of financial position, and recognises material gains or losses on financial instruments in profit or loss of the statement of comprehensive income. Management therefore relies on valuation techniques and models suggested by the counterparties, in which most of the inputs used are observable in the relevant market. Differences in the assumptions used in the calculation may therefore affect the fair value of such financial instruments presented in the financial statements.

I gained an understanding of the transactions and the process of recording the fair value of financial instruments, and the accounting records related to financial instruments. Moreover, I recalculated the fair value of such financial instruments, sent confirmation requests to counterparties to determine the completeness of the recording of the transactions and verified supporting documents, on a sampling basis, for actual transactions occurring during the year. In addition, I tested the appropriateness of the fair values by comparing them to available market inputs. Moreover, I examined the information disclosed in the notes to the financial statements for appropriateness and completeness.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 16 February 2021

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<u>Note</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets					
Current assets					
Cash and cash equivalents	8	26,446,683,536	2,381,822,723	298,780,383	190,156,195
Trade and other receivables	9	9,260,149,876	4,978,433,863	2,886,595,893	2,592,916,467
Amounts due from future brokers		801,544,051	729,665,751	-	30,384,003
Inventories	10	19,031,541,468	13,493,550,977	10,075,612,645	7,221,648,620
Current portion of long-term loans to subsidiaries	7	-	-	597,348,000	839,347,600
Derivative financial instruments	39.1	235,945,051	62,616,087	173,362,103	27,014,973
Other current assets	11	1,599,102,740	896,717,549	72,815,215	26,096,713
Non-current assets held for sale	12	-	-	307,402,970	-
Total current assets		<u>57,374,966,722</u>	<u>22,542,806,950</u>	<u>14,411,917,209</u>	<u>10,927,564,571</u>
Non-current assets					
Fixed deposits pledged as collateral	3, 13, 14	-	701,500	-	-
Long-term loans to subsidiaries, net of current portion	7	-	-	-	599,534,000
Other non-current financial assets	3,14	97,086,142	-	96,071,528	-
Investments in subsidiaries	15	-	-	18,705,637,813	18,673,335,673
Investments in associates	16	507,741,337	499,600,353	142,500,000	157,568,800
Investment in a joint venture	17	431,884,363	396,391,528	134,716,526	134,716,526
Long-term investments	3, 14	-	109,898,445	-	109,726,337
Investment properties	18	193,600,198	190,331,553	75,663,125	75,663,125
Property, plant and equipment	19	27,243,331,530	27,801,517,575	7,707,942,980	8,530,038,383
Right-of-use assets	3, 4.2, 25	273,158,309	-	114,209,614	-
Economic tree plantations	20	2,390,231,063	2,246,720,190	13,938,754	13,025,646
Intangible assets - Computer software	21	451,342,005	385,901,094	338,848,102	356,550,652
Goodwill	22	3,174,667,132	3,174,667,132	-	-
Withholding tax deducted at source		492,219,875	660,045,134	386,383,967	462,202,209
Deferred tax assets	32	269,818,457	284,240,626	-	-
Other non-current assets		<u>217,175,166</u>	<u>38,044,369</u>	<u>11,583,615</u>	<u>11,918,138</u>
Total non-current assets		<u>35,742,255,577</u>	<u>35,788,059,499</u>	<u>27,727,496,024</u>	<u>29,124,279,489</u>
Total assets		<u>93,117,222,299</u>	<u>58,330,866,449</u>	<u>42,139,413,233</u>	<u>40,051,844,060</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	23	4,635,946,027	2,528,644,697	988,045,291	987,831,101
Short-term borrowings from financial institutions	24	22,162,290,499	16,948,937,304	15,889,794,000	13,502,988,000
Current portions of:					
- Long-term borrowings from financial institutions	24	2,328,352,364	2,621,766,985	1,554,136,000	1,674,276,400
- Debenture	24	1,455,000,000	-	1,455,000,000	-
- Finance lease liabilities	3	-	20,727,960	-	3,496,674
- Lease liabilities	3, 4.2, 25	115,706,540	-	58,005,394	-
Short-term loan from a subsidiary	7	-	-	145,000,000	160,000,000
Income tax payable		1,399,708,727	152,301,474	-	-
Derivative financial instruments	39.1	139,406,892	143,244,779	63,000,451	70,355,004
Other current liabilities		183,957,212	56,775,301	88,173,474	16,421,118
Total current liabilities		32,420,368,261	22,472,398,500	20,241,154,610	16,415,368,297
Non-current liabilities					
Non-current portions of:					
- Long-term borrowings from financial institutions	24	5,996,840,314	7,873,898,511	471,350,000	2,027,976,000
- Debenture	24	-	1,455,000,000	-	1,455,000,000
- Finance lease liabilities	3	-	16,320,705	-	3,190,780
- Lease liabilities	3, 4.2, 25	137,145,778	-	55,298,123	-
Derivative financial instruments	39.1	44,471,537	-	-	-
Provision for retirement benefit obligations	26	440,267,971	384,950,854	136,673,521	126,247,714
Deferred tax liabilities	32	647,918,723	606,693,364	96,228,324	50,877,308
Other non-current liabilities		33,291,499	33,218,344	-	-
Total non-current liabilities		7,299,935,822	10,370,081,778	759,549,968	3,663,291,802
Total liabilities		39,720,304,083	32,842,480,278	21,000,704,578	20,078,660,099

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	2020	2019	2020	2019
Shareholders' equity					
Share capital					
Registered					
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
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	15.2	6,087,887,261	288,463,490	-	-
Retained earnings					
Appropriated - statutory reserve	27	153,600,000	153,600,000	153,600,000	153,600,000
Unappropriated		16,795,645,402	8,413,145,159	6,702,074,215	5,429,641,988
Other components of shareholders' equity					
Surplus on revaluation of assets					
- net of income tax	28	3,815,836,066	3,964,398,998	1,895,167,475	1,994,351,161
Surplus (deficit) on changes in fair value through					
other comprehensive income of investments					
in equity - net of income tax	3	(66,260)	7,544,783	(84,667)	7,639,180
Cash flow hedge reserve - net of income tax	3, 4.1	(19,987,589)	-	-	-
Exchange differences on translation of					
financial statements in foreign currency		(1,149,629,226)	(1,096,075,583)	-	-
Equity attributable to equity holders of the Company		38,071,237,286	24,119,028,479	21,138,708,655	19,973,183,961
Non-controlling interests of the subsidiaries	15.2	15,325,680,930	1,369,357,692	-	-
Total shareholders' equity		53,396,918,216	25,488,386,171	21,138,708,655	19,973,183,961
Total liabilities and shareholders' equity		93,117,222,299	58,330,866,449	42,139,413,233	40,051,844,060

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

Directors

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	<i>2020</i>	<i>2019</i>	<i>2020</i>	<i>2019</i>
Profit or loss:					
Revenues from sales of goods and services	33	75,478,744,621	60,286,372,366	32,885,620,441	32,645,630,698
Cost of sales and services		<u>(53,697,457,457)</u>	<u>(55,431,991,295)</u>	<u>(29,559,739,751)</u>	<u>(30,374,277,996)</u>
Gross profit		21,781,287,164	4,854,381,071	3,325,880,690	2,271,352,702
Other income	29	347,299,550	279,200,501	137,057,991	157,348,506
Dividend income		2,093,094	1,855,939	1,438,635,594	652,409,758
Selling and distribution expenses		<u>(3,127,819,248)</u>	<u>(3,011,555,239)</u>	<u>(1,836,827,566)</u>	<u>(1,995,062,828)</u>
Administrative expenses		<u>(1,654,928,043)</u>	<u>(1,559,041,085)</u>	<u>(636,233,909)</u>	<u>(664,551,541)</u>
Gain on exchange rates		267,817,291	354,646,962	121,440,344	185,389,319
Loss on change in fair value of investment properties		-	(2,366,652)	-	-
Loss from disposal of investments in a subsidiary		-	-	-	(179,231,169)
Gain (loss) from disposal of investments in an associate	16.1	192,977	-	(6,713,800)	-
Other gain (loss)	30	<u>(80,872,178)</u>	<u>(261,474,084)</u>	<u>267,614,490</u>	<u>(216,907,847)</u>
Profit from operating activities		17,535,070,607	655,647,413	2,810,853,834	210,746,900
Share of profit from investments in associates and a joint venture		168,585,842	132,348,965	-	-
Finance income		51,323,881	34,947,069	56,431,385	78,571,918
Finance cost		<u>(690,930,984)</u>	<u>(890,589,762)</u>	<u>(333,555,363)</u>	<u>(454,751,073)</u>
Profit (loss) before income tax		17,064,049,346	(67,646,315)	2,533,729,856	(165,432,255)
Income tax	32	<u>(1,667,479,505)</u>	<u>15,574,213</u>	<u>(48,988,231)</u>	<u>33,904,880</u>
Profit (loss) for the year		<u>15,396,569,841</u>	<u>(52,072,102)</u>	<u>2,484,741,625</u>	<u>(131,527,375)</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		(57,659,888)	(302,678,100)	-	-
Loss on change in value of available-for-sale investments - net of income tax	3	-	(3,679,685)	-	(3,564,890)
Loss on cash flow hedges - net of income tax	3	<u>(7,072,137)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(64,732,025)</u>	<u>(306,357,785)</u>	<u>-</u>	<u>(3,564,890)</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in surplus on revaluation of assets - net of income tax		(6,345,600)	(1,621,914)	(6,345,600)	-
Actuarial gain (loss) - net of income tax		(11,496,930)	20,345,467	452,515	19,738,699
Loss on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	3	<u>(7,611,043)</u>	<u>-</u>	<u>(7,723,847)</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(25,453,573)</u>	<u>18,723,553</u>	<u>(13,616,932)</u>	<u>19,738,699</u>
Other comprehensive income for the year		<u>(90,185,598)</u>	<u>(287,634,232)</u>	<u>(13,616,932)</u>	<u>16,173,809</u>
Total comprehensive income for the year		<u>15,306,384,243</u>	<u>(339,706,334)</u>	<u>2,471,124,693</u>	<u>(115,353,566)</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to:					
Owners of the Company		9,531,213,266	(148,535,523)	<u>2,484,741,625</u>	<u>(131,527,375)</u>
Non-controlling interests of the subsidiaries		5,865,356,575	92,132,024		
Former interests before restructuring of the subsidiary		<u>-</u>	<u>4,331,397</u>		
		<u>15,396,569,841</u>	<u>(52,072,102)</u>		
Total comprehensive income attributable to:					
Owners of the Company		9,446,216,545	(433,008,002)	<u>2,471,124,693</u>	<u>(115,353,566)</u>
Non-controlling interests of the subsidiaries		5,860,167,698	88,970,271		
Former interests before restructuring of the subsidiary		<u>-</u>	<u>4,331,397</u>		
		<u>15,306,384,243</u>	<u>(339,706,334)</u>		
Earnings per share					
34					
Basic earnings per share					
Profit (loss) attributable to equity holders of the Company		6.21	(0.10)	1.62	(0.09)

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2020

(Unit: Baht)

Consolidated financial statements														
Attributable to the equity holders of the Company														
Other components of shareholders' equity														
Other comprehensive income														
Surplus (deficit) on changes in fair value														
Surplus (deficit) from														
the change in														
the ownership														
interests in														
subsidiaries														
Appropriated														
- statutory														
reserve														
Unappropriated														
Surplus on revaluation of assets - net of income tax														
Surplus (deficit) on changes in fair value														
through other comprehensive income of investments in equity - net of income tax														
Cash flow hedge reserve - net of income tax														
Exchange differences on translation of financial statements in foreign currency														
Total other components of shareholders' equity														
Total equity attributable to equity holders of the Company														
Equity attributable to non-controlling interests of the subsidiaries														
Former interests before restructuring of the subsidiary														
Total shareholders' equity														
Issued and paid-up share capital	Premium on ordinary shares	the change in the ownership interests in subsidiaries	Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets - net of income tax	Surplus (deficit) on changes in fair value through other comprehensive income of investments in equity - net of income tax	Cash flow hedge reserve - net of income tax	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Former interests before restructuring of the subsidiary	Total shareholders' equity	
Balance as at 1 January 2019	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 year	-	-	-	-	(148,535,523)	-	-	-	-	(148,535,523)	92,132,024	4,331,397	(52,072,102)	
Other comprehensive income for the year	-	-	-	-	20,345,467	(1,621,914)	(3,679,685)	-	(299,516,346)	(304,817,945)	(284,472,478)	(3,161,753)	-	(287,634,231)
Total comprehensive income for the year	-	-	-	-	(128,190,056)	(1,621,914)	(3,679,685)	-	(299,516,346)	(304,817,945)	(433,008,001)	88,970,271	4,331,397	(339,706,333)
Amortisation on asset revaluation	-	-	-	-	136,638,401	(136,638,401)	-	-	(136,638,401)	-	-	-	-	-
Dividend paid (Note 36)	-	-	-	-	(614,399,999)	-	-	-	-	(614,399,999)	-	-	-	(614,399,999)
Dividend paid by the subsidiaries	-	-	-	-	-	-	-	-	-	-	(3,190)	-	-	(3,190)
Effect of restructuring of the subsidiary	-	-	461,245,867	-	-	-	-	-	-	461,245,867	854,590,485	(1,315,836,352)	-	-
Disposal of investment in the subsidiaries under common control	-	-	352,111	-	-	-	-	(352,111)	(352,111)	-	-	-	-	-
Increase in share capital of the subsidiary	-	-	-	-	-	-	-	-	-	-	31,216,275	-	-	31,216,275
Balance as at 31 December 2019	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
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 effects of the initial adoption of new financial reporting standards (Note 4.1)	-	-	-	-	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 year	-	-	-	-	9,531,213,266	-	-	-	-	9,531,213,266	5,865,356,575	-	-	15,396,569,841
Other comprehensive income for the year	-	-	-	-	(8,442,524)	(6,345,600)	(7,611,043)	(6,360,966)	(56,236,588)	(76,554,197)	(84,996,721)	(5,188,877)	-	(90,185,598)
Total comprehensive income for the year	-	-	-	-	9,522,770,742	(6,345,600)	(7,611,043)	(6,360,966)	(56,236,588)	(76,554,197)	9,446,216,545	5,860,167,698	-	15,306,384,243
Amortisation on asset revaluation	-	-	-	-	142,217,332	(142,217,332)	-	-	-	(142,217,332)	-	-	-	-
Dividend paid (Note 36)	-	-	-	-	(1,305,599,999)	-	-	-	-	(1,305,599,999)	-	-	-	(1,305,599,999)
Dividend paid by the subsidiaries	-	-	-	-	-	-	-	-	-	-	(782,410,499)	-	-	(782,410,499)
Share-based payment paid by a subsidiary (Note 15.2)	-	-	-	-	-	-	-	-	-	-	21,753,441	-	-	21,753,441
Increase in share capital of a subsidiary (Note 15.2)	-	-	5,799,423,771	-	-	-	-	9,485,545	2,682,945	12,168,490	5,811,592,261	8,856,812,598	-	14,668,404,859
Balance as at 31 December 2020	1,535,999,998	10,851,951,634	6,087,887,261	153,600,000	16,795,645,402	3,815,836,066	(66,260)	(19,987,589)	(1,149,629,226)	2,646,152,991	38,071,237,286	15,325,680,930	-	53,396,918,216
	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

Separate financial statements

	Separate financial statements							
					Other components of shareholders' equity			
					Other comprehensive income			
					Surplus (deficit) on changes in fair value through other			
	Retained earnings				Surplus on	comprehensive	Total other	
Issued and	Premium	Appropriated		revaluation of	income of	components	Total	
paid-up	on ordinary	- statutory		assets - net of	investments in equity	of shareholders'	shareholders'	
share capital	shares	reserve	Unappropriated	income tax	- net of income tax	equity	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 year	-	-	-	(131,527,375)	-	-	-	(131,527,375)
Other comprehensive income for the year	-	-	-	19,738,699	-	(3,564,890)	(3,564,890)	16,173,809
Total comprehensive income for the year	-	-	-	(111,788,676)	-	(3,564,890)	(3,564,890)	(115,353,566)
Amortisation on asset revaluation	-	-	-	63,558,979	(63,558,979)	-	(63,558,979)	-
Dividend paid (Note 36)	-	-	-	(614,399,999)	-	-	-	(614,399,999)
Balance as at 31 December 2019	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
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 year	-	-	-	2,484,741,625	-	-	-	2,484,741,625
Other comprehensive income for the year	-	-	-	452,515	(6,345,600)	(7,723,847)	(14,069,447)	(13,616,932)
Total comprehensive income for the year	-	-	-	2,485,194,140	(6,345,600)	(7,723,847)	(14,069,447)	2,471,124,693
Amortisation on asset revaluation	-	-	-	92,838,086	(92,838,086)	-	(92,838,086)	-
Dividend paid (Note 36)	-	-	-	(1,305,599,999)	-	-	-	(1,305,599,999)
Balance as at 31 December 2020	1,535,999,998	10,851,951,634	153,600,000	6,702,074,215	1,895,167,475	(84,667)	1,895,082,808	21,138,708,655

