

Sri Trang Gloves (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month period ended
31 March 2024

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Sri Trang Gloves (Thailand) Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries as at 31 March 2024, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Sri Trang Gloves (Thailand) Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Krongkaew Limkittikul
Certified Public Accountant (Thailand) No. 5874

EY Office Limited
Bangkok: 9 May 2024

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2024 (Unaudited but reviewed)	31 December 2023 (Audited)	31 March 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
Assets					
Current assets					
Cash and cash equivalents		2,348,257,654	4,230,142,884	1,564,786,597	2,237,359,500
Trade and other receivables	4	3,082,866,374	2,390,113,813	3,261,569,333	2,476,925,137
Inventories	5	4,118,700,476	3,840,186,360	3,161,809,917	2,746,466,939
Derivative financial instruments	6	-	73,921,287	-	73,543,345
Other current financial assets	7	5,798,857,513	5,213,142,212	-	-
Other current assets	8	344,302,386	287,414,973	306,649,747	225,261,160
Total current assets		15,692,984,403	16,034,921,529	8,294,815,594	7,759,556,081
Non-current assets					
Derivative financial instruments	6	763,231	1,516,396	763,231	1,516,396
Other non-current financial assets	7	7,014,190,970	4,686,232,395	-	-
Investments in subsidiaries	9	-	-	12,328,122,952	12,328,238,968
Property, plant and equipment	10	24,431,399,721	24,971,643,350	24,461,157,930	25,088,508,538
Right-of-use assets		38,897,233	46,963,009	10,023,551	12,746,658
Goodwill		220,884,790	220,884,790	220,884,790	220,884,790
Intangible asset - computer software		170,078,570	175,570,306	169,069,579	174,386,606
Deferred tax assets		322,583,758	320,162,536	-	-
Withholding tax deducted at source		116,427,269	116,541,697	27,061,306	27,061,306
Other non-current assets		27,945,960	7,689,753	19,500,553	585,311
Total non-current assets		32,343,171,502	30,547,204,232	37,236,583,892	37,853,928,573
Total assets		48,036,155,905	46,582,125,761	45,531,399,486	45,613,484,654

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2024

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2024 (Unaudited but reviewed)	31 December 2023 (Audited)	31 March 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term borrowings from financial institutions	12.1	30,929,036	67,139,387	-	-
Trade and other payables	11	2,680,079,374	2,415,559,769	2,506,645,005	2,229,547,696
Current portions of long-term liabilities:					
- Long-term borrowings from financial institutions	12.2	2,017,216,061	1,884,604,188	2,017,216,061	1,884,604,188
- Debentures	12.3	153,830	13,952,222	153,830	13,952,222
- Lease liabilities		23,174,473	25,026,042	5,422,767	6,978,726
Income tax payable		8,562,499	167,423	8,205,800	-
Derivative financial instruments	6	67,925,607	537,465	67,014,293	537,465
Other current liabilities		6,639,970	10,728,904	5,477,818	9,474,063
Total current liabilities		4,834,680,850	4,417,715,400	4,610,135,574	4,145,094,360
Non-current liabilities					
Long-term liabilities, net of current portions:					
- Long-term borrowings from financial institutions	12.2	2,938,300,000	3,527,377,855	2,938,300,000	3,527,377,855
- Debentures	12.3	1,498,829,134	1,498,717,481	1,498,829,134	1,498,717,481
- Lease liabilities		13,514,701	18,023,248	4,077,931	4,915,222
Provision for retirement benefit obligations		177,385,841	172,724,884	141,695,539	137,767,567
Deferred tax liabilities		105,472,660	110,596,386	65,981,774	71,046,885
Total non-current liabilities		4,733,502,336	5,327,439,854	4,648,884,378	5,239,825,010
Total liabilities		9,568,183,186	9,745,155,254	9,259,019,952	9,384,919,370

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2024

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>31 March 2024</u>	<u>31 December 2023</u>	<u>31 March 2024</u>	<u>31 December 2023</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
2,869,560,000 ordinary shares of Baht 0.5 each	<u>1,434,780,000</u>	<u>1,434,780,000</u>	<u>1,434,780,000</u>	<u>1,434,780,000</u>
Issued and fully paid				
2,865,179,910 ordinary shares of Baht 0.5 each	1,432,589,955	1,432,589,955	1,432,589,955	1,432,589,955
Premium on ordinary shares	14,494,582,321	14,494,582,321	14,494,582,321	14,494,582,321
Surplus on the amalgamation	483,694,988	483,694,988	483,694,988	483,694,988
Deficit on business combination under common control	(787,230,800)	(787,230,800)	-	-
Retained earnings				
Appropriated - statutory reserve	143,478,000	143,478,000	143,478,000	143,478,000
Unappropriated	19,833,076,881	19,681,328,439	19,217,909,562	19,140,128,561
Other components of shareholders' equity	<u>2,867,781,374</u>	<u>1,388,527,604</u>	<u>500,124,708</u>	<u>534,091,459</u>
Total shareholders' equity	<u>38,467,972,719</u>	<u>36,836,970,507</u>	<u>36,272,379,534</u>	<u>36,228,565,284</u>
Total liabilities and shareholders' equity	<u>48,036,155,905</u>	<u>46,582,125,761</u>	<u>45,531,399,486</u>	<u>45,613,484,654</u>
	-	-	-	-

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

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Directors
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(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2024

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
Note	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Profit or loss:				
Revenues from sales of goods and services	6,050,445,145	4,581,114,535	5,745,665,992	4,558,163,661
Cost of sales and services	<u>(5,539,921,462)</u>	<u>(4,097,702,422)</u>	<u>(5,348,070,143)</u>	<u>(4,155,880,276)</u>
Gross profit	510,523,683	483,412,113	397,595,849	402,283,385
Other income	26,372,370	33,671,480	26,978,636	24,519,240
Dividend income	3,386,069	2,057,491	-	-
Selling and distribution expenses	(261,238,845)	(234,919,837)	(194,611,024)	(166,589,705)
Administrative expenses	(162,135,094)	(166,313,399)	(112,015,688)	(128,353,457)
Gain (Loss) on exchange rates	145,111,108	(13,457,325)	147,445,830	(17,781,130)
Other gain (loss)	13 <u>(115,751,138)</u>	<u>56,547,403</u>	<u>(121,719,280)</u>	<u>47,888,773</u>
Operating profit	146,268,153	160,997,926	143,674,323	161,967,106
Finance income	92,236,176	67,424,693	7,883,740	22,145,856
Finance cost	<u>(72,395,128)</u>	<u>(71,515,704)</u>	<u>(71,633,619)</u>	<u>(68,311,607)</u>
Profit before income tax	166,109,201	156,906,915	79,924,444	115,801,355
Income tax	14 <u>(19,331,151)</u>	<u>(24,574,632)</u>	<u>(6,166,478)</u>	<u>(17,864,231)</u>
Profit for the period	<u>146,778,050</u>	<u>132,332,283</u>	<u>73,757,966</u>	<u>97,937,124</u>

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

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the three-month period ended 31 March 2024

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Other comprehensive income:				
Other comprehensive income to be reclassified to profit or loss in subsequent periods				
Exchange differences on translation of financial statements in foreign currencies	752,384,785	(93,074,640)	-	-
Loss on cash flow hedges - net of income tax	<u>(29,943,716)</u>	<u>(71,441,016)</u>	<u>(29,943,716)</u>	<u>(71,441,016)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>722,441,069</u>	<u>(164,515,656)</u>	<u>(29,943,716)</u>	<u>(71,441,016)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods				
Gain on changes in value of equity investments designated at fair value through other comprehensive income	<u>761,783,093</u>	<u>215,572,526</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods	<u>761,783,093</u>	<u>215,572,526</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period	<u>1,484,224,162</u>	<u>51,056,870</u>	<u>(29,943,716)</u>	<u>(71,441,016)</u>
Total comprehensive income for the period	<u>1,631,002,212</u>	<u>183,389,153</u>	<u>43,814,250</u>	<u>26,496,108</u>
Earnings per share				
Basic earnings per share				
Profit attributable to equity holders	<u>0.05</u>	<u>0.05</u>	<u>0.03</u>	<u>0.03</u>