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Cash flow statement

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from operating activities				
Profit (loss) before income tax	17,064,049,346	(67,646,315)	2,533,729,856	(165,432,255)
Adjustments to reconcile profit (loss) before income tax to net cash provided by (paid from) operating activities:				
Unrealised gain on exchange rates	(17,967,914)	(128,250,642)	(2,201,371)	(10,998,134)
Unrealised gain on revaluation of derivative financial instruments	(148,661,759)	(31,173,519)	(153,701,683)	(34,913,207)
Share-based payment expenses	21,753,441	-	-	-
Allowance for expected credit losses/doubtful debts (reversal)	2,157,057	(8,324,705)	(939,025)	-
Reduction of inventory cost to net realisable value (reversal)	30,707,852	(133,379,310)	43,848,318	(74,061,551)
Expenses for retirement benefit obligations	45,887,178	111,695,156	12,473,951	42,492,645
Depreciation	2,717,553,906	2,405,643,654	871,077,987	832,262,806
Amortisation - economic tree plantations	9,351,303	6,440,800	403,186	426,803
Amortisation - intangible assets	74,472,376	74,193,925	66,306,466	60,741,704
Allowance for impairment loss of long-term investments	-	22,000,000	-	22,000,000
Loss on fair value adjustments of other financial instruments	4,000,000	-	4,000,000	-
Write-off withholding tax deducted at source	38,404,456	42,615,112	34,990,288	42,615,112
Finance income	(51,323,881)	(34,947,069)	(56,431,385)	(78,571,918)
Finance cost	690,930,984	890,589,762	333,555,363	454,751,073
Loss from disposal of investments in a subsidiary	-	-	-	179,231,169
Dividend income	(2,093,094)	(1,855,939)	(1,438,635,594)	(652,409,758)
Share of profit from investments in associates and a joint venture	(168,585,842)	(132,348,965)	-	-
Loss on disposal and write-off of property, plant and equipment, right-of-use assets, economic tree plantations and intangible assets	85,783,688	25,689,317	3,876,242	6,330,863
Loss (gain) on disposal of investment in an associate	(192,977)	-	6,713,800	-
Loss on change in fair value of investment properties	-	2,366,652	-	-
Profit from operating activities before changes in operating assets and liabilities	20,396,226,120	3,043,307,914	2,259,066,399	624,465,352
Operating assets (increase) decrease				
Trade and other receivables	(4,251,967,172)	1,019,572,306	(291,723,847)	650,439,700
Amounts due from future brokers	(71,878,300)	246,609,000	30,384,003	915,802
Inventories	(5,568,698,343)	(908,388,179)	(2,897,812,343)	(1,084,007,446)
Other current assets	(660,104,761)	(388,007,820)	9,033,811	34,511,959
Other non-current assets	(179,130,797)	11,199,461	334,523	4,470,774
Operating liabilities increase (decrease)				
Trade and other payables	2,063,335,443	(262,245,097)	1,695,846	(425,205,543)
Other current liabilities	127,181,911	17,292,982	71,752,356	(1,084,854)
Provision for retirement benefit obligations	(4,107,778)	(37,164,793)	(1,482,500)	(2,421,060)
Other non-current liabilities	73,155	-	-	-
Cash flows provided by operating activities	11,850,929,478	2,742,175,774	(818,751,752)	(197,915,316)
Cash received from interest income	32,776,975	35,953,184	56,630,911	81,615,120
Cash paid for interest income	(722,805,507)	(947,877,998)	(335,352,079)	(458,987,321)
Cash received for withholding tax deducted at source refund	167,260,678	126,024,746	50,045,714	17,873,443
Cash paid for income tax	(372,922,646)	(380,309,019)	(65,203,056)	(64,347,895)
Net cash flows provided by (used in) operating activities	10,955,238,978	1,575,966,687	(1,112,630,262)	(621,761,969)

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash flows from investing activities				
Decrease in fixed deposits pledged as collateral	-	26,726,258	-	-
Dividends received	118,883,094	39,513,739	1,438,635,594	652,409,758
Cash received from repayment of long-term loan to a subsidiary	-	-	839,347,600	968,544,000
Cash paid for investment in a subsidiary	-	-	(196,400,000)	(353,339,825)
Cash received from disposal of investment in a subsidiary	-	-	-	31
Cash received from disposal of property, plant and equipment, economic tree plantations and intangible assets	28,942,551	15,507,402	80,947,287	3,231,450
Cash paid for purchases of property, plant and equipment, economic tree plantations and intangible assets	(2,494,577,476)	(4,003,668,056)	(268,373,445)	(312,789,562)
Cash received from disposal of investment in an associate	8,355,000	-	8,355,000	-
Net cash flows provided by (used in) investing activities	<u>(2,338,396,831)</u>	<u>(3,921,920,657)</u>	<u>1,902,512,036</u>	<u>958,055,852</u>
Cash flows from financing activities				
Increase in short-term borrowings from financial institutions	5,253,574,488	1,293,115,341	2,386,806,000	2,182,730,000
Increase in short-term loan from a subsidiary	-	-	-	160,000,000
Repayment of short-term loan from a subsidiary	-	-	(15,000,000)	(300,000,000)
Proceeds from long-term borrowings	2,347,000,000	3,068,000,000	-	-
Repayments of long-term borrowings	(4,517,276,400)	(2,162,525,600)	(1,674,276,400)	(1,142,525,600)
Repayments of debentures	-	(810,000,000)	-	(810,000,000)
Repayments of lease liabilities	(146,213,468)	(21,469,756)	(74,183,539)	(3,788,275)
Dividend paid	(1,304,603,647)	(614,368,335)	(1,304,603,647)	(614,368,335)
Dividend paid by the subsidiaries	(782,410,499)	(3,190)	-	-
Cash received from increase in share capital of a subsidiary	14,609,276,074	31,216,275	-	-
Net cash flows provided by (used in) financing activities	<u>15,459,346,548</u>	<u>783,964,735</u>	<u>(681,257,586)</u>	<u>(527,952,210)</u>
Decrease in translation adjustments	<u>(11,327,882)</u>	<u>(315,351,209)</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	24,064,860,813	(1,877,340,444)	108,624,188	(191,658,327)
Cash and cash equivalents at beginning of the year	2,381,822,723	4,259,163,167	190,156,195	381,814,522
Cash and cash equivalents at end of the year	<u>26,446,683,536</u>	<u>2,381,822,723</u>	<u>298,780,383</u>	<u>190,156,195</u>
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	12,827,530	89,526,109	-	-
Purchases of assets by entering into lease agreements	70,207,839	9,794,526	31,641,322	1,589,000
Increase in retention	11,549,798	23,169,751	-	-

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Notes to consolidated financial statements

For the year ended 31 December 2020

1. General information

Sri Trang Agro-Industry Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of natural rubber products such as ribbed smoked sheets, concentrated latex, block rubber, and other products. In addition, the Group is engaged in the manufacture and distribution of natural gloves and provides engineering, logistics and IT services. The registered office of the Company is at 10 Soi 10, Phetkasem Road, Hat Yai, Songkhla, Thailand.

2. Basis of preparation

- 2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

2.2 Basis of consolidation

- a) The consolidated financial statements include the financial statements of Sri Trang Agro-Industry Public Company Limited ("the Company") and the following subsidiary companies ("the subsidiaries") (collectively as "the Group"):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u>	<u>2019</u>
			(%)	(%)
<u>Subsidiaries directly owned by the Company</u>				
PT Sri Trang Lingga Indonesia	Manufacture of block rubber products	Indonesia	90.00	90.00
Anvar Parawood Co., Ltd.	Manufacture of processed rubber wood	Thailand	99.94	99.94
Rubberland Products Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			<u>2020</u>	<u>2019</u>
			(%)	(%)
Namhua Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Sadao P.S. Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Startex Rubber Co., Ltd.	Investment holding	Thailand	99.99	99.99
Premier System Engineering Co., Ltd.	Providing engineering services	Thailand	99.99	99.99
Starlight Express Transport Co., Ltd.	Providing of logistics services	Thailand	99.99	99.99
Sri Trang Rubber & Plantation Co., Ltd.	Rubber plantation	Thailand	99.99	99.99
Shi Dong Shanghai Rubber Co., Ltd.	Distribution of rubber products	China	100.00	100.00
Sri Trang Gloves (Thailand) Plc.	Manufacture of medical gloves	Thailand	56.18	81.08
Sri Trang IBC Co., Ltd.	Providing of IT Services	Thailand	99.99	99.99

Subsidiaries indirectly owned by the Company

Held by Startex Rubber Co., Ltd.

Sri Trang International Pte Ltd.	Distribution of rubber products	Singapore	99.99	99.99
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Held by Sri Trang International Pte Ltd.

Shi Dong Investments Pte Ltd.	Investment holding	Singapore	99.99	99.99
Sri Trang Indochina (Vietnam) Co., Ltd.	Distribution of rubber products	Vietnam	99.99	99.99
Sri Trang Ayeyar Rubber Industry Co., Ltd.	Manufacture of block rubber products	Myanmar	58.99	58.99

Held by Shi Dong Investments Pte Ltd.

PT Star Rubber	Manufacture of block rubber products	Indonesia	98.99	98.99
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Held by Sri Trang Gloves (Thailand) Plc.

Shidong Shanghai Medical Equipment Co., Ltd.	Distribution of gloves	China	56.18	81.08
Sri Trang USA, Inc.	Distribution of gloves	USA	56.18	81.08

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
 - f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
 - g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
 - h) Former interests before restructuring of the subsidiary represent the portion of profit or loss and net assets of former shareholders before the restructuring and are presented separately in consolidated profit or loss and within equity in the consolidated statement of financial position.
 - i) A change in the ownership interest of subsidiaries of the Group, without a loss of control, are recorded as “Surplus (deficit) from the changes in the ownership interests in subsidiaries” within equity in the consolidated statement of financial position.
- 2.3 The separate financial statements present investments in subsidiaries, a joint venture and associates under the cost method net of allowance for impairment loss (if any).

3. New financial reporting standards

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

During the year, the Group has adopted the revised (revised 2020) 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 any 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 4.1).

Furthermore, the Group elected to early adopt the amendments to TFRS 9 and TFRS 7 relating to interest rate benchmark reform in 2020. These amendments are effective for fiscal years beginning on or after 1 January 2021. These amendments provide reliefs which enable the Group's hedge accounting to continue during the period of uncertainty, before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate. The relevant details are disclosed in Note 39.1 to the 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 this new financial reporting standards are disclosed in Note 4.2 to the financial statements.

b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. 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 management of the Group is currently evaluating the impact of these standards on the financial statements in the year when they are adopted.

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

As described in Note 3 a) to the financial statements, during the current year, 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.

4.1 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 the 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)

4.2 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 as 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 prior to 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
Weighted average incremental borrowing rate (percent per annum)	2.95 - 10.85	2.95 - 10.85
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 are 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

5. Significant accounting policies

5.1 Revenue and expense recognition

The Group recognises revenue when the revenue and related costs can be reliably measured; it is probable that future economic benefits will flow to the entity, which relates to these transactions as follows.

Sales 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 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.

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.

Finance income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the carrying amount of a financial asset net of the allowance for expected credit loss allowance (if any).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

Rental income

Rental income is recognised on an accrual basis based on a straight-line basis over the lease term.

5.2 Government Grants

The Group recognises government grants when all attached conditions have been met and there is reasonable assurance that the grants will be received. The Group recognises those government grants as income in profit or loss, included in other income.

5.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.4 Inventories

Inventories are valued at the lower of cost or net realisable value. Cost is determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, or rebates.

The cost of finished goods and work in process are measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads based on the normal operating capacity, but excluding borrowing costs. Raw materials, chemicals, spare parts and factory supplies are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion finished goods and the estimated costs necessary to make the sale.

5.5 Non-current assets held for sale

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

The Company will classify assets held for sale when the sale is highly probable, which is completed within one year from the date of the classification. In addition, the asset is available for immediate sale in its present condition.

5.6 Investments in subsidiaries, a joint ventures and associates

Investments in a joint venture and associates are accounted for in the consolidated financial statements using the equity method.

Investments in subsidiaries, a joint venture and associates in the separate financial statements are stated at cost net of allowance for impairment loss (if any).

5.7 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value estimated by an independent professional appraiser. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

When there is a change in the use of investment property, if the investment property recorded at fair value is transferred to owner-occupied property or inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property recorded at fair value, any difference between the carrying amount of the property and its fair value at the date of the change in use is treated in the same manner as a revaluation, in accordance with the stated accounting policy for property, plant and equipment.

5.8 Property, plant and equipment and depreciation

Land and building are stated at revalued amount. Other assets are stated at cost less accumulated depreciation and allowance for loss on impairment of asset (if any).

Such subsequent cost may include the cost of replacing part of the buildings and equipment, only when it is probable that future economic benefits are expected from its use will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised in equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The surplus is amortised to retained earnings on a straight-line basis over the remaining useful lives of the related assets, and can neither be offset against deficit nor used for dividend payment.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

Land improvements	-	5 - 43 years
Buildings and structures	-	5 - 50 years
Machinery and equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

The assets will be tested for impairment whenever there is an indication. The residual values and useful lives of assets are reviewed at each reporting period, and adjusted if appropriate.

5.9 Economic tree plantations

Bearer plants, which consist of rubber trees for extraction of latex, oil palm trees for harvesting and economic trees (e.g. Teak, Padauk, Rosewood and Makha) for sale of lumber are stated at cost less accumulated amortisation and allowance for impairment loss (if any).

Costs mainly comprise costs of land clearing, land terracing and drainage, planting, weeding and fertilizing, which are incurred from the immature period until the rubber trees, palm trees and economic trees are ready for commercial harvesting at approximately 7 years for rubbers, 3 years for palms and 5 years for economic trees are capitalised as rubber, palm and economic trees plantation costs. The Group amortises these costs to costs of production after the rubber and palm are commercially harvested, using a straight-line basis, over a period of 25 years. And, the Group transfers cost of mature economic trees to be biological assets.

Amortisation is recognised as expenses in profit or loss.

No amortisation is provided on immature rubber, palm plantation and economic trees costs.

Biological assets consist of latex produced inside the rubber trees, palm fruit on trees, and trunk of economic trees under growth period are measured at their fair value less costs to sell.

Agricultural produce is rubber latex, harvested palm fruit and lumber of economic trees which are measured at their fair value less costs to sell at the point of harvest.

Gains or losses on changes in fair value of biological assets and agricultural produce are recognised in profit or loss.

5.10 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

5.11 Intangible assets - Computer software

Intangible assets - Computer software is recognised at cost. Following the initial recognition, the Intangible assets - Computer software is carried at cost less accumulated amortisation and allowance for impairment loss (if any).

Intangible assets - Computer software with finite useful lives of 3 - 10 years is amortised on a systematic basis over the economic useful lives and tested for impairment whenever there is an indication that the Intangible assets - Computer software may be impaired. The amortisation period and the amortisation method of such Intangible assets - Computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

No amortisation is provided on computer software under installation.

5.12 Business combinations and goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of group of cash-generating unit that is expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each group of cash-generating unit to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss and will not be reversed in future periods.

Business combinations under common control

Business combinations under common control are accounted for using the pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognised based on their book values, in proportion to the interests previously under common control.

Differences between the cost of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities is presented as "Surplus (deficit) on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

5.13 Leases

At inception of contract, the Group assesses whether the contract is a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as a lessee

Accounting policies adopted since 1 January 2020

The Group recognises right-of-use assets and lease liabilities for all lease at the date the underlying asset is available for use (the commencement date of the lease). However, the Group recognised rental expenses on a straight-line basis over the lease term not more than 12 months or leases of low-value assets.

Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, allowance for impairment losses (if any), and adjusted for remeasurement of lease liabilities (if any). The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any reimbursement or other compensation received from a lessor.

Depreciation of right-of-use assets is calculated by reference to their costs on the straight-line basis over the lease term or estimated useful lives of the asset, if ownership of the leased asset is transferred to the Group at the end of the lease term as follows.

Land and land improvement	-	1 - 2 years
Buildings and building improvement	-	3 years
Motor vehicles	-	1 - 3 years
Equipment	-	1 - 5 years

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term, which discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made and is remeasured if there is a change in the lease.

Accounting policies adopted before 1 January 2020

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group as a lessor

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

5.14 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies, joint ventures and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

5.15 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gain and loss on exchange are included in profit or loss.

5.16 Impairment of non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment, right-of-use asset and computer software whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where property and plant was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment (except for goodwill), if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, a reversal of that impairment loss is recognised in profit or loss but shall not exceed the impairment loss was previously recognised in profit or loss, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

5.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits

Defined contribution plans

The Group and its employees in Thailand have jointly established a provident fund. The fund is monthly contributed by employees and by the Group in Thailand. The fund's assets are held in a separate trust fund and contributions of the Group in Thailand are recognised as expenses when incurred.

Defined benefit plans

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law of each country. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

5.18 Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.19 Share-based payments with equity-settled transactions

The Group recognises share-based payment transactions on the date on which the options are granted, based on the fair value of the options. They are recorded to expenses over the expected lives of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating the fair value of share-based payment transactions requires the exercise of judgement to make valuations, as well as appropriate assumptions regarding various matters, such as the expected life of the share options, share price volatility and dividend yield.

5.20 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.21 Financial instruments

Accounting policies adopted since 1 January 2020

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), or fair value through profit or loss ("FVTPL"). The classification of financial assets at initial recognition is driven by the Group's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if the financial asset is held in order to collect cash flows with the contractual terms. The cash flows are solely payments of principal and interest on the principal amount outstanding complied with the period specified in the contract.

Financial assets at amortised cost are subsequently measured using the effective interest rate (“EIR”) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Group can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Moreover, Equity instruments designated at FVOCI are not subject to impairment assessment.

Financial assets at FVTPL

Financial assets measured at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

These financial assets include derivative financial instruments, security investments held for trading, equity investments which the Group has not irrevocably elected to classify at FVOCI and financial assets with cash flows that are not solely payments of principal and interest.

Dividends on the equity investments are recognised as other income in profit or loss.

Classification and measurement of financial liabilities

The Group’s financial liabilities are initially recognised at fair value net of transaction costs and classified as financial liabilities to be subsequently measured at amortised cost, except for derivative liabilities as described in Note 5.22 to the financial statements. In determining amortised cost, the Group takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Group has transferred substantially all the risks and rewards of the asset, or the Group has transferred neither all the risks nor rewards of the asset but has transferred control over it.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Group applies a simplified approach in calculating ECLs. The Group recognises a loss based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Accounting policies adopted before 1 January 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

- e) Investments in a joint venture and associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries, a joint venture and associates in the separate financial statements are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

5.22 Derivatives and hedge accounting

The Group has entered into contracts of derivative financial instruments as follows.

- Foreign exchange options and forward foreign exchange contracts to hedge its foreign currency risks
- Interest rate swaps to hedge its interest rate risks
- Rubber options, rubber futures and physical forward contracts to hedge its commodity price risks

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. The subsequent changes are recognised in profit or loss unless the derivative is designated and effective as a hedging instrument under cash flow hedge. Derivatives are carried as financial assets or financial liabilities by considering the fair value of the derivatives.

Derivatives are presented as non-current assets or liabilities and current assets or liabilities by considering the remaining maturity with more than or less than 12 months respectively.

Hedge accounting for cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve and later reclassified to profit or loss when the hedged cash flows affect profit or loss or no longer exist.

The Group prepares formal documentation on the date that hedge accounting is applied, and provides regular updates regarding the risk management objectives and strategies and the relationships between the hedging instruments and hedged items, including the nature of the risks being hedged, how the Group assesses the hedge effectiveness, analysis of the causes of hedge ineffectiveness and how the hedge ratio is determined.

The Group considers of the hedge effectiveness by comparing the critical terms between hedging instruments and hedged items. If the critical terms match, the hedging relationship is expected to be highly effective.

5.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows.

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Property, plant and equipment

The Group measures land and buildings at revalued amounts. Such amounts are determined by the independent professional appraiser using the market approach for land and the depreciated replacement cost approach for buildings. The valuation involves certain assumptions and estimations.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and to record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Goodwill

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

7. Related party transactions

During the year, 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)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Transactions with subsidiaries				
Sales of goods	-	-	8,091,431	5,454,269
Purchases of goods	-	-	2,225,358	3,498,160
Service income	-	-	164,895	167,436
Dividend income	-	-	1,333,494	614,330
Rental income	-	-	193	244
Interest income	-	-	56,243	75,777
Service expenses	-	-	476,421	501,941
Rental expenses	-	-	799	4,869
Interest expenses	-	-	1,504	1,633
Transactions with associates				
Sales of goods	17,625	19,798	-	-
Purchases of goods	165	164	5	37
Service income	26,452	30,813	2,650	8,263
Dividend income	116,790	12,155	103,050	10,725
Rental income	400	400	-	-
Service expenses	33	34	-	-
Transactions with a joint venture				
Purchases of goods	1,932,800	1,648,734	-	-
Service income	10,820	14,386	10,780	14,361
Dividend income	-	25,503	-	25,503
Transactions with directors and related parties				
Purchases of fixed assets	94,700	-	-	-

The pricing policies of the Group are as follows.

- (1) Sales/purchases of goods 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.
- (5) Sales/purchases of fixed assets are based on contract prices which reference to market prices.

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

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade accounts receivable (Note 9)				
Subsidiaries	-	-	621,622	376,906
Associates	4,018	1,919	223	133
Joint venture	-	1	-	-
	<u>4,018</u>	<u>1,920</u>	<u>621,845</u>	<u>377,039</u>
Other receivables (Note 9)				
Subsidiaries	-	-	16,418	16,150
Associates	716	2,334	-	-
Joint venture	-	44	-	44
	<u>716</u>	<u>2,378</u>	<u>16,418</u>	<u>16,194</u>
Advance payments for goods (Note 9)				
Subsidiaries	-	-	-	26,899
Trade accounts payable (Note 23)				
Subsidiaries	-	-	142,757	215,530
Associates	10	21	-	21
Joint venture	34,722	7,694	-	-
	<u>34,732</u>	<u>7,715</u>	<u>142,757</u>	<u>215,551</u>
Other payables (Note 23)				
Subsidiaries	-	-	8,921	15,001

Outstanding balances arising from loans to subsidiaries

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

		(Unit: Thousand Baht)		
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Interest receivables (Note 9)				
Subsidiaries	-	-	168	367
Long-term loans				
Subsidiaries	-	-	597,348	1,438,882

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

		Separate financial statements			
		As at 31 December 2020			
Relationship		Principle		Interest rates %	Borrowing periods
		Million USD	(Equivalent) Million Baht		
PT Star Rubber	An indirect subsidiary	20	597	5.05	3 years
		Separate financial statements			
		As at 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 year ended 31 December 2020 were as follows.

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 December 2020
	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Unrealised loss on exchange rate	
Long-term loans					
Subsidiaries	1,438,882	-	(839,348)	(2,186)	597,348

Outstanding balances arising from loans from a subsidiary

As at 31 December 2020 and 2019, the Company had the balance of a short-term loan from Startex Rubber Co., Ltd. (a direct subsidiary) amounting to Baht 145 million and Baht 160 million respectively, 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 loans from subsidiaries during the year ended 31 December 2020 were as follows.

(Unit: Thousand Baht)

	Separate financial statements			
	Balance as at 31 December 2019	Increase during the year	Decrease during the year	Balance as at 31 December 2020
Short-term loan				
Subsidiary	160,000	-	(15,000)	145,000

Directors and management's benefits

During the years ended 31 December 2020 and 2019, the Group had employee benefit expenses of its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Short-term employee benefits	299,388	238,934	60,863	47,509
Post-employment benefits	9,483	29,633	3,138	8,013
Share-based payment benefits	12,506	-	-	-
Total	321,377	268,567	64,001	55,522

Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 37 to the financial statements.

8. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Cash	60,398	30,303	9,324	10,464
Bank deposits	26,386,286	2,351,520	289,456	179,692
Total	26,446,684	2,381,823	298,780	190,156

As at 31 December 2020, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 3.25 percent per annum (2019: between 0.05 and 4.00 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Trade accounts receivable - related parties</u> (Note 7)				
Aged on the basis of due dates				
Not yet due	4,018	1,920	621,845	376,848
Past due				
Up to 30 days	-	-	-	191
Total trade accounts receivable - related parties	4,018	1,920	621,845	377,039
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	8,111,952	4,189,371	2,028,242	1,860,778
Past due				
Up to 30 days	463,710	392,819	126,278	214,480
31 - 60 days	13,529	47,265	13,365	25,584
61 - 90 days	863	6,292	51	3,491
91 - 120 days	1,972	19,143	-	9,632
121 - 365 days	3,525	8,783	907	123
Over 365 days	39,273	59,110	30,443	37,907
Total	8,634,824	4,722,783	2,199,286	2,151,995
Less: Allowance for expected credit losses				
(2019: Allowance for doubtful accounts)	(35,274)	(33,117)	(26,697)	(27,636)
Total trade accounts receivable - unrelated parties, net	8,599,550	4,689,666	2,172,589	2,124,359
Total trade accounts receivable, net	8,603,568	4,691,586	2,794,434	2,501,398

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<u>Other receivables</u>				
Other receivables - related parties (Note 7)	716	2,378	16,418	16,194
Other receivables - unrelated parties	97,813	115,492	16,140	15,740
Interest receivables - related parties (Note 7)	-	-	168	367
Advance payments for goods - related parties (Note 7)	-	-	-	26,899
Prepaid expenses and advance payments for goods				
- unrelated parties	558,052	168,978	59,436	32,318
Total other receivables	656,581	286,848	92,162	91,518
Total trade and other receivables, net	9,260,150	4,978,434	2,886,596	2,592,916

10. Inventories

	(Unit: Thousand Baht)					
	Consolidated financial statements					
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	5,988,723	4,500,138	(7,095)	(23,992)	5,981,628	4,476,146
Work in process	3,820,907	3,196,861	(27,596)	(62,272)	3,793,311	3,134,589
Raw materials, packaging, and chemicals	8,943,210	5,469,390	(93,288)	(10,952)	8,849,922	5,458,438
Spare parts and supplies	426,414	444,167	(19,734)	(19,789)	406,680	424,378
Total	19,179,254	13,610,556	(147,713)	(117,005)	19,031,541	13,493,551

(Unit: Thousand Baht)

	Separate financial statements					
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Finished goods	2,783,130	1,992,551	(300)	(5,155)	2,782,830	1,987,396
Work in process	2,112,936	1,636,140	-	-	2,112,936	1,636,140
Raw materials, packaging, and chemicals	5,174,630	3,541,617	(47,799)	-	5,126,831	3,541,617
Spare parts and supplies	54,018	56,594	(1,002)	(98)	53,016	56,496
Total	10,124,714	7,226,902	(49,101)	(5,253)	10,075,613	7,221,649

During the years 2020 and 2019, reduction of cost to net realisable value was summarised as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Recorded amount was included in				
cost of sales	31	-	44	-
Reversal and reduced the amount				
of inventories recognised as				
cost of sales	-	(133)	-	(74)

Additional information

Information on inventory balances of the Group, for only ribbed smoked sheets, concentrated latex and block rubber, as at 31 December 2020 and 2019 is as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Inventories at net realisable value (NRV)*	16,061,791	12,341,229	10,328,030	7,566,209
Inventories at lower of cost or net				
realisable value (NRV) - as measured and				
included in the financial statements	15,505,784	11,379,981	9,905,671	7,018,544
Difference	<u>556,007</u>	<u>961,248</u>	<u>422,359</u>	<u>547,665</u>

* 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 finished goods and the estimated costs necessary 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.

11. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Refundable value-added tax	1,557,020	848,191	69,234	18,607
Prepaid withholding tax	10,790	24,262	-	-
Input tax waiting for tax invoice or not yet due	31,293	24,265	3,581	7,490
Total other current assets	<u>1,599,103</u>	<u>896,718</u>	<u>72,815</u>	<u>26,097</u>

12. Non-current assets held for sale

On 13 November 2020, the Company's Board of Director meeting passed resolutions approving the sale of ordinary shares of subsidiaries and land and buildings thereon of the Company to Sri Trang Gloves (Thailand) Plc. (a subsidiary) ("STGT") which were summarised as follows.

1. Approval for sale of the 419,996 ordinary shares of Premier System Engineering Co., Ltd. (a subsidiary) ("PSE") at a par value of Baht 100, a proportion of 83.9992 percent of all shares with voting rights, for a total of Baht 941 million (in comparison with the report of independent financial advisor).
2. Approval for sale of the 399,994 ordinary shares of Sadao P.S. Rubber Co., Ltd. (a subsidiary) ("PS") at a par value of Baht 100, a proportion of 99.9985 percent of all shares with voting rights, for a total of Baht 147 million (in comparison with the report of the independent professional appraiser).
3. Approval for sale of land and buildings thereon located in Patew, Chumporn from the Company, for Baht 177 million (in comparison with the report of the independent professional appraiser).

Subsequently, in January 2021, the Company received the full payment from STGT. In addition, the Company completely transferred its ownership of the ordinary shares and land and buildings thereon to STGT in the same month.

The Company classified investments of PSE and PS as well as the land and buildings thereon to be non-current assets held for sale, with the total approximate carrying amount of Baht 307 million.

13. Restricted bank deposits

The balances represent bank deposits of a domestic subsidiary which were pledged as collateral for contract compliance with government agencies.

14. Other non-current financial assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019*</u>	<u>2020</u>	<u>2019*</u>
Financial assets at amortised cost				
Fixed deposits pledged as collateral	701	701	-	-
Equity instruments designated at FVOCI				
Investments in equity instruments of listed companies	32,385	41,899	32,072	41,726
Equity instruments designated at FVTPL				
Investment in equity instrument of a non-listed company	64,000	68,000	64,000	68,000
Total other current financial assets	<u>97,086</u>	<u>110,600</u>	<u>96,072</u>	<u>109,726</u>

* The balances as at 31 December 2019 were presented as restricted bank deposits and long-term investments, which were reclassified to other non-current financial assets as described in Note 3 to the financial statements.