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

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries**Statement of changes in shareholders' equity****For the three-month period ended 31 March 2024**

(Unit: Baht)

	Consolidated financial statements							
	Issued and paid-up share capital	Premium on ordinary shares	Surplus on the amalgamation	Deficit on business combination under common control	Retained earnings Appropriated - statutory reserve	Unappropriated	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2023	1,432,589,955	14,494,582,321	483,694,988	(787,230,800)	143,478,000	20,210,346,086	833,244,877	36,810,705,427
Profit for the period	-	-	-	-	-	132,332,283	-	132,332,283
Other comprehensive income for the period	-	-	-	-	-	-	51,056,870	51,056,870
Total comprehensive income for the period	-	-	-	-	-	132,332,283	51,056,870	183,389,153
Amortisation of surplus on revaluation of assets	-	-	-	-	-	7,418,732	(7,418,732)	-
Balance as at 31 March 2023	<u>1,432,589,955</u>	<u>14,494,582,321</u>	<u>483,694,988</u>	<u>(787,230,800)</u>	<u>143,478,000</u>	<u>20,350,097,101</u>	<u>876,883,015</u>	<u>36,994,094,580</u>
Balance as at 1 January 2024	1,432,589,955	14,494,582,321	483,694,988	(787,230,800)	143,478,000	19,681,328,439	1,388,527,604	36,836,970,507
Profit for the period	-	-	-	-	-	146,778,050	-	146,778,050
Other comprehensive income for the period	-	-	-	-	-	-	1,484,224,162	1,484,224,162
Total comprehensive income for the period	-	-	-	-	-	146,778,050	1,484,224,162	1,631,002,212
Amortisation of surplus on revaluation of assets	-	-	-	-	-	4,970,392	(4,970,392)	-
Balance as at 31 March 2024	<u>1,432,589,955</u>	<u>14,494,582,321</u>	<u>483,694,988</u>	<u>(787,230,800)</u>	<u>143,478,000</u>	<u>19,833,076,881</u>	<u>2,867,781,374</u>	<u>38,467,972,719</u>

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

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries**Statement of changes in shareholders' equity (continued)****For the three-month period ended 31 March 2024**

Details of other components of shareholders' equity:

(Unit: Baht)

Consolidated financial statements					
Other components of shareholders' equity					
Other comprehensive income					
Surplus on revaluation of assets - net of income tax	Surplus (deficit) on changes in fair value through other comprehensive income of investments in equity	Cash flow hedge reserve - net of income tax	Exchange differences on translation of financial statements in foreign currencies	Total other components of shareholders' equity	
Balance as at 1 January 2023	723,299,958	(205,101,423)	76,298,323	238,748,019	833,244,877
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	215,572,526	(71,441,016)	(93,074,640)	51,056,870
Total comprehensive income for the period	-	215,572,526	(71,441,016)	(93,074,640)	51,056,870
Amortisation of surplus on revaluation of assets	(7,418,732)	-	-	-	(7,418,732)
Balance as at 31 March 2023	715,881,226	10,471,103	4,857,307	145,673,379	876,883,015
Balance as at 1 January 2024	653,969,765	616,060,981	15,356,560	103,140,298	1,388,527,604
Profit for the period	-	-	-	-	-
Other comprehensive income for the period	-	761,783,093	(29,943,716)	752,384,785	1,484,224,162
Total comprehensive income for the period	-	761,783,093	(29,943,716)	752,384,785	1,484,224,162
Amortisation of surplus on revaluation of assets	(4,970,392)	-	-	-	(4,970,392)
Balance as at 31 March 2024	648,999,373	1,377,844,074	(14,587,156)	855,525,083	2,867,781,374