15. Investments in subsidiaries

15.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding		Cost		(Unit: Million Baht)	
			percentage				Dividend received	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
			(%)	(%)			during the year	
Subsidiaries								
PT Sri Trang Lingga Indonesia	359	359	90.00	90.00	330	330	-	-
Anvar Parawood Co., Ltd.	10	10	99.94	99.94	26	26	-	-
Rubberland Products Co., Ltd.	1,600	1,600	99.99	99.99	1,935	1,935	148	330
Namhua Rubber Co., Ltd.	500	500	99.99	99.99	560	560	-	-
Sadao P.S. Rubber Co., Ltd. (Note 12)	40	40	99.99	99.99	-	54	-	-
Startex Rubber Co., Ltd.	2,198	2,198	99.99	99.99	2,196	2,196	20	-
Premier System Engineering Co., Ltd.	50	50	83.99	82.00	-	100	213	246
(Note 12)								
Starlight Express Transport Co., Ltd.	15	15	79.99	76.67	41	39	46	38
Sri Trang Rubber & Plantation Co., Ltd.	6,909	6,725	99.99	99.99	6,909	6,725	-	-
Shi Dong Shanghai Rubber Co., Ltd.	155	155	100.00	100.00	155	155	-	-
Sri Trang Gloves (Thailand) Plc.	1,429	990	50.74	73.24	6,551	6,551	906	-
Sri Trang IBC Co., Ltd.	2	2	99.99	99.99	2	2	-	-
Total					<u>18,706</u>	<u>18,673</u>	<u>1,333</u>	<u>614</u>

15.1.1 Details of investments in subsidiaries that have material non-controlling interests.

(Unit: Million Baht)

Company's name	Proportion of equity interest held by		Accumulated balance of		Profit allocated to		Dividend paid to	
	non-controlling interests		non-controlling interests		non-controlling interests		non-controlling interests	
	2020	2019	2020	2019	2020	2019	2020	2019
	(%)	(%)						
Sri Trang Gloves								
(Thailand) Plc. *	43.82	18.92	15,280	1,264	5,921	109	782	-

* The consolidated financial statements of Sri Trang Gloves (Thailand) Public Company Limited

15.1.2 Summarised financial information that based on amounts before inter-company elimination of a subsidiary that has material non-controlling

Summarised information about financial position

(Unit: Million Baht)

	Sri Trang Gloves (Thailand) Plc.	
	2020	2019
Current assets	33,138	4,312
Non-current assets	13,884	12,696
Current liabilities	5,825	2,773
Non-current liabilities	5,926	6,186

Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Sri Trang Gloves (Thailand) Plc.	
	2020	2019
Revenue	30,405	11,994
Profit	14,327	554
Other comprehensive income	(10)	(3)
Total comprehensive income	14,317	551

Summarised information about cash flow

	(Unit: Million Baht)	
	For the year ended 31 December	
	Sri Trang Gloves (Thailand) Plc.	
	<u>2020</u>	<u>2019</u>
Cash flow provided by operating activities	13,611	1,343
Cash flow used in investing activities	(2,051)	(3,315)
Cash flow provided by financing activities	12,035	2,000
Translation adjustment	12	(20)
Net increase (decrease) in cash and cash equivalents	<u>23,607</u>	<u>8</u>

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

Offering of newly-issued ordinary shares

During 23 to 25 June 2020, STGT offered 438,780,000 newly-issued ordinary shares with a par value of Baht 1 each, as follows.

1. The initial public offering (IPO) of 432,780,000 shares at an offer price of Baht 34 per share, amounting to Baht 14,714,520,000
2. The directors, executives, and/or employees of the Company and the Company's subsidiaries of 2,000,000 shares at an offer price of Baht 34 per share, amounting to Baht 68,000,000
3. The STGT ESOP of 4,000,000 shares at an offer price of 90 percent of Baht 34 (the IPO price) per share, amounting to Baht 122,400,000

As at 31 December 2020, STGT had outstanding newly-issued ordinary shares offered under the STGT ESOP as follows:-

Offering period	Number of newly-issued ordinary shares	Offering price per share
The first year after the IPO	Not more than 30 percent, or 6,000,000 shares*	90 percent of the market price
The second year after the IPO	Not more than 30 percent, or 6,000,000 shares*	90 percent of the market price

* The number of shares had been revised as described in section of the change in the par value of the ordinary shares

Receipt of payment for newly-issued ordinary shares and registration of the increase in issued and paid-up share capital

On 29 June 2020, STGT received full payment of the additional capital and registered the increase of its issued and paid-up share capital from Baht 990,000,000 (990,000,000 ordinary shares with a par value of Baht 1 each) to Baht 1,428,780,000 (1,428,780,000 ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on the same date.

As a result, the shareholdings of the Company and Rubberland Products Co., Ltd. in STGT decreased from 73.24 percent and 7.84 percent to 50.74 percent and 5.44 percent, respectively, non-controlling interests of STGT increased Baht 8,857 million, and surplus from the change in the ownership interests in STGT increased to Baht 5,799 million.

The Stock Exchange of Thailand approved the 1,428,780,000 ordinary shares with a par value of Baht 1 each as listed securities, with trading permitted as from 2 July 2020.

Share-based payment under STGT ESOP

As discussed under the heading of “Offering of newly-issued ordinary shares”, STGT had 12,000,000 shares remaining from the offer of new ordinary shares under the STGT ESOP scheme which were offered at a price equal to 90 percent of the market price, which met the criteria for a share-based payment.

STGT recognised share-based payment expenses amounting to Baht 21.8 million for the year ended 31 December 2020.

The change in the par value of the ordinary shares

On 25 December 2020, the Extraordinary General Meeting of STGT’s shareholders passed resolutions approving the change in the par value of the ordinary shares of STGT from Baht 1 each to Baht 0.5 each. As a result, STGT’s registered share capital of Baht 1,434,780,000 comprises 2,869,560,000 ordinary shares of Baht 0.5 each and STGT’s registered and paid-up share capital of Baht 1,428,780,000 comprises 2,857,560,000 ordinary shares of Baht 0.5 each. STGT registered the change in a par value with the Ministry of Commerce on 28 December 2020.

Capacity expansion projects

On 25 December 2020, the Extraordinary General Meeting of STGT’s shareholders passed resolutions approving the following important matters.

1. Approval of the acquisition of the ordinary shares of Premier System Engineering Co., Ltd. (a subsidiary) from the Company 83.9992 percent and from Rubberland Products Co., Ltd. (a subsidiary) 16.0000 percent of all shares with voting rights, for a total of Baht 1,120 million (in comparison with the report of independent financial advisor).

2. Approval of the acquisition of the ordinary shares of Sadao P.S. Rubber Co., Ltd. (a subsidiary) from the Company 99.9985 percent of all shares with voting rights, for Baht 147 million (in comparison with the report of the independent professional appraiser).
3. Approval of the purchase of land and buildings thereon located in Sadao, Songkhla from Anvar Parawood Co., Ltd. (a subsidiary), for Baht 69 million (in comparison with the report of the independent professional appraiser).
4. Approval of the purchase of land and buildings thereon located in Patew, Chumporn from the Company, for Baht 177 million (in comparison with the report of the independent professional appraiser).

Dividend payment

On 16 February 2021, STGT's Board of Directors meeting passed resolutions to approve a dividend payment in respect of operating results of 2020 to shareholders of Baht 2.0 per share, totaling of Baht 5,715.12 million. STGT will propose STGT's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2021.

15.3 Sri Trang Rubber & Plantation Co., Ltd. ("SRP")

On 19 September 2019, the Board of Directors of the Company passed resolutions to approve the increase in SRP's registered share capital amounting to Baht 250 million for operation in 2020. During the current year, the Company paid Baht 184 million for the additional capital. Therefore, the separate financial statements as at 31 December 2020, the Company had investments in SRP of Baht 6,909 million.

Subsequently, on 16 February 2021, the Board of Directors of the Company passed resolutions to approve the increase in SRP's registered share capital amounting to Baht 160 million for operation in 2021.

15.4 Sadao P.S. Rubber Co., Ltd. ("PS")

On 20 July 2020, the Company's Board of Director meeting passed resolutions to acquire all investments in subsidiaries held by PS, namely Starlight Express Transport Co., Ltd. And Premier System Engineering Co., Ltd. The purchase prices, which were based on the net book value of each company, were Baht 1 million and Baht 11 million respectively.

Subsequently, in August 2020, the Company completed acquisition and transferred ownership of these investments.

16. Investments in associates

16.1 Details of associates:

(Unit: Thousand Baht)

Associates	Nature of business	Country of incorporation	Shareholding percentage		Consolidated		Separate	
					financial statements		financial statements	
					Carrying amounts based on equity method		Cost	
			2020	2019	2020	2019	2020	2019
			(%)	(%)				
Semperflex Asia Co., Ltd.	Manufacture of hydraulic hoses	Thailand	42.50	42.50	507,741	491,440	142,500	142,500
(Shareholding held by the Company 37.50% and by a subsidiary 5.00%)								
Pattana Agro Futures Co., Ltd.	Futures broker	Thailand	-	40.00	-	8,160	-	15,069
Total					507,741	499,600	142,500	157,569

On 14 May 2020, the Company's Board of Director meeting passed resolutions to approve the disposal of the investment in Pattana Agro Futures Co., Ltd. to a shareholder of that company. Subsequently, on June 2020, the Company transferred ownership of the investment to the purchaser, and recognised a gain from the sale amounting to Baht 0.2 million in the consolidated financial statements (Separate financial statements: loss on sales amounting to Baht 6.7 million).

16.2 Share of comprehensive income and dividend received

During the years, the Group has recognised its share of profit from investments in associate companies and dividend income in the consolidated financial statements and dividend income in the separate financial statements as follows.

(Unit: Thousand Baht)

Associates	Consolidated				Separate	
	financial statements				financial statements	
	Share of profit from				Dividend received	
	investments in associates		Dividend received		Dividend received	
	during the years		during the years		during the years	
	2020	2019	2020	2019	2020	2019
Semperflex Asia Co., Ltd.	133,091	116,797	116,790	12,155	103,050	10,725
Pattana Agro Futures Co., Ltd.	2	39	-	-	-	-
Total	133,093	116,836	116,790	12,155	103,050	10,725

16.3 Summarised financial information about a material associate

Summarised information about financial position

	(Unit: Thousand Baht)	
	Semperfex Asia Co., Ltd.	
	<u>2020</u>	<u>2019</u>
Current assets	1,139,003	1,014,186
Non-current assets	270,954	306,413
Current liabilities	(178,950)	(129,378)
Non-current liabilities	(20,003)	(17,967)
Net assets	1,211,004	1,173,254
Shareholding percentage (%)	42.50%	42.50%
Share of net assets	514,677	498,633
Adjustments on consolidated financial statements	(6,936)	(7,193)
Carrying amounts of the associate based on equity method	<u>507,741</u>	<u>491,440</u>

Summarised information about comprehensive income

	(Unit: Thousand Baht)	
	For the year ended 31 December	
	Semperfex Asia Co., Ltd.	
	<u>2020</u>	<u>2019</u>
Revenue	1,166,586	1,322,626
Profit	313,156	274,816
Other comprehensive income	577	(1,869)
Total comprehensive income	313,733	272,947

16.4 Semperfex Asia Co., Ltd.

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

The Company granted a call option to Semperit for the acquisition of Semperfex Asia Co., Ltd. totalling 1,615,000 shares, representing 42.50 percent of paid-in capital of Semperfex Asia Co., Ltd. from the Company and its subsidiary, at the exercise price of USD 51 million, and with a condition to pay all dividend from profit contribution after the acquisition date. The exercise period is between 30 June 2019 and 30 June 2026.

17. Investment in a joint venture

17.1 Details of investment in a joint venture

Investment in a joint venture represents investment in entity which is jointly controlled by the Company and other companies. Details of this investment is as follows.

(Unit: Thousand Baht)								
Joint venture	Nature of business	Country of incorporation	Shareholding percentage		Consolidated financial statements		Separate financial statements	
					Carrying amounts based on equity method		Cost	
			2020 (%)	2019 (%)	2020	2019	2020	2019
Thaitech Rubber Corp., Ltd.	Manufacture of rubber products	Thailand	42.505	42.505	431,884	396,391	134,717	134,717

17.2 Share of comprehensive income and dividend received

During the years, the Group recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

(Unit: Thousand Baht)				
Joint venture	Consolidated financial statements		Separate financial statements	
	Share of profit from investments in a joint venture during the years		Dividend received during the years	
	2020	2019	2020	2019
Thaitech Rubber Corp., Ltd.	35,493	15,513	-	25,503

17.3 Summarised financial information about a material joint venture

Summarised information about financial position

(Unit: Thousand Baht)		
	Thaitech Rubber Corp., Ltd.	
	2020	2019
Current assets	2,204,590	1,676,785
Non-current assets	1,077,487	1,117,094
Current liabilities	(2,414,635)	(2,005,614)
Non-current liabilities	(19,019)	(16,061)
Net assets	828,423	772,204
Shareholding percentage (%)	42.505%	42.505%
Share of net assets	360,622	328,225
Adjustments on consolidated financial statements	71,262	68,166
Carrying amounts of the joint venture based on equity method	431,884	396,391

Summarised information about comprehensive income

(Unit: Thousand Baht)		
For the year ended 31 December		
Thaitech Rubber Corp., Ltd.		
	<u>2020</u>	<u>2019</u>
Revenue	5,617,895	5,515,033
Profit	80,391	21,367
Other comprehensive income	(5,418)	(16,060)
Total comprehensive income	74,973	5,367

18. Investment properties

A reconciliation of the net book value of investment properties for the years 2020 and 2019 is presented below.

(Unit: Thousand Baht)				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net book value at beginning of year	190,332	201,528	75,663	75,663
Transfer from fixed assets (Note 19)	3,713	-	-	-
Loss on change in fair value	-	(2,367)	-	-
Translation adjustment	(445)	(8,829)	-	-
Net book value at end of year	<u>193,600</u>	<u>190,332</u>	<u>75,663</u>	<u>75,663</u>

The investment properties of the Group are land not used in operations and office building held for rent. The Group has not determined whether being held as owner-occupied property or for short-term capital gain appreciation.

The Group's land not being used in operations and office building for rent were revalued by an independent professional appraiser. The revaluation was based on market approach and sales comparison approach between the investment property with the same characteristic in market or same location respectively.

19. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						
	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	Total
As at 1 January 2019							
Cost / Revalued amount	12,166,570	7,161,646	12,901,806	1,129,568	703,657	1,279,354	35,342,601
<u>Less</u> Accumulated depreciation	(919,881)	(877,303)	(5,826,270)	(779,462)	(502,487)	-	(8,905,403)
<u>Less</u> Allowance for impairment	(49,700)	-	(5,556)	-	-	-	(55,256)
Net book value	11,196,989	6,284,343	7,069,980	350,106	201,170	1,279,354	26,381,942
For the year ended 31 December 2019							
Net book value at beginning of year	11,196,989	6,284,343	7,069,980	350,106	201,170	1,279,354	26,381,942
Additions	24,379	6,855	136,939	75,169	25,220	3,691,880	3,960,442
Transfers in (out)	176,246	646,319	1,078,401	20,435	16,847	(1,938,248)	-
Transfer to intangible assets (Note 21)	-	-	-	-	-	(1,251)	(1,251)
Disposals and write-off, net	(4,103)	(3,764)	(30,421)	(1,675)	(1,100)	(72)	(41,135)
Additions of revaluation	360	5,382	-	-	-	-	5,742
Reductions of revaluation	(2,266)	-	-	-	-	-	(2,266)
Depreciation for the year (Note 31)	(242,868)	(475,178)	(1,487,455)	(119,451)	(80,692)	-	(2,405,644)
Depreciation capitalised to assets (Note 20)	(57,789)	(5,049)	(2,889)	(3,710)	-	-	(69,437)
Reversal of allowance for impairment	-	-	-	-	-	50,992	50,992
Translation adjustment, net	(13,219)	(31,574)	(18,621)	(4,727)	(1,960)	(7,766)	(77,867)
Net book value at end of year	11,077,729	6,427,334	6,745,934	316,147	159,485	3,074,889	27,801,518

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis		Cost basis				Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	
As at 31 December 2019							
Cost / Revalued amount	12,343,649	7,773,689	13,938,112	1,197,096	739,922	3,074,889	39,067,357
<u>Less</u> Accumulated depreciation	(1,216,220)	(1,346,355)	(7,186,622)	(880,949)	(580,437)	-	(11,210,583)
<u>Less</u> Allowance for impairment	(49,700)	-	(5,556)	-	-	-	(55,256)
Net book value	<u>11,077,729</u>	<u>6,427,334</u>	<u>6,745,934</u>	<u>316,147</u>	<u>159,485</u>	<u>3,074,889</u>	<u>27,801,518</u>
For the year ended 31 December 2020							
Net book value at beginning of year	11,077,729	6,427,334	6,745,934	316,147	159,485	3,074,889	27,801,518
Adjustments of TFRS 16 adoption (Note 4.2)	-	-	-	(62,373)	-	-	(62,373)
Additions	142,703	17,505	123,928	31,930	20,886	1,948,439	2,285,391
Transfers in (out)	72,134	823,138	2,469,003	2,577	17,776	(3,384,628)	-
Transfer to other assets, net (Note 20, 21)	-	-	-	-	-	(4,592)	(4,592)
Transfer to investment properties (Note 18)	-	(3,713)	-	-	-	-	(3,713)
Disposals and write-off, net	(1,951)	(70,125)	(33,475)	(198)	(1,088)	(160)	(106,997)
Reductions of revaluation	(7,932)	-	-	-	-	-	(7,932)
Depreciation for the year (Note 31)	(240,857)	(493,325)	(1,677,955)	(82,206)	(72,056)	-	(2,566,399)
Depreciation capitalised to assets (Note 20)	(52,414)	(4,947)	(2,273)	(3,280)	-	-	(62,914)
Interest capitalized to assets	-	-	-	-	-	56,500	56,500
Translation adjustment, net	(32,911)	(45,511)	(5,990)	(611)	(89)	(45)	(85,157)
Net book value at end of year	<u>10,956,501</u>	<u>6,650,356</u>	<u>7,619,172</u>	<u>201,986</u>	<u>124,914</u>	<u>1,690,403</u>	<u>27,243,332</u>

(Unit: Thousand Baht)

Consolidated financial statements

	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	Total
As at 31 December 2020							
Cost / Revalued amount	12,505,446	8,452,319	16,285,753	1,095,333	751,615	1,690,403	40,780,869
<u>Less</u> Accumulated depreciation	(1,499,245)	(1,801,963)	(8,664,911)	(893,347)	(626,701)	-	(13,486,167)
<u>Less</u> Allowance for impairment	(49,700)	-	(1,670)	-	-	-	(51,370)
Net book value	<u>10,956,501</u>	<u>6,650,356</u>	<u>7,619,172</u>	<u>201,986</u>	<u>124,914</u>	<u>1,690,403</u>	<u>27,243,332</u>

Depreciation for the year

	<u>2020</u>	<u>2019</u>
Included in manufacturing cost	2,396,747	2,213,185
Included in selling and administrative expenses	<u>169,652</u>	<u>192,459</u>
	<u>2,566,399</u>	<u>2,405,664</u>

(Unit: Thousand Baht)

Separate financial statements

	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	Total
As at 1 January 2019							
Cost / Revalued amount	4,321,874	2,860,101	4,611,482	300,501	391,256	342,453	12,827,667
<u>Less</u> Accumulated depreciation	(341,177)	(353,374)	(2,504,345)	(228,435)	(301,558)	-	(3,728,889)
<u>Less</u> Allowance for impairment	-	-	(5,556)	-	-	-	(5,556)
Net book value	3,980,697	2,506,727	2,101,581	72,066	89,698	342,453	9,093,222
For the year ended 31 December 2019							
Net book value at beginning of year	3,980,697	2,506,727	2,101,581	72,066	89,698	342,453	9,093,222
Additions	6,972	1,517	30,677	2,978	5,289	231,196	278,629
Transfers in (out)	64,753	176,103	209,863	-	5,652	(456,371)	-
Disposals and write-off, net	(2,729)	(2,359)	(4,118)	-	(272)	(72)	(9,550)
Depreciation for the year (Note 31)	(114,940)	(178,366)	(474,145)	(29,050)	(35,762)	-	(832,263)
Net book value at end of year	3,934,753	2,503,622	1,863,858	45,994	64,605	117,206	8,530,038
As at 31 December 2019							
Cost / Revalued amount	4,388,271	3,033,637	4,814,455	294,091	400,023	117,206	13,047,683
<u>Less</u> Accumulated depreciation	(453,518)	(530,015)	(2,945,041)	(248,097)	(335,418)	-	(4,512,089)
<u>Less</u> Allowance for impairment	-	-	(5,556)	-	-	-	(5,556)
Net book value	3,934,753	2,503,622	1,863,858	45,994	64,605	117,206	8,530,038

(Unit: Thousand Baht)

	Separate financial statements						
	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	Total
For the year ended 31 December 2020							
Net book value at beginning of year	3,934,753	2,503,622	1,863,858	45,994	64,605	117,206	8,530,038
Adjustments of TFRS 16 adoption (Note 4.2)	-	-	-	(9,419)	-	-	(9,419)
Additions	2,461	(699)	24,132	2,085	4,964	185,508	218,451
Transfer to non-current assets held for sale (Note 12)	(143,305)	-	-	-	-	-	(143,305)
Transfers in (out)	6,256	19,723	155,691	335	6,474	(188,479)	-
Disposals and write-off, net	(69,894)	(969)	(14,112)	-	(293)	(69)	(85,337)
Reductions of revaluation	(7,932)	-	-	-	-	-	(7,932)
Depreciation for the year (Note 31)	(114,443)	(183,288)	(451,073)	(15,854)	(29,895)		(794,553)
Net book value at end of year	3,607,896	2,338,389	1,578,496	23,141	45,855	114,166	7,707,943
As at 31 December 2020							
Cost / Revalued amount	4,175,225	3,051,216	4,884,300	260,588	405,823	114,166	12,891,318
Less Accumulated depreciation	(567,329)	(712,827)	(3,304,134)	(237,447)	(359,968)	-	(5,181,705)
Less Allowance for impairment	-	-	(1,670)	-	-	-	(1,670)
Net book value	3,607,896	2,338,389	1,578,496	23,141	45,855	114,166	7,707,943
Depreciation for the year						2020	2019
Included in manufacturing cost						707,830	749,693
Included in selling and administrative expenses						86,723	82,570
						794,553	832,263

The Group arranged for independent professional appraisers to appraise the value of certain assets in 2017 and 2018 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land and land improvements were revalued using the market approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as spaces, location, environment, and highest best use. The most significant input into this valuation approach is price per Rai and size of land.
- Buildings and structures were revalued the depreciated replacement cost approach. Replacement value is calculated from construction prices in the market to build the similar characteristics of properties in close proximity and adjusted for depreciation which calculated from utilised period and remaining expected useful lives. The most significant input into this valuation approach is construction price per square meter, utility spaces and useful lives of buildings.

The asset revaluation surplus net of applicable deferred income tax was credited to other components of shareholder's equity.

Had the land, land improvement, building and structures been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2020 and 2019 would have been as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land and land improvements	7,515,683	7,525,141	2,002,263	2,119,576
Buildings and structures	5,254,123	4,840,673	1,646,092	1,762,614

As at 31 December 2020, a subsidiary had an outstanding balance of new plants under construction amounting to Baht 1,586 million (2019: Baht 2,734 million). The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 57 million (2019: Baht 51 million) were capitalised during the year ended 31 December 2020. The weighted average rates of 2.17% - 3.78% have been used to determine the amount of borrowing costs eligible for capitalisation. (2019: 2.87% - 3.78% per annum)

As at 31 December 2020 and 2019, certain items of buildings and equipment had been fully depreciated but were still in use as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
The gross carrying amount before				
deducting accumulated depreciation				
and allowance for impairment loss	5,582	5,151	2,122	2,098

As at 31 December 2019, two subsidiaries mortgaged their property plant and equipment with a net book value of Baht 168 million as collateral against credit facilities, short-term and long-term borrowings received from a commercial bank. Subsequently, in the current year, the subsidiaries redeemed all the collateral pledged with a financial institution as described in Note 24 to the financial statements.

20. Economic tree plantations

(Unit: Thousand Baht)

Consolidated financial statements

	Rubber plantations		Palm and other plantations		Economic tree plantations	
	Mature	Immature	Mature	Immature	- Immature	Total
As at 1 January 2019						
Cost	137,569	1,907,447	12,424	806	13,681	2,071,927
<u>Less</u> Accumulated amortisation	(14,422)	-	(6,013)	-	-	(20,435)
Net book value	123,147	1,907,447	6,411	806	13,681	2,051,492
For the year ended 31 December 2019						
Net book value at beginning of year	123,147	1,907,447	6,411	806	13,681	2,051,492
Acquisition	-	125,112	-	5,050	2,070	132,232
Transfer in (out)	164,864	(164,864)	-	-	-	-
Amortisation (Note 31)	(5,780)	-	(661)	-	-	(6,441)
Depreciation capitalised to assets (Note 19)	-	68,674	-	-	763	69,437
Net book value at end of year	282,231	1,936,369	5,750	5,856	16,514	2,246,720
As at 31 December 2019						
Cost	302,432	1,936,369	12,424	5,856	16,514	2,273,595
<u>Less</u> Accumulated amortisation	(20,201)	-	(6,674)	-	-	(26,875)
Net book value	282,231	1,936,369	5,750	5,856	16,514	2,246,720

(Unit: Thousand Baht)

Consolidated financial statements

	Rubber plantations		Palm and other plantations		Economic tree plantations	Total
	Mature	Immature	Mature	Immature	- Immature	
For the year ended 31 December 2020						
Net book value at beginning of year	282,231	1,936,369	5,750	5,856	16,514	2,246,720
Acquisition	-	92,629	-	824	3,976	97,429
Transfer in (out)	285,793	(285,793)	-	-	-	-
Transfer from fixed assets (Note 19)	710	-	-	-	-	710
Disposals and write-off, net	-	(7,438)	(754)	-	-	(8,192)
Amortisation (Note 31)	(8,756)	-	(595)	-	-	(9,351)
Depreciation capitalised to assets (Note 19)	-	62,139	-	-	776	62,915
Net book value at end of year	559,978	1,797,906	4,401	6,680	21,266	2,390,231
As at 31 December 2020						
Cost	588,935	1,797,906	11,476	6,680	21,266	2,426,263
<u>Less</u> Accumulated amortisation	(28,957)	-	(7,075)	-	-	(36,032)
Net book value	559,978	1,797,906	4,401	6,680	21,266	2,390,231

(Unit: Thousand Baht)

	Separate financial statements				
	Rubber plantations		Palm and other plantations		Total
	Mature	Immature	Immature	Mature	
As at 1 January 2019					
Cost	3,584	2,968	5,731	806	13,089
<u>Less</u> Accumulated amortisation	(2,187)	-	(2,592)	-	(4,779)
Net book value	1,397	2,968	3,139	806	8,310
For the year ended 31 December 2019					
Net book value at beginning of year	1,397	2,968	3,139	806	8,310
Acquisition	-	93	-	5,050	5,143
Amortisation (Note 31)	(91)	-	(336)	-	(427)
Net book value at end of year	1,306	3,061	2,803	5,856	13,026
As at 31 December 2019					
Cost	3,584	3,061	5,731	5,856	18,232
<u>Less</u> Accumulated amortisation	(2,278)	-	(2,928)	-	(5,206)
Net book value	1,306	3,061	2,803	5,856	13,026

(Unit: Thousand Baht)

	Separate financial statements				
	Rubber plantations		Palm and other plantations		Total
	Mature	Immature	Immature	Mature	
For the year ended 31 December 2020					
Net book value at beginning of year	1,306	3,061	2,803	5,856	13,026
Acquisition	-	492	-	824	1,316
Transfer in (out)	460	(460)	-	-	-
Amortisation (Note 31)	(103)	-	(300)	-	(403)
Net book value at end of year	<u>1,663</u>	<u>3,093</u>	<u>2,503</u>	<u>6,680</u>	<u>13,939</u>
As at 31 January 2020					
Cost	4,043	3,093	5,732	6,680	19,548
<u>Less</u> Accumulated amortisation	<u>(2,380)</u>	<u>-</u>	<u>(3,229)</u>	<u>-</u>	<u>(5,609)</u>
Net book value	<u>1,663</u>	<u>3,093</u>	<u>2,503</u>	<u>6,680</u>	<u>13,939</u>

21. Intangible assets - Computer software

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
As at 1 January 2019		
Cost	680,687	594,963
<u>Less</u> Accumulated amortisation	(254,770)	(199,383)
Net book value	425,917	395,580
For the year ended 31 December 2019		
Net book value at beginning of year	425,917	395,580
Additions	33,485	21,725
Transfers from fixed assets (Note 19)	1,251	-
Write-off, net	(62)	(12)
Amortisation (Note 31)	(74,194)	(60,742)
Translation adjustment	(496)	-
Net book value at end of year	385,901	356,551
As at 31 December 2019		
Cost	712,606	616,612
<u>Less</u> Accumulated amortisation	(326,705)	(260,061)
Net book value	385,901	356,551
For the year ended 31 December 2020		
Net book value at beginning of year	385,901	356,551
Additions	136,134	48,605
Transfers from fixed assets (Note 19)	3,882	-
Write-off, net	(111)	(2)
Amortisation (Note 31)	(74,472)	(66,306)
Translation adjustment	8	-
Net book value at end of year	451,342	338,848
As at 31 December 2020		
Cost	838,418	663,287
<u>Less</u> Accumulated amortisation	(387,076)	(324,439)
Net book value	451,342	338,848

22. Goodwill

For the propose of annually impairment testing for goodwill, the Group determined the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management. The projections cover a five-year period. The cash flow projections after the fifth-year period are extrapolated using the estimated growth rates stated below. The terminal growth rate does not exceed the long-term average growth rate for the business in which the cash generating units operate.

Key assumptions used in the value in use calculation of the cash generating units are summarised below:

Terminal growth rate at the year-end that the projection were prepared.	0.0% per annum
Pre-tax discount rate	10.9% per annum

The management determined expected operations and future cash flow projections based on factors including historical operating results, expected market growth and economic growth. The discount rate is a pre-tax rate that reflects the risks specific to cash generating units.

The management determined that goodwill is not impaired.

23. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade payables - related parties (Note 7)	34,732	7,715	142,757	215,551
Trade payables - unrelated parties	1,475,782	1,041,799	287,327	258,377
Other payables - related parties (Note 7)	-	-	8,921	15,001
Other payables - unrelated parties	1,224,542	887,490	282,635	288,041
Advance receipt for goods and others	1,900,890	591,641	266,405	210,861
Total trade and other payables	<u>4,635,946</u>	<u>2,528,645</u>	<u>988,045</u>	<u>987,831</u>

24. Borrowings

Movements in the borrowing account for the year ended 31 December 2020 were 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 4.2)	299,482	158,615
Additions in short-term borrowings from financial institutions	5,253,574	2,386,806
Additions of long-term borrowings from financial institutions	2,347,000	-
Repayments of long-term borrowings from financial institutions	(4,517,276)	(1,674,276)
Amortisation of finance fee	2,294	-
Additions of finance lease liabilities	70,208	31,641
Decrease of finance lease liabilities	(11,015)	(9,456)
Repayments of finance lease liabilities	(146,213)	(74,184)
Unrealised loss on exchange rates	(541)	(2,490)
Translation adjustment	(38,829)	-
Balance as at 31 December 2020	32,195,335	19,483,584

Short-term and long-term borrowings from financial institutions

As at 31 December 2019, certain of short-term borrowings of local subsidiaries totaling Baht 28 million were secured by certain of land, land improvement, building and structures, machinery and equipment thereon of subsidiaries as described in Note 19 the financial statements. According to a condition of the borrowing agreements, the Company and the subsidiaries are not allowed to create any encumbrance on their assets, except for encumbrances created with the prior consent of the banks and permitted liens.

Subsequently, in 2020, the subsidiaries terminated the credit facility and redeemed all collateral pledged with the financial institutions.

An overseas subsidiary had credit facilities and balances of short-term borrowing with an overseas financial institution and the standby-letters of credit of a commercial bank which were guaranteed by the Company (Note 38) (in January 2021, STGT has guaranteed short-term borrowings on behalf of the Company) as follows:

	Consolidated financial statements			
	31 December 2020		31 December 2019	
	Million US Dollar	(Equivalent) Million Baht	Million US Dollar	(Equivalent) Million Baht
				(Audited)
Credit facilities	10	300	15	452
Balance of short-term borrowings	-	-	9	264

24.1 Long-term loans from financial institutions

As at 31 December 2020 and 2019, the Group had entered into long-term borrowing agreements with commercial banks with details as follows.