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

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2024

(Unit: Baht)

	Separate financial statements						
	Issued and paid-up share capital	Premium on ordinary shares	Surplus on the amalgamation	Retained earnings Appropriated - statutory reserve	Unappropriated	Total other components of shareholders' equity	Total shareholders' equity
Balance as at 1 January 2023	1,432,589,955	14,494,582,321	483,694,988	143,478,000	19,873,457,838	660,494,394	37,088,297,496
Profit for the period	-	-	-	-	97,937,124	-	97,937,124
Other comprehensive income for the period	-	-	-	-	-	(71,441,016)	(71,441,016)
Total comprehensive income for the period	-	-	-	-	97,937,124	(71,441,016)	26,496,108
Amortisation of surplus on revaluation of assets	-	-	-	-	6,446,363	(6,446,363)	-
Balance as at 31 March 2023	<u>1,432,589,955</u>	<u>14,494,582,321</u>	<u>483,694,988</u>	<u>143,478,000</u>	<u>19,977,841,325</u>	<u>582,607,015</u>	<u>37,114,793,604</u>
Balance as at 1 January 2024	1,432,589,955	14,494,582,321	483,694,988	143,478,000	19,140,128,561	534,091,459	36,228,565,284
Profit for the period	-	-	-	-	73,757,966	-	73,757,966
Other comprehensive income for the period	-	-	-	-	-	(29,943,716)	(29,943,716)
Total comprehensive income for the period	-	-	-	-	73,757,966	(29,943,716)	43,814,250
Amortisation of surplus on revaluation of assets	-	-	-	-	4,023,035	(4,023,035)	-
Balance as at 31 March 2024	<u>1,432,589,955</u>	<u>14,494,582,321</u>	<u>483,694,988</u>	<u>143,478,000</u>	<u>19,217,909,562</u>	<u>500,124,708</u>	<u>36,272,379,534</u>

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

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2024

Details of other components of shareholders' equity:

(Unit: Baht)

	Separate financial statements		
	Other components of shareholders' equity		
	Other comprehensive income		
	Surplus on		
	revaluation of assets	Cash flow hedge reserve	Total other components
	- net of income tax	- net of income tax	of shareholders' equity
Balance as at 1 January 2023	584,196,071	76,298,323	660,494,394
Profit for the period	-	-	-
Other comprehensive income for the period	-	(71,441,016)	(71,441,016)
Total comprehensive income for the period	-	(71,441,016)	(71,441,016)
Amortisation of surplus on revaluation of assets	(6,446,363)	-	(6,446,363)
Balance as at 31 March 2023	<u>577,749,708</u>	<u>4,857,307</u>	<u>582,607,015</u>
Balance as at 1 January 2024	518,734,899	15,356,560	534,091,459
Profit for the period	-	-	-
Other comprehensive income for the period	-	(29,943,716)	(29,943,716)
Total comprehensive income for the period	-	(29,943,716)	(29,943,716)
Amortisation of surplus on revaluation of assets	(4,023,035)	-	(4,023,035)
Balance as at 31 March 2024	<u>514,711,864</u>	<u>(14,587,156)</u>	<u>500,124,708</u>