No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Outstanding balances as at 31 December			
					Consolidated		Separate	
					financial statements	financial statements	financial statements	financial statements
					<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
					(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<u>The Company</u>								
1	Baht 3,800 Million granted in 2012	10 years	MLR less fixed rate per annum	Principal is repayable quarterly from September 2012 and interest is repayable monthly.	1,421,350	2,246,350	1,421,350	2,246,350
2	USD 15 Million granted in 2017	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly	-	242,650	-	242,650
3	USD 20 Million granted in 2017	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly.	-	606,626	-	606,626
4	USD 20 Million granted in 2018	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly.	604,136	606,626	604,136	606,626
<u>Subsidiaries</u>								
1	Baht 1,200 Million granted in 2017	6 years	6M THBFIX plus fixed rate per annum	Principal is repayable quarterly from December 2017 and interest is repayable monthly.	-	895,000*	-	-
2	Baht 3,000 Million granted in 2017	7 years	MLR less fixed rate per annum	Principal is repayable quarterly from March 2018 and interest is repayable quarterly.	-	1,392,000	-	-

No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Outstanding balances as at 31 December			
					Consolidated		Separate	
					financial statements		financial statements	
					<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
					(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
3	Baht 950 Million granted in 2018	7 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from September 2018 and interest is repayable quarterly.	810,000	880,000	-	-
4	Baht 700 Million granted in 2018	4 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from June 2019 and interest is repayable quarterly.	427,000	583,000	-	-
5	Baht 1,623 Million granted in 2018	7 years	6M THB FIX plus fixed rate per annum	Principal is repayable quarterly from December 2019 and interest is repayable quarterly.	1,393,000**	1,603,000**	-	-
6	Baht 1,445 Million granted in 2019	7 years 9 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2020 and interest is repayable quarterly.	1,325,000	1,445,000	-	-
7	Baht 1,000 Million granted in 2020	6 years	6M THB FIX plus fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly.	880,000	-	-	-
8	Baht 2,000 Million granted in 2020	6 years 1 months	MLR less fixed rate per annum	Principal is repayable quarterly from June 2021 and interest is repayable quarterly.	1,467,000	-	-	-
9	Baht 1,500 Million granted in 2020	6 years 2 months	MLR less fixed rate per annum	Principal is repayable quarterly from March 2022 and interest is repayable quarterly after the first drawdown of the loan	-***	-	-	-
Total					8,327,486	10,500,252	2,025,486	3,702,252
<u>Less</u> Deferred financial service fee					(2,294)	(4,587)	-	-
Long-term borrowing - net					8,325,192	10,495,665	2,025,486	3,702,252
<u>Less</u> Current portion of long-term borrowing					(2,328,352)	(2,621,767)	(1,554,136)	(1,674,276)
Long-term borrowing - net from current portion					5,996,840	7,873,898	471,350	2,027,976

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

* The Group manages interest rate risk of the credit facilities by entering into interest rate swap contracts with fixed rate per annum.

** The Group manages interest rate risk of the partial credit facilities by entering into interest rate swap contracts with fixed rate per annum.

*** The Group does not draw down the first principle as at 31 December 2020.

During the current year, a local subsidiary made an early repayment of long-term loans totaling Baht 2,093 million and canceled the credit facilities. In addition, the subsidiary terminated the related interest rate swap contract and reversed unrealised losses of Baht 23 million from changes in the fair value of the interest rate swap in other comprehensive income.

24.2 Debentures

The debentures are unsubordinated and unsecured debentures, with interest payable every 6 months.

						(Unit: Thousand Baht)	
			Quantity	Par value	Interest rate	Consolidated financial statements/ Separate financial statements	
Debentures	Issued date	Matured date	(Units)	(Baht per unit)	(Percent per annum)	2020	2019
STA215A	18 May 2016	18 May 2021	1,455,000	1,000	3.10	1,455,000	1,455,000
<u>Less</u> current portion						1,455,000	-
Debentures, net of current portion						-	1,455,000
Fair value						1,460,571	1,463,776

25. Lease

25.1 The Group as a lessee

The Group has lease contracts for used in its operations. Leases generally have lease terms between 1 - 5 years.

A) Right-of-use assets

Movement of right-of-use assets for the year ended 31 December 2020 are summarised below:

	(Unit: Thousand Baht)				
	Consolidated financial statements				
	Land and land improvement	Buildings and building improvement	Motor vehicles	Equipment	Total
1 January 2020	-	-	-	-	-
Adjustments of TFRS 16 adoption (Note 4.2)	7,776	179,561	174,046	1,214	362,597
Additions	1,849	12,932	55,427	-	70,208
Write-off, net	(1,424)	(8,143)	(875)	-	(10,442)
Depreciation for the year (Note 31)	(5,132)	(59,117)	(86,264)	(642)	(151,155)
Translation adjustment	(12)	2,316	(354)	-	1,950
31 December 2020	3,057	127,549	141,980	572	273,158

(Unit: Thousand Baht)

	Separate financial statements				
	Land and land improvement	Buildings and building improvement	Motor vehicles	Equipment	Total
1 January 2020	-	-	-	-	-
Adjustments of TFRS 16 adoption (Note 4.2)	4,605	83,680	78,535	1,214	168,034
Additions	1,860	-	29,781	-	31,641
Write-off, net	(1,007)	(7,933)	-	-	(8,940)
Depreciation for the year (Note 31)	(4,193)	(27,789)	(43,901)	(642)	(76,525)
31 December 2020	1,265	47,958	64,415	572	114,210

B) Lease liabilities

(Unit: Thousand Baht)

	As at 31 December 2020	
	Consolidated financial statements	Separate financial statements
Lease payments	264,428	117,265
Less: Deferred interest expenses	(11,576)	(3,692)
Total	252,852	113,303
Less: Portion due within one year	(115,706)	(58,005)
Lease liabilities - net of current portion	137,146	55,298

A maturity analysis of lease payments is disclosed in Note 39.2 under the liquidity risk.

C) Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	For the year ended 31 December 2020	
	Consolidated financial statements	Separate financial statements
Depreciation of Right-of-use assets	151,155	76,525
Interest payments on lease liabilities	10,228	4,331
Expense relating to leases of low-value assets	100,085	43,070

26. Provision for retirement benefit obligations

Provision for retirement benefit obligations, which represents compensation payable to employees after they retire, was as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Provision for retirement benefit obligations				
at beginning of year	384,951	335,441	126,248	118,116
Included in profit or loss:				
Current service cost	36,011	38,276	10,375	14,281
Interest cost	9,876	12,000	2,099	3,720
Former Service cost	-	61,420	-	24,492
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	491	(30,135)	-	(12,821)
Financial assumptions changes	19,517	21,802	3,905	3,887
Experience adjustments	(6,470)	(16,688)	(4,471)	(15,740)
Benefits paid during the year	(4,108)	(37,165)	(1,483)	(2,421)
Transfer employee to subsidiaries	-	-	-	(7,266)
Provision for retirement benefit obligations				
at end of year	440,268	384,951	136,674	126,248

The Group expects to pay Baht 6 million of long-term employee benefits during the next year (Separate financial statements: Baht 4 million) (2019: Baht 5 million, separate financial statements: Baht 2 million).

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit was 17 years (Separate financial statements: 17 years) (2019: 17 years, separate financial statements: 17 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Discount rate	0.4 - 3.0	1.2 - 2.5	0.4 - 3.0	1.2 - 2.5
Future salary increase rate	3.0 - 4.0	3.0 - 4.0	3.0 - 4.0	3.0 - 4.0
Turnover rate	0.0 - 35.0	0.0 - 35.0	0.0 - 35.0	0.0 - 35.0

The result of sensitivity analysis for significant assumptions that affect the present value of the provision for retirement benefit obligations as at 31 December 2020 and 2019 are summarised below:

(Unit: Thousand Baht)

As at 31 December 2020				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(51,565)	59,924	(13,976)	15,784
Salary increase rate	59,329	(51,112)	15,775	(13,807)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(25,209)	30,129	(8,660)	10,398

(Unit: Thousand Baht)

As at 31 December 2019				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>Increase 1%</u>	<u>Decrease 1%</u>	<u>Increase 1%</u>	<u>Decrease 1%</u>
Discount rate	(46,489)	55,323	(13,541)	15,886
Salary increase rate	53,840	(46,219)	15,388	(13,413)
	<u>Increase 20%</u>	<u>Decrease 20%</u>	<u>Increase 20%</u>	<u>Decrease 20%</u>
Turnover rate	(23,711)	28,416	(8,392)	10,109

27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. The statutory reserve has fully been set aside.

28. Revaluation surplus

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Balance at beginning of year - net of income tax	3,964,399	4,102,659	1,994,351	2,057,910
Decrease from revaluation of assets				
- net of income tax	(6,346)	(1,622)	(6,346)	-
Decrease from sale/write-off of assets				
- net of income tax	(37,466)	-	(32,503)	-
<u>Less</u> depreciation on assets revaluation				
- net of income tax	(104,751)	(136,638)	(60,335)	(63,559)
Balance at end of year - net of income tax	<u>3,815,836</u>	<u>3,964,399</u>	<u>1,895,167</u>	<u>1,994,351</u>

29. Other income

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Income from insurance claim	77,113	100,077	46,922	42,654
Income from computer software	140	5,639	2,734	22,067
Rental income	20,537	14,315	1,219	981
Income of production waste sales	62,080	19,698	2,368	1,306
Income of factory supply sales	4,954	6,755	4,351	7,617
Compensation income received under the credit support program for rubber producers by the Rubber Authority of Thailand	82,485	46,386	2,535	-
Income from guaranteed loans	-	-	14,869	12,727
Office service income	1	-	46,322	20,931
Others	99,990	86,331	15,738	49,066
Total other income	<u>347,300</u>	<u>279,201</u>	<u>137,058</u>	<u>157,349</u>

30. Other gain (loss)

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Gain (loss) from rubber derivative				
financial instruments	4,912	(450,090)	271,490	(311,867)
Loss from disposals and write-off				
fixed assets	(85,784)	(25,689)	(3,876)	(6,331)
Total other gain (loss), net	<u>(80,872)</u>	<u>(475,779)</u>	<u>267,614</u>	<u>(318,198)</u>

31. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Changes in inventories of finished goods and work				
in progress	(2,130,572)	(159,785)	(1,267,374)	(27,759)
Raw materials and consumables used	45,786,812	43,038,353	22,794,655	20,713,755
Reduction of inventory cost to net realisable value				
(reversal)	30,708	(133,379)	43,848	(74,062)
Salaries and wages and other employee benefits	3,946,595	3,408,288	825,135	899,630
Depreciation	2,566,399	2,405,644	794,553	832,263
Amortisation - economic tree plantations	9,351	6,441	403	427
Amortisation - intangible assets	74,472	74,194	66,306	60,742
Amortisation - right-of-use assets	151,155	-	76,525	-
Transportation and distribution expense	1,478,726	1,473,904	641,693	703,505
Energy expense	3,025,153	2,525,169	554,458	548,340
Cess expense*	1,180,181	1,122,777	838,297	822,961

* The cess expense is a fee charged to exporters of natural rubber products for the rubber replanting aid fund managed by the Office of the Rubber Authority of Thailand (RAOT) for the purpose of replanting support. Such fee is calculated based on exported quantity at the price on export dates multiplied by a fixed rate as agreed.

32. Income tax

Income tax for the years ended 31 December 2020 and 2019 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current income tax:				
Current income tax charge	1,495,538	217,282	-	(650)
Income tax directly related to share holders' equity	59,129	-	-	-
Adjustment in respect of income tax of previous year	(15,101)	-	233	-
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>127,914</u>	<u>(232,856)</u>	<u>48,755</u>	<u>(33,255)</u>
Income tax reported in the statement of comprehensive income	<u><u>1,667,480</u></u>	<u><u>(15,574)</u></u>	<u><u>48,988</u></u>	<u><u>(33,905)</u></u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax on loss from the change in value of available-for-sale investments	(1,903)	(920)	(1,931)	(891)
Deferred tax on loss from revaluation of land and buildings	(1,586)	(382)	(1,586)	-
Deferred tax on actuarial gain (loss)	(2,041)	4,675	113	4,935
Deferred tax relating to loss on cash flow hedges	(8,894)	-	-	-
Deferred tax on exchange differences from translating foreign currency financial statements	<u>1,286</u>	<u>13,792</u>	<u>-</u>	<u>-</u>
	<u><u>(13,138)</u></u>	<u><u>17,165</u></u>	<u><u>(3,404)</u></u>	<u><u>4,044</u></u>

The reconciliation between accounting profit (loss) and tax expense (income) is shown below.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Accounting profit (loss) before tax	<u>17,064,049</u>	<u>(67,646)</u>	<u>2,533,710</u>	<u>(165,432)</u>
Applicable tax rate	17 - 25%	17 - 25%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	3,484,108	(37,288)	506,746	(33,086)
Share of profit from investments in associates and joint venture	(33,717)	(26,470)	-	-
Unused tax losses and deductible temporary difference were not recognised during the year	173,280	183,451	800	160,831
Utilisation of previously unused tax losses and deductible temporary unrecognised difference	(159,210)	-	(117,542)	-
Adjustment in respect of income tax of previous year	(15,101)	-	233	-
Effects of:				
Promotional privileges (Note 33)	(1,704,631)	(48,111)	(23,958)	(311)
Exemption of income	(42,820)	(7,842)	(293,862)	(130,482)
Non-deductible expenses	76,920	74,030	26,901	44,811
Additional expense deductions allowed	(100,028)	(114,359)	(48,814)	(74,706)
Tax at concessionary rate of 10% see note (a)	(14,428)	(16,904)	-	-
Others	3,107	(22,081)	(1,516)	(962)
Total	<u>(1,781,880)</u>	<u>(135,267)</u>	<u>(341,249)</u>	<u>(161,650)</u>
Income tax reported in the profit or loss	<u>1,667,480</u>	<u>(15,574)</u>	<u>48,988</u>	<u>(33,905)</u>

Additional information

- (a) On 11 May 2005, the Ministry of Trade and Industry of Singapore awarded the Global Trader Programme status to a subsidiary of the Group for the period from 1 April 2005 to 31 December 2009. Under this programme, income derived from qualifying trading transactions of approved products is taxed at the concessionary rate of 10%. On 16 February 2015, this status was extended from 1 January 2020 to 31 December 2024.

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deferred tax assets				
Unused tax losses	644,925	796,380	362,525	410,235
Unrealised losses on derivative financial instruments	23,165	13,041	12,602	13,980
Allowance for diminution in value of inventories	65,009	27,673	5,352	380
Cumulative loss from assets revaluation and allowance for asset impairment	44,455	45,466	16,934	17,711
Provision for retirement benefit obligations	86,391	79,967	27,334	25,249
Cash flow hedge reserve - net of income tax	8,894	-	-	-
Others	20,336	22,386	67	46
Total	893,175	984,913	424,814	467,601
Deferred tax liabilities				
Assets revaluation surplus	1,218,401	1,281,616	473,792	498,587
Fair value estimation of investment properties	12,578	12,578	12,578	12,578
Unrealised gains on derivative financial instruments	39,969	10,951	34,672	5,403
Others	328	2,221	-	1,910
Total	1,271,276	1,307,366	521,042	518,478
Deferred tax liabilities, net	<u>(378,101)</u>	<u>(322,453)</u>	<u>(96,228)</u>	<u>(50,877)</u>
Deferred tax assets (liabilities) presented in the statements of financial position:				
Deferred tax asset	269,818	284,240	-	-
Deferred tax liabilities	<u>(647,919)</u>	<u>(606,693)</u>	<u>(96,228)</u>	<u>(50,877)</u>
	<u>(378,101)</u>	<u>(322,453)</u>	<u>(96,228)</u>	<u>(50,877)</u>

As at 31 December 2020, the Group had deductible temporary differences and unused tax losses totaling Baht 1,853 million (the Company only: Baht 793 million) (2019: Baht 2,303 million, the Company only: Baht 809 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The Group has the unused tax losses amounting to Baht 1,756 million which will expire by 2024 (the Company only: Baht 757 million by 2024).

33. Promotional privileges

The Group is granted certain privileges on its manufactures of concentrated latex, block rubber Skim Crepe and rubber gloves, which included among others, as follows:

- (a) Exemption from payment of import duty on imported machinery and equipment as approved by BOI committee
- (b) Exemption from payment of income tax for the periods of 5 to 8 years starting from the commencement date of the promoted business, and 50 percent reduced from the normal income tax rate for the next 3 to 5 years after the period of exemption from payment of income tax is expired

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

The Group operating revenues for the years ended 31 December 2020 and 2019, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Sales and service income						
Domestic sales and service income	6,129,043	5,532,918	13,549,531	15,274,840	19,678,574	20,807,758
Export sales and service income	36,163,034	15,900,182	45,198,100	47,395,741	81,361,134	63,295,923
Total sales and service income	<u>42,292,077</u>	<u>21,433,100</u>	<u>58,747,631</u>	<u>62,670,581</u>	<u>101,039,708</u>	<u>84,103,681</u>
Elimination					(25,560,963)	(23,817,309)
Total					<u>75,478,745</u>	<u>60,286,372</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Sales and service income						
Domestic sales and service income	4,227,135	4,381,693	8,373,007	7,453,094	12,600,142	11,834,787
Export sales and service income	11,271,504	10,464,836	9,013,974	10,346,008	20,285,478	20,810,844
Total sales and service income	<u>15,498,639</u>	<u>14,846,529</u>	<u>17,386,981</u>	<u>17,799,102</u>	<u>32,885,620</u>	<u>32,645,631</u>

34. Earnings per share

Basic earnings per share is calculated by dividing the profit (loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years.