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

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries**Cash flow statement****For the three-month period ended 31 March 2024**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from operating activities				
Profit before income tax	166,109,201	156,906,915	79,924,444	115,801,355
Adjustments to reconcile profit before income tax to net cash provided by (paid from) operating activities				
Unrealised gain on exchange rates	(115,194,583)	(24,472,011)	(116,425,219)	(32,857,610)
Unrealised (gain) loss on revaluation of derivative financial instruments	1,289,257	(11,334,385)	-	-
Loss (gain) on conversion of derivative instruments to underlying equity instruments	(7,244,851)	2,861,867	-	-
Unrealised loss on hedge accounting	108,124,849	183,003,879	108,124,849	183,003,879
Expected credit losses (reversal)	5,470,285	(23,285,165)	5,114,180	(22,952,745)
Reduction of inventory cost to net realisable value (reversal)	(33,242,828)	46,040,727	(17,097,766)	11,314,164
Write-off for investments in subsidiary	-	-	17,655,000	-
Reversal impairment loss on investments in subsidiary	-	-	(17,538,984)	-
Expenses for retirement benefit obligations	4,660,957	4,973,709	3,927,972	4,203,057
Depreciation	447,304,506	387,011,594	440,547,516	377,607,602
Amortisation of intangible assets	5,996,576	5,889,769	5,800,127	5,623,728
Dividend income	(3,386,069)	(2,057,491)	-	-
Finance income	(92,236,176)	(67,424,693)	(7,883,740)	(22,145,856)
Finance cost	72,395,128	71,515,704	71,633,619	68,311,607
Gain on disposal of and write-off for machinery, equipment, right-of-use assets and intangible assets	(1,920,475)	(1,483,937)	(1,907,929)	(1,297,825)
Profit from operating activities before changes in operating assets and liabilities	558,125,777	728,146,482	571,874,069	686,611,356
Operating assets (increase) decrease				
Trade and other receivables	(533,711,116)	(110,690,350)	(664,483,103)	(230,889,155)
Inventories	(29,552,914)	(569,968,746)	(182,526,838)	(310,433,063)
Other current assets	(54,301,447)	(36,100,233)	(81,388,587)	(6,051,089)
Other non-current assets	6,279,899	49,701	7,620,864	3,200
Operating liabilities increase (decrease)				
Trade and other payables	372,815,836	137,096,177	378,604,835	141,484,751
Other current liabilities	(4,088,934)	(2,892,758)	(3,996,245)	(2,216,879)
Cash flows provided by operating activities	315,567,101	145,640,273	25,704,995	278,509,121
Interest received	49,501,928	59,306,427	5,695,972	737,506
Interest paid	(91,684,600)	(100,452,025)	(90,932,708)	(97,247,928)
Withholding tax deducted at source refunded	120,139	-	-	-
Income tax paid	(5,076,137)	(10,861,200)	(321,016)	(217,585)
Net cash flows provided by (used in) operating activities	268,428,431	93,633,475	(59,852,757)	181,781,114

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

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries**Cash flow statement (continued)**

For the three-month period ended 31 March 2024

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Cash flows from investing activities				
Increase in other current financial assets	(585,715,301)	-	-	-
Dividends received	4,726,929	2,046,787	-	-
Cash paid for purchases of other financial assets	(1,233,050,598)	(1,522,287,575)	-	-
Cash received from disposal of machinery and equipment	7,057,252	6,861,065	7,044,663	2,884,440
Cash paid for purchases of property, plant and equipment and intangible assets	(139,879,493)	(319,266,268)	(53,420,217)	(272,974,584)
Decreases in payables from purchases of assets and retention payables	(115,464,827)	(120,150,323)	(107,405,032)	(131,545,240)
Net cash flows used in investing activities	<u>(2,062,326,038)</u>	<u>(1,952,796,314)</u>	<u>(153,780,586)</u>	<u>(401,635,384)</u>
Cash flows from financing activities				
Repayments of short-term borrowings from financial institutions	(39,315,697)	-	-	-
Repayments of long-term borrowings from financial institutions	(456,550,000)	(425,550,000)	(456,550,000)	(425,550,000)
Payment of principal portion of lease liabilities	(7,423,100)	(13,895,688)	(2,389,560)	(3,265,918)
Net cash flows used in financing activities	<u>(503,288,797)</u>	<u>(439,445,688)</u>	<u>(458,939,560)</u>	<u>(428,815,918)</u>
Increase (decrease) in translation adjustments	415,301,174	(86,371,347)	-	-
Net decrease in cash and cash equivalents	(1,881,885,230)	(2,384,979,874)	(672,572,903)	(648,670,188)
Cash and cash equivalents at beginning of period	4,230,142,884	14,350,701,692	2,237,359,500	8,790,234,346
Cash and cash equivalents at end of period	<u>2,348,257,654</u>	<u>11,965,721,818</u>	<u>1,564,786,597</u>	<u>8,141,564,158</u>
	-	-	-	-
Supplemental cash flows information				
Non-cash items consist of:				
Purchases of assets by entering into lease agreements	-	2,471,912	-	2,471,912
Transfer of advance payments for fixed assets to assets under construction and machinery	-	1,176,930	-	1,176,930

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

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month period ended 31 March 2024

1. General information

1.1 Basis of preparation of interim financial statements

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

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

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

1.2 Basis of preparation of interim consolidated financial statements

The interim consolidated financial statements included the financial statements of Sri Trang Gloves (Thailand) Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) (collectively as “the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2023, except for the dissolution of a subsidiary as described in Note 9 to the interim consolidated financial statements.

2. Accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2023.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Group’s financial statements except for TAS 12, Income Taxes - International Tax Reform - Pillar Two Model Rules. The management of the Group is currently in the process of assessing the potential exposure to Pillar Two income taxes on the financial statements.

(Unaudited but reviewed)

3. Related party transactions

During the periods, the Group had the following significant business transactions with its related parties.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Transactions with parent company				
Sales of goods	3,903	1,325	46	18
Purchases of goods	1,601,902	1,224,836	1,601,902	1,224,836
Service income	14,823	120,013	-	-
Service expenses	19,825	17,681	16,034	13,820
Rental income	-	25	-	-
Other income	3,815	7,377	2,784	5,995
Transactions with subsidiaries				
Sales of goods	-	-	558,284	689,759
Purchases of goods	-	-	5,902	4,144
Service expenses	-	-	74,929	53,631
Rental income	-	-	1	16
Commission expenses	-	-	333	1,449
Other income	-	-	2,580	2,423
Interest income	-	-	-	684
Purchases of fixed assets	-	-	-	104,483
Transactions with related companies				
Sales of goods	306	3,056	-	-
Purchases of goods	865,650	659,877	865,650	653,159
Service income	21,228	44,692	-	-
Service expenses	59,665	64,263	55,717	59,639
Rental income	54	90	54	90
Other income	2,972	3,383	1,127	1,394

Such transactions arose in the ordinary course of business. During the current period, there were no significant changes in transfer pricing policies of the transactions with related parties.

(Unaudited but reviewed)

Outstanding balances arising from significant business transactions between the Group and those related companies

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Trade accounts receivable				
(Note 4)				
Parent company	7,055	10,688	34	36
Subsidiaries	-	-	604,778	480,251
Related companies	2,155	6,489	-	9
	<u>9,210</u>	<u>17,177</u>	<u>604,812</u>	<u>480,296</u>
Other receivables (Note 4)				
Parent company	1,302	11,132	1,002	2,126
Subsidiaries	-	-	5,071	4,698
Related companies	8,853	9,951	565	581
	<u>10,155</u>	<u>21,083</u>	<u>6,638</u>	<u>7,405</u>
Trade accounts payable				
(Note 11)				
Parent company	603,068	456,174	602,895	455,653
Subsidiaries	-	-	7,026	41,945
Related companies	173,721	107,339	172,618	106,041
	<u>776,789</u>	<u>563,513</u>	<u>782,539</u>	<u>603,639</u>
Other payables (Note 11)				
Parent company	491	146	491	6
Subsidiaries	-	-	5,171	10,598
Related companies	2,150	1,313	2,147	1,310
	<u>2,641</u>	<u>1,459</u>	<u>7,809</u>	<u>11,914</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Retention payables				
(Note 11)				
Subsidiaries	-	-	15,487	15,487
	<u>-</u>	<u>-</u>	<u>15,487</u>	<u>15,487</u>
Advance receipt for goods and others				
(Note 11)				
Parent company	5,654	5,061	-	-
Related companies	934	6,956	-	-
	<u>6,588</u>	<u>12,017</u>	<u>-</u>	<u>-</u>