The basic earnings per share are as follows.

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Profit (loss) attributable to owners of the				
Company (Thousand Baht)	9,531,213	(148,536)	2,484,742	(131,527)
Weighted average number of ordinary shares				
(Thousand shares)	1,536,000	1,536,000	1,536,000	1,536,000
Basic earnings (losses) per share (Baht)	6.21	(0.10)	1.62	(0.09)

35. Segment information

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

Operating segments are defined as components of the Group for which separate financial statements available on a company basis are evaluated regularly by the chief operating decision-maker.

There are three reportable segments as follows:

- 1) Natural Rubber Products: This segment is engaged in manufacture, sale and trading of ribbed smoked sheets, concentrated latex and block rubbers.
- 2) Gloves: this segment also includes the manufacture and sale of powdered and powder-free latex examination gloves
- 3) Other Businesses:
 - Plantation: This is engaged in plantations including rubber, palm, temperate fruits and economic trees.
 - Engineering Business: This is engaged in the engineering services including research and development of machinery and production processes, and also providing information system services.
 - Logistics services and other services: These services are provided mainly to the Group, with minor services provided externally.
 - Other Rubber Products: This segment is engaged in manufacture, sale of escalator handrails, rubber injection-moulded goods, and high-pressure hydraulic hoses.

Financial information by products and services for the years ended 31 December 2020 and 2019 has been presented as follows:

For the year ended 31 December 2020

(Unit: Thousand Baht)

	Natural rubbers	Gloves	Others	Elimination	Consolidated financial statements
Revenues					
Revenues from external customers	44,678,063	30,750,423	50,259	-	75,478,745
Inter-segment revenues	16,553,019	6,245,352	2,762,592	(25,560,963)	-
Total revenues	<u>61,231,082</u>	<u>36,995,775</u>	<u>2,812,851</u>	<u>(25,560,963)</u>	<u>75,478,745</u>
Other income and expenses					
Depreciation and amortisation	(1,586,107)	(1,132,295)	(82,976)	-	(2,801,378)
Finance income	78,175	39,185	2,111	(68,147)	51,324
Finance cost	(630,016)	(142,152)	(1,779)	83,016	(690,931)
Share of profit from investments in associates and a joint venture	35,493	-	133,093	-	168,586
Segment profit					
Profit (loss) before income tax	2,424,726	16,513,259	47,865	(1,921,801)	17,064,049
Income tax	(48,506)	(1,632,378)	(13,984)	27,389	(1,667,479)
Profit (loss) for the period	<u>2,376,220</u>	<u>14,880,881</u>	<u>33,881</u>	<u>(1,894,412)</u>	<u>15,396,570</u>
Total assets	<u>59,859,216</u>	<u>46,233,238</u>	<u>12,474,069</u>	<u>(25,449,301)</u>	<u>93,117,222</u>

For the year ended 31 December 2019

(Unit: Thousand Baht)

	Natural rubbers	Gloves	Others	Elimination	Consolidated financial statements
Revenues					
Revenues from external customers	48,043,607	12,194,772	47,993	-	60,286,372
Inter-segment revenues	17,356,871	2,948,698	3,511,740	(23,817,309)	-
Total revenues	<u>65,400,478</u>	<u>15,143,470</u>	<u>3,559,733</u>	<u>(23,817,309)</u>	<u>60,286,372</u>
Other income and expenses					
Depreciation and amortisation	(1,550,389)	(854,591)	(81,299)	-	(2,486,279)
Finance income	113,193	5,296	2,880	(86,422)	34,947
Finance cost	(793,788)	(194,266)	(1,684)	99,148	(890,590)
Share of profit (loss) from investments in associates and a joint venture	15,513	-	116,836	-	132,349
Segment profit					
Profit (loss) before income tax	(334,072)	737,072	118,908	(589,554)	(67,646)
Income tax	115,652	(82,976)	(17,632)	530	15,574
Profit (loss) for the period	<u>(218,420)</u>	<u>654,096</u>	<u>101,276</u>	<u>(589,024)</u>	<u>(52,072)</u>
Total assets	<u>55,814,974</u>	<u>14,599,624</u>	<u>12,032,298</u>	<u>(24,116,030)</u>	<u>58,330,866</u>

Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2020</u>	<u>2019</u>
Revenue from external customers		
Thailand	8,564,442	11,028,004
China	26,856,336	20,298,760
USA	7,803,335	3,734,084
Singapore	6,517,835	6,685,407
Japan	3,922,242	3,235,983
Others	21,814,555	15,304,134
Total	<u>75,478,745</u>	<u>60,286,372</u>
Non-current assets (other than financial instruments and deferred tax assets)		
Thailand	32,995,140	32,762,123
Indonesia	2,111,127	2,558,913
Others	269,084	182,783
Total	<u>35,375,351</u>	<u>35,503,819</u>

Major customers

The Group has no major customer with revenue of 10 percent or more of an entity's revenues.

36. Dividends

		(Unit: Million Baht)	
<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
Final dividends for 2018	Annual General Meeting of the shareholders on 30 April 2019	<u>614.4</u>	<u>0.40</u>
Interim dividends for 2019	Board of Directors' meeting on 16 April 2020	<u>537.6</u>	<u>0.35</u>
Interim dividends for 2020	Board of Directors' meeting on 13 November 2020	<u>768.4</u>	<u>0.50</u>

37. Commitments and contingent liabilities

(Unit: Million Baht)

	31 December 2020	
	Consolidated financial statements	Separate financial statements
Sales and purchases commitments*		
Purchases from		
Joint venture	715	-
Third parties	95	-
Sales to		
Subsidiaries	-	4,680
Third parties	15,319	8,543
Capital commitments - purchase of fixed assets	3,265	13
Guarantees on borrowings of subsidiaries		
(USD 5 million)	150	150
(IDR 1,178 billion)	2,515	2,515
Guarantees and contingent liabilities		
Bank guarantees for electricity usage and sales of goods	162	66
Credit facility of standby-letters of credit (USD 5 million)	150	150
Letters of credit with overseas suppliers (USD 16.7 million)	505	-
The future aggregate minimum payments under non-cancellable lease and service agreements		
Not later than 1 year	41	2
Later than 1 year but not later than 5 years	60	2

* The Group is committed to certain sales and purchases of natural rubber. Some of the contractual prices are fixed, and settled at future dates, and some of the contractual prices are not fixed 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 cases where the contract price is not fixed at the contract date.

38. Fair value measurements

As at 31 December 2020 and 2019, 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 31 December 2020			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	32,385	-	-	32,385
Equity instrument designated at fair value				
through profit or loss	-	-	64,000	64,000
Derivative financial instruments (Note 39.1)	77,669	158,276	-	235,945
Property and plant	-	-	17,606,857	17,606,857
Investment properties	-	-	193,600	193,600
Liabilities measured at fair value				
Derivative financial instruments (Note 39.1)	30,577	153,301	-	183,878
Liabilities for which fair value are disclosed				
Debentures	-	1,460,571	-	1,460,571

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale financial assets				
- equity securities	41,898	-	-	41,898
Derivative financial instruments (Note 39.1)	17,065	45,551	-	62,616
Property and plant	-	-	17,505,063	17,505,063
Investment properties	-	-	190,332	190,332
Liabilities measured at fair value				
Derivative financial instruments (Note 39.1)	92,304	50,941	-	143,245
Liabilities for which fair value are disclosed				
Debentures	-	1,463,776	-	1,463,776

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2020				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Equity instruments designated at fair value				
through other comprehensive income	32,072	-	-	32,072
Equity instrument designated at fair value				
through profit or loss	-	-	64,000	64,000
Derivative financial instruments (Note 39.1)	67,037	106,325	-	173,362
Property and plant	-	-	5,946,285	5,946,285
Investment properties	-	-	75,663	75,663
Liabilities measured at fair value				
Derivative financial instruments (Note 39.1)	21,454	41,546	-	63,000
Liabilities for which fair value are disclosed				
Debentures	-	1,460,571	-	1,460,571

(Unit: Thousand Baht)

Separate financial statements				
As at 31 December 2019				
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Available-for-sale financial assets				
- equity securities	41,726	-	-	41,726
Derivative financial instruments (Note 39.1)	12,185	14,830	-	27,015
Property, plant and equipment	-	-	6,438,375	6,438,375
Investment properties	-	-	75,663	75,663
Liabilities measured at fair value				
Derivative financial instruments (Note 39.1)	65,453	4,902	-	70,355
Liabilities for which fair value are disclosed				
Debentures	-	1,463,776	-	1,463,776

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

39. Financial instruments

39.1 Derivatives and hedge accounting

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Derivative assets				
Derivative assets not designated as hedging instruments				
Foreign exchange options	23,050	10,815	10,023	4,331
Rubber options	9,612	1,691	9,612	1,691
Forward foreign exchange contracts	125,614	31,313	86,690	8,808
Rubber futures	77,669	17,065	67,037	12,185
Physical forward contracts	-	1,732	-	-
Total derivative assets	235,945	62,616	173,362	27,015
Current derivative liabilities				
Derivatives liabilities not designated as hedging instruments				
Foreign exchange options	92,706	4,057	37,968	2,662
Rubber options	4,286	2,240	2,020	2,240
Forward foreign exchange contracts	11,838	16,139	1,558	-
Rubber futures	30,577	92,304	21,454	65,453
Interest rate swap	-	28,505	-	-
Total current derivative liabilities	139,407	143,245	63,000	70,355
Non - current derivative liabilities				
Derivatives liabilities designated as hedging instruments				
Interest rate swap	44,471	-	-	-
Total non - current derivative liabilities	44,471	-	-	-
Total derivative liabilities	183,878	143,245	63,000	70,355

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

Derivatives not designated as hedging instruments

The Group has entered into contracts of derivative financial instruments as follows.

- Foreign exchange options and forward foreign exchange contracts to hedge its foreign currency risks
- Rubber options, rubber futures and physical forward contracts to hedge its commodity price risks

The contracts are entered into for periods consistent with the underlying transactions, generally from 2 months to 6 months.

Derivatives designated as hedging instruments

As at 31 December 2020, the Group had an interest rate swap agreement to hedge the exposure to cash flow volatility which the Group has to pay. The Group receives a variable rate of interest and pays fixed rate of interest.

There is an economic relationship between the hedged item and the hedging instrument as the terms of the interest rate swap match the terms of the variable interest rate loan (i.e., interest rate, notional amount, maturity and payment dates). The Group has established a hedge ratio of 1:1.

Effect from interest rate benchmark reform

The Group has exposures to benchmark InterBank Offered Rates (“IBORs”) on its financial instruments that will be reformed within 31 December 2021. The Group anticipates that IBORs reform will impact its risk management and hedge accounting. The Group elects to early adopt the amendments to TFRS 9 and TFRS 7 relating to interest rate benchmark reform in 2020. These amendments are effective for fiscal years beginning on or after 1 January 2021. These amendments provide reliefs which enable the Group’s hedge accounting to continue during the period of uncertainty.

However, the Group monitors and evaluates the effect of IBORs reform and adhere to International Swaps and Derivatives Association (ISDA) protocol to transit to alternative benchmark rates after the IBORs reform. If the counterparties agree to adhere to ISDA protocol, the Company and the counterparties are not required to revise a bilateral contract.

39.2 Financial risk management

The Group’s activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Thus, risk management plan for the Group focusing on the fluctuation of financial market to reduce the effect of risk to the Group’s operations. The Group used financial instruments to protect potential risk.

Risk management is carried out under supervision by the Group management, who identifies, evaluates and hedges financial risks. In addition, the Group applies hedge accounting for interest rate swap to leverage risk of volatility of interest rate.

The Group's financial instruments principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

Trade receivables

The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored. An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Group classifies customer segments by geography, product type, customer type and customer rating.

Interest rate risk

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2020 and 2019, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

((Unit: Thousand Baht))

Consolidated financial statements as at 31 December 2020

	Fixed interest rates						
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	Effective interest rate
<u>Financial Assets</u>							
Cash and cash equivalent	6,423,548	-	-	17,261,506	2,761,630	26,446,684	0.05 - 3.25
Trade and other receivables	-	-	-	-	9,260,150	9,260,150	-
Amounts due from future brokers	801,544	-	-	-	-	801,544	(1)
Deposits at bank with restrictions	-	701	-	-	-	701	1.25
Equity Instruments - Listed company	-	-	-	-	32,385	32,385	-
Equity Instruments - Non Listed company	-	-	-	-	64,000	64,000	-
Total	7,225,092	701		17,261,506	12,118,165	36,605,464	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	4,635,946	4,635,946	-
Short-term borrowings from financial institutions	22,162,290	-	-	-	-	22,162,290	(1) , (2)
Debentures	1,455,000	-	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions	604,136	-	-	7,721,057	-	8,325,193	(1) , (2) , (3)
Total	24,221,426	-	-	7,721,057	4,635,946	36,578,429	

((Unit: Thousand Baht))

Consolidated financial statements as at 31 December 2019

	Fixed interest rates						Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing	Total	
<u>Financial Assets</u>							
Cash and cash equivalent	639,332	-	-	943,785	798,706	2,381,823	0.05 - 4.00
Trade and other receivables	-	-	-	-	4,978,434	4,978,434	-
Amounts due from future brokers	729,666	-	-	-	-	729,666	(1)
Deposits at bank with restrictions	-	701	-	-	-	701	1.25
Long-term investments	-	-	-	-	109,898	109,898	-
Total	1,368,998	701	-	943,785	5,887,038	8,200,522	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	2,528,645	2,528,645	-
Short-term borrowings from financial institutions	15,560,241	-	-	1,388,696	-	16,948,937	(1) , (2) , (4)
Debentures	-	1,455,000	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions	849,276	606,626	-	9,039,763	-	10,495,665	(1) , (2) , (3)
Total	16,409,517	2,061,626	-	10,428,459	2,528,645	31,428,247	

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2020

	Fixed interest rates					Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing		
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	116,911	181,869	298,780	0.30 - 0.60
Trade and other receivables	-	-	-	-	2,886,596	2,886,596	-
Long-term loans to subsidiaries	597,348	-	-	-	-	597,348	(1)
Equity Instruments - Listed company	-	-	-	-	32,072	32,072	-
Equity Instrument - Non Listed company	-	-	-	-	64,000	64,000	-
Total	<u>597,348</u>	<u>-</u>	<u>-</u>	<u>116,911</u>	<u>3,164,537</u>	<u>3,878,796</u>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	988,045	988,045	-
Short-term borrowings from financial institutions	15,889,794	-	-	-	-	15,889,794	(1)
Short-term borrowings from subsidiaries	145,000	-	-	-	-	145,000	(1)
Debentures	1,455,000	-	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions	604,136	-	-	1,421,350	-	2,025,486	(1) , (2)
Total	<u>18,093,930</u>	<u>-</u>	<u>-</u>	<u>1,421,350</u>	<u>988,045</u>	<u>20,503,325</u>	

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2019

	Fixed interest rates						
	Within	1 - 5	Over	Floating	Non - interest		Effective
	1 year	years	5 years	interest rate	bearing	Total	interest rate
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	47,728	142,428	190,156	0.3 - 0.6
Trade and other receivables	-	-	-	-	2,592,916	2,592,916	-
Amounts due from future brokers	30,384	-	-	-	-	30,384	(1)
Long-term loans to subsidiaries	839,348	599,534	-	-	-	1,438,882	(1)
Long-term investments	-	-	-	-	109,726	109,726	-
Total	869,732	599,534	-	47,728	2,845,070	4,362,064	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	987,831	987,831	-
Short-term borrowings from financial institutions	13,502,988	-	-	-	-	13,502,988	(1)
Short-term borrowings from subsidiaries	160,000	-	-	-	-	160,000	(1)
Debentures	-	1,455,000	-	-	-	1,455,000	(1)
Long-term borrowings from financial institutions	849,276	606,626	-	2,246,350	-	3,702,252	(1) , (2)
Total	14,512,264	2,061,626	-	2,246,350	987,831	19,808,071	
(1)	Fixed rate per annum						
(2)	MLR less fixed rate per annum						
(3)	THBFIX6M plus fixed rate per annum						
(4)	LIBOR plus fixed rate per annum						

Interest rate sensitivity analysis

The Group's interest rate risk arises from borrowings. Borrowings on which interest is charged at floating rates expose the Group to risk in respect of interest cash flows.