Directors and management's benefits

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Short-term employee benefits	24,741	26,718	13,781	13,420
Post-employment benefits	1,096	1,247	639	636
Total	<u>25,837</u>	<u>27,965</u>	<u>14,420</u>	<u>14,056</u>

Guarantee obligation with related party

The Company has outstanding guarantee obligation with its subsidiary, as described in Note 12.1 to the interim financial statements.

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Audited)		(Audited)	
Trade accounts receivable				
- related parties (Note 3)				
Aged on the basis of due dates				
Not yet due	8,963	17,170	583,343	457,690
Past due				
Up to 30 days	247	7	1,984	17,979
31 - 60 days	-	-	-	2,730
61 - 90 days	-	-	8,292	1,897
91 - 120 days	-	-	11,193	-
Total trade accounts receivable				
- related parties	9,210	17,177	604,812	480,296
Trade accounts receivable				
- unrelated parties				
Aged on the basis of due dates				
Not yet due	2,304,396	1,729,012	2,095,020	1,502,757
Past due				
Up to 30 days	274,036	312,466	225,408	264,225
31 - 60 days	68,170	43,437	37,176	39,943
61 - 90 days	3,231	11,267	3,184	10,997
91 - 120 days	149	-	148	-
121 - 365 days	2,697	2,377	-	-
Over 365 days	164,458	157,847	164,458	157,847
Total	2,817,137	2,256,406	2,525,394	1,975,769
Less: Allowance for expected credit losses	(136,769)	(131,299)	(133,918)	(128,804)
Total trade accounts receivable				
- unrelated parties, net	2,680,368	2,125,107	2,391,476	1,846,965
Total trade accounts receivable				
- net	2,689,578	2,142,284	2,996,288	2,327,261

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Other receivables				
Other receivables				
- related parties (Note 3)	10,155	21,083	6,638	7,405
Other receivables				
- unrelated parties	224,450	187,119	126,623	129,802
Prepaid expenses and advance payments - unrelated parties	158,683	39,628	132,020	12,457
Total other receivables	393,288	247,830	265,281	149,664
Total trade and other receivables - net	3,082,866	2,390,114	3,261,569	2,476,925

5. Inventories

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Inventories - at cost	4,451,083	4,205,812	3,383,659	2,985,414
Reduction of cost to net realisable value	(332,383)	(365,626)	(221,849)	(238,947)
Inventories - net	4,118,700	3,840,186	3,161,810	2,746,467

(Unaudited but reviewed)

6. Derivative financial instruments

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Derivative assets				
<i>Derivative assets not designated as hedging instruments</i>				
Equity accumulators	-	378	-	-
<i>Derivative assets designated as hedging instruments</i>				
Forward foreign exchange contracts				
	-	73,543	-	73,543
Interest rate swaps	763	1,516	763	1,516
Total derivative assets	<u>763</u>	<u>75,437</u>	<u>763</u>	<u>75,059</u>
Current assets	-	73,921	-	73,543
Non-current assets	763	1,516	763	1,516
Derivative liabilities				
<i>Derivative liabilities not designated as hedging instruments</i>				
Equity accumulators	911	-	-	-
<i>Derivative liabilities designated as hedging instruments</i>				
Forward foreign exchange contracts				
	<u>67,015</u>	<u>537</u>	<u>67,014</u>	<u>537</u>
Total derivative liabilities	<u>67,926</u>	<u>537</u>	<u>67,014</u>	<u>537</u>
Current liabilities	67,926	537	67,014	537

Derivatives are measured at fair value which is use of other observable inputs for such assets or liabilities, whether directly or indirectly, and there were no transfers within the fair value hierarchy during the current period.