If the interest rate changes by 0.75% per annum (2019: 0.25% per annum), with all other variables held constant, the impact of floating rate borrowings on profit before tax would be as follows:

(Unit: Thousand Baht)				
As at 31 December				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Impact to profit before tax				
in the statements of comprehensive income				
- Decrease in interest rate by 0.75%				
Pre-tax profit increase	57,908	-	10,660	-
- Increase in interest rate by 0.75%				
Pre-tax profit decrease	(57,908)	-	(10,660)	-
- Decrease in interest rate by 0.25%				
Pre-tax profit increase	-	15,374	-	5,616
- Increase in interest rate by 0.25%				
Pre-tax profit decrease	-	(15,374)	-	(5,616)
Impact to shareholders' equity				
in the statements of financial position				
- Decrease in interest rate by 0.75%				
shareholders' equity increase	(23,599)	-	-	-
- Increase in interest rate by 0.75%				
shareholders' equity decrease	23,599	-	-	-

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2020 and 2019, the balances of financial assets and liabilities denominated in foreign currencies were summarised below.

Consolidated financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	208.4	102.4	92.1	72.6	30.0371	30.1540
Japan yen	1,081.9	987.6	-	-	0.2907	0.2759
Singapore dollar	0.6	0.7	2.7	0.2	22.6632	22.3245
China renminbi	89.8	61.8	-	-	4.6187	4.3147

Separate financial statements						
Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	64.4	92.9	30.5	59.1	30.0371	30.1540
Singapore dollar	-	0.1	-	-	22.6632	22.3245

In addition, the Group's exposures to foreign currency risk arises from investments in overseas subsidiaries companies and an indirect joint venture which are unhedged. The management of the Group intends to hold such investments for the long term, and has no plans to dispose of them in the future.

Foreign currency sensitivity analysis

The Group operates internationally and is exposed to foreign exchange risk in respect of various foreign currencies, primarily the US Dollar and Indonesian Rupiah. Foreign exchange risk arises from commercial transactions, net investment in foreign operations and borrowings. If the exchange rate of the Thai Baht changes by 3.10% (2019: 2.56%) against the US Dollar and by 5.25% (2019: 3.76%) against the Indonesian Rupiah, with all other variables held constant, profit before tax and shareholders' equity would be affected as follows:

(Unit: Thousand Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Impact to profit before tax				
in the statements of comprehensive income				
THB against USD				
- Weakened	231,716	47,599	21,309	(4,111)
- Strengthened	(231,716)	(47,599)	(21,309)	4,111
THB against IDR				
- Weakened	(129,634)	(40,497)	-	-
- Strengthened	129,634	40,497	-	-
Impact to shareholders' equity				
in the statements of financial position				
THB against USD				
- Weakened	(212,532)	(148,149)	-	-
- Strengthened	212,532	148,149	-	-
THB against IDR				
- Weakened	56,921	35,684	-	-
- Strengthened	(56,921)	(35,684)	-	-

Risk from fluctuation in raw materials and finished goods prices

The Group is exposed to commodity price risk from the natural rubber industry. The Group have managed the risks arising from price fluctuations by managing raw material sourcing using rubber options, rubber futures, and physical forward contracts to hedge the risk from fluctuation in such prices.

Commodity price sensitivity analysis

The Group uses derivative instruments to manage commodity price risk exposure. If the price of natural rubber changes by 1.52% (2019: 2.23%), with all other variables held constant, profit before tax for the years would be affected as follows:

(Unit: Thousand Baht)				
As at 31 December				
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Impact to profit before tax				
in the statements of comprehensive income				
- Decrease in price of natural rubber				
Pre-tax profit decrease	(53,287)	(53,846)	(43,704)	(39,117)
- Increase in price of natural rubber				
Pre-tax profit increase	53,287	53,846	43,704	39,117

Liquidity risk

The Group monitors its liquidity requirements to ensure it has sufficient cash to meet operational needs.

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

The amounts disclosed below are the contractual undiscounted cash flows.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2020				
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(24,711,383)	-	-	-	(24,711,383)
Trade accounts payable	(1,510,514)	-	-	-	(1,510,514)
Accrued expenses	(1,224,543)	-	-	-	(1,224,543)
Long-term borrowings					
from financial institutions	(2,544,794)	(1,454,465)	(4,663,962)	(246,861)	(8,910,082)
Debentures	(1,472,053)	-	-	-	(1,472,053)
Finance lease liabilities	(122,722)	(96,344)	(45,362)	-	(264,428)
Derivative financial instruments					
- Interest rate swaps	-	-	(1,393,000)	-	(1,393,000)
- Rubber futures (Buy)	(424,304)	-	-	-	(424,304)
- Rubber futures (Sell)	2,299,445	-	-	-	2,299,445
- Forward foreign exchange contracts (Buy)	(894,195)	-	-	-	(894,195)
- Forward foreign exchange contracts (Sell)	8,825,829	-	-	-	8,825,829
- Foreign exchange options (Buy)	(32,650,328)	-	-	-	(32,650,328)
- Foreign exchange options (Sell)	4,220,213	-	-	-	4,220,213
- Rubber options (Buy)	(379,508)	-	-	-	(379,508)
- Rubber options (Sell)	408,655	-	-	-	408,655

(Unit: Thousand Baht)

Consolidated financial statements as at 31 December 2019

	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(17,274,989)	-	-	-	(17,274,989)
Trade accounts payable	(1,049,514)	-	-	-	(1,049,514)
Accrued expenses	(887,490)	-	-	-	(887,490)
Long-term borrowings					
from financial institutions	(2,823,648)	(3,110,558)	(5,032,589)	(930,476)	(11,897,271)
Debentures	(45,105)	(1,472,177)	-	-	(1,517,282)
Finance lease liabilities	(21,981)	(9,679)	(7,462)	-	(39,122)
Derivative financial instruments					
- Cross currency swap	-	-	-	(1,696,500)	(1,696,500)
- Rubber futures (Buy)	(252,219)	-	-	-	(252,219)
- Rubber futures (Sell)	1,972,101	-	-	-	1,972,101
- Forward foreign exchange contracts (Buy)	(924,411)	-	-	-	(924,411)
- Forward foreign exchange contracts (Sell)	3,209,776	-	-	-	3,209,776
- Physical forward contracts (Buy)	60,213	-	-	-	60,213
- Foreign exchange options (Buy)	(7,327,422)	-	-	-	(7,327,422)
- Foreign exchange options (Sell)	2,713,860	-	-	-	2,713,860
- Rubber options (Buy)	(137,864)	-	-	-	(137,864)
- Rubber options (Sell)	68,932	-	-	-	68,932

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2020

	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(18,375,093)	-	-	-	(18,375,093)
Trade accounts payable	(430,084)	-	-	-	(430,084)
Accrued expenses	(291,473)	-	-	-	(291,473)
Long-term borrowings					
from financial institutions	(1,589,389)	(474,427)	-	-	(2,063,816)
Debentures	(1,472,053)	-	-	-	(1,472,053)
Finance lease liabilities	(60,604)	(43,983)	(12,679)	-	(117,266)
Derivative financial instruments					
- Rubber futures (Buy)	231,043	-	-	-	231,043
- Rubber futures (Sell)	(2,159,029)	-	-	-	(2,159,029)
- Forward foreign exchange contracts (Sell)	4,802,293	-	-	-	4,802,293
- Foreign exchange options (Buy)	(13,787,029)	-	-	-	(13,787,029)
- Foreign exchange options (Sell)	1,832,263	-	-	-	1,832,263
- Rubber options (Buy)	(379,508)	-	-	-	(379,508)
- Rubber options (Sell)	370,328	-	-	-	370,328

(Unit: Thousand Baht)

Separate financial statements as at 31 December 2019					
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(13,818,860)	-	-	-	(13,818,860)
Trade accounts payable	(473,928)	-	-	-	(473,928)
Accrued expenses	(303,042)	-	-	-	(303,042)
Long-term borrowings					
from financial institutions	(1,802,977)	(1,599,246)	(475,163)	-	(3,877,386)
Debentures	(45,105)	(1,472,177)	-	-	(1,517,282)
Finance lease liabilities	(3,735)	(1,775)	(1,578)	-	(7,088)
Derivative financial instruments					
	(163,322)	-	-	-	(163,322)
- Rubber futures (Buy)					
- Rubber futures (Sell)	1,379,771	-	-	-	1,379,771
- Forward foreign exchange contracts (Sell)	666,403	-	-	-	666,403
- Foreign exchange options (Buy)	(3,844,635)	-	-	-	(3,844,635)
- Foreign exchange options (Sell)	1,447,392	-	-	-	1,447,392
- Rubber options (Buy)	(137,864)	-	-	-	(137,864)
- Rubber options (Sell)	68,932	-	-	-	68,932

39.3 Fair values of financial instruments

Since the majority of the Group's financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position. For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group has considered to counterparty credit risk when determining the fair value of derivatives.

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

40. Financial instruments by category

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2020			
	Assets at fair value			
	Through the profit and loss	Through the comprehensive income	Other financial assets	Total
Assets as per statement of financial position				
Cash and cash equivalents	-	-	26,446,684	26,446,684
Derivative financial instruments	235,945	-	-	235,945
Trade accounts receivable, net	-	-	9,260,150	9,260,150
Amounts due from future brokers	-	-	801,544	801,544
Non - current other financial assets	64,000	32,385	701	97,086
Total	299,945	32,385	36,509,079	36,841,409

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2020			
	Liabilities at fair value through the profit and loss	Liabilities at fair value through the comprehensive income	Other financial liabilities	Total
Liabilities as per statement of financial position				
Trade accounts payable	-	-	4,635,946	4,635,946
Short-term borrowings from financial institutions	-	-	22,162,290	22,162,290
Derivative financial instruments	139,407	44,471	-	183,878
Long-term borrowings from financial institutions	-	-	8,325,193	8,325,193
Debentures	-	-	1,455,000	1,455,000
Total	139,407	44,471	36,578,429	36,762,307

(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2019				
Assets at fair value				
	Through the profit and loss	Through the comprehensive income	Other financial assets	Total
Assets as per statement of financial position				
Cash and cash equivalents	-	-	2,381,823	2,381,823
Derivative financial instruments	62,616	-	-	62,616
Trade accounts receivable, net	-	-	4,691,586	4,691,586
Amounts due from future brokers	-	-	729,666	729,666
Fixed deposits pledged as collateral	-	-	701	701
Long-term investments	-	41,898	68,000	109,898
Total	62,616	41,898	7,871,776	7,976,290

(Unit: Thousand Baht)

Consolidated financial statements			
31 December 2019			
Liabilities at fair value			
	through the profit and loss	Other financial liabilities	Total
Liabilities as per statement of financial position			
Trade accounts payable	-	1,049,514	1,049,514
Short-term borrowings from financial institutions	-	16,948,937	16,948,937
Derivative financial instruments	143,245	-	143,245
Long-term borrowings from financial institutions	-	10,495,665	10,495,665
Debentures	-	1,455,000	1,455,000
Total	143,245	29,949,116	30,092,361

(Unit: Thousand Baht)

Separate financial statements				
31 December 2020				
Assets at fair value				
	Through the profit and loss	Through the comprehensive income	Other financial assets	Total
Assets as per statement of financial position				
Cash and cash equivalents	-	-	298,780	298,780
Derivative financial instruments	173,362	-	-	173,362
Trade accounts receivable, net	-	-	2,886,596	2,886,596
Long-term borrowings to subsidiaries	-	-	597,348	597,348
Non - current Other financial assets	64,000	32,072	-	96,072
Total	237,362	32,072	3,782,724	4,052,158

(Unit: Thousand Baht)

Separate financial statements				
31 December 2020				
Liabilities at fair value				
	through the profit and loss	Other financial liabilities	Total	
Liabilities as per statement of financial position				
Trade accounts payable	-	988,045	988,045	
Short-term borrowings from financial institutions	-	15,889,794	15,889,794	
Derivative financial instruments	63,000	-	63,000	
Long-term borrowings from financial institutions	-	2,025,486	2,025,486	
Debentures	-	1,455,000	1,455,000	
Total	63,000	20,358,325	20,421,325	

(Unit: Thousand Baht)

Separate financial statements			
31 December 2019			
Assets at fair value			
Through the profit and loss	Through the comprehensive income	Other financial assets	Total
Assets as per statement of financial position			
Cash and cash equivalents	-	190,156	190,156
Derivative financial instruments	27,015	-	27,015
Trade accounts receivable, net	-	2,501,398	2,501,398
Amounts due from future brokers	-	30,384	30,384
Long-term borrowings to subsidiaries	-	1,438,882	1,438,882
Long-term investments	-	68,000	109,726
Total	27,015	4,228,820	4,297,561

(Unit: Thousand Baht)

	Separate financial statements		
	31 December 2019		
	Liabilities at fair value through the profit and loss	Other financial liabilities	Total
Liabilities as per statement of financial position			
Trade accounts payable	-	473,928	473,928
Short-term borrowings from financial institutions	-	13,502,988	13,502,988
Derivative financial instruments	70,355	-	70,355
Long-term borrowings from financial institutions	-	3,702,252	3,702,252
Debentures	-	1,455,000	1,455,000
Total	70,355	19,134,168	19,204,523

41. Credit quality of financial assets

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

Group 1: New other customers/related parties (less than 6 months)

Group 2: Existing customers/related parties (more than 6 months) with no defaults in the past

Group 3: Existing customers/related parties (more than 6 months) with some defaults in the past that were fully recovered

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Deposits held at call with banks				
Aa1	721,168	270,661	-	-
Aa3	371,507	303,902	136	136
A1	1,122,109	269,818	436	1,888
Ba3	-	3,762	-	-
Baa1	23,632,543	1,283,503	286,942	175,730
Baa2	443,291	108,924	1,941	1,938
No rating	95,668	110,950	1	-
Total deposits held at call with banks	<u>26,386,286</u>	<u>2,351,520</u>	<u>289,456</u>	<u>179,692</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Trade accounts receivable				
Counterparties without external credit rating				
Group 1	621,341	374,014	123,618	169,301
Group 2	7,952,147	4,317,557	2,049,195	1,955,190
Group 3	14	14	-	-
Total unimpaired trade accounts receivable	<u>8,573,502</u>	<u>4,691,585</u>	<u>2,172,813</u>	<u>2,124,491</u>

		(Unit: Thousand Baht)	
		Consolidated financial statements	Separate financial statements
		<u>2020</u>	<u>2019</u>
Derivative financial instruments			
Counterparties with external credit rating			
Aa1		81,643	15,700
Aa2		-	-
Aa3		65	721
Baa1		144,625	40,881
Counterparties without external credit rating			
Group 2		9,612	5,314
Total derivative financial instruments			
(Note 39.1)		235,945	62,616

		(Unit: Thousand Baht)	
		Consolidated financial statements	Separate financial statements
		<u>2020</u>	<u>2019</u>
Fixed deposits pledged as collateral			
Baa1		701	701
Total fixed deposits pledged as collateral			
(Note 13)		701	701

42. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value.

43. Events after the reporting period

On 16 February 2021, the Company's Board of Directors meeting passed resolutions to approve a dividend payment in respect of operating results of 2020 to shareholders of Baht 1.75 per share, totaling of Baht 2,688 million. The Company will propose the Company's Shareholder Annual General Meeting to approve the dividend payment within second quarter of 2021.

44. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 16 February 2021.