(Unaudited but reviewed)

7. Other financial assets

	(Unit: Thousand Baht)
	Consolidated financial statements
Net book value as at 1 January 2024	9,899,374
Increase from investing	1,826,011
Unrealised gain on changes in fair value	763,723
Unrealised loss on exchange rate	(1,940)
Translation adjustment	325,880
Net book value as at 31 March 2024	<u>12,813,048</u>
Current assets	
Fixed deposits due later than 3 months	<u>5,798,858</u>
Non-current assets	
Quoted equity instruments	2,103,378
Unquoted equity instruments	<u>4,910,813</u>
	<u>7,014,191</u>

As at 31 March 2024, an overseas subsidiary had fixed deposits due later than 3 months of Baht 5,799 million, which bore fixed interest rates at 5.2 - 6.0 percent per annum. They will mature in April to June 2024.

Quoted equity instruments are measured at fair value which is use of quoted market prices in an observable active market. Unquoted equity instruments are measured at fair value, which is use of other observable inputs, whether directly or indirectly. During the period, there were no transfers within the fair value hierarchy.

(Unaudited but reviewed)

8. Other current assets

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Refundable value-added tax	318,534	264,540	295,218	214,191
Current tax assets	13,257	10,662	-	-
Input tax waiting for tax invoice or not yet due	12,511	12,213	11,432	11,070
Total other current assets	<u>344,302</u>	<u>287,415</u>	<u>306,650</u>	<u>225,261</u>

9. Investments in subsidiaries

During the current period, Sri Trang Responsible Gloves Supply Inc. (“STRG”) was dissolved and liquidated. The Company wrote off its net investment in STRG and recognised gain on the liquidation of STRG amounting to Baht 0.2 million, which was included in other income in consolidated financial statements.

10. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2024	24,971,643	25,088,509
Acquisitions	136,971	50,511
Capitalised interest	4,932	4,932
Disposals and write-off, net	(5,137)	(5,137)
Transfer to inventories and other assets	(239,709)	(239,709)
Depreciation	(437,985)	(437,948)
Translation adjustment	685	-
Net book value as at 31 March 2024	<u>24,431,400</u>	<u>24,461,158</u>

(Unaudited but reviewed)

11. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 March	31 December	31 March	31 December
	2024	2023	2024	2023
		(Audited)		(Audited)
Trade accounts payable				
- related parties (Note 3)	776,789	563,513	782,539	603,639
Trade accounts payable				
- unrelated parties	742,704	705,538	706,674	665,355
Other payables				
- related parties (Note 3)	2,641	1,459	7,809	11,914
Other payables				
- unrelated parties	592,800	571,588	509,019	455,378
Retention payables				
- related parties (Note 3)	-	-	15,487	15,487
Retention payables				
- unrelated parties	165,769	189,758	113,591	123,547
Advance receipt for goods				
and others - related parties				
(Note 3)	6,588	12,017	-	-
Advance receipt for goods				
and others - unrelated parties	392,788	371,687	371,526	354,228
Total trade and other payables	<u>2,680,079</u>	<u>2,415,560</u>	<u>2,506,645</u>	<u>2,229,548</u>

12. Borrowings

12.1 Short-term borrowings from financial institutions

Sri Trang USA, Inc., a subsidiary, has credit facilities with an overseas financial institution which are guaranteed by the Company as follows:

	Consolidated financial statements			
	31 March 2024		31 December 2023	
	Million	(Equivalent)	Million	(Equivalent)
	US Dollar	Million Baht	US Dollar	Million Baht
				(Audited)
Credit facilities	10	365	10	342
Balances of short-term borrowings	-	-	1	43

(Unaudited but reviewed)

12.2 Long-term borrowings from financial institutions

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2024	5,411,982
Repayments	(456,550)
Amortisation of financial fee	84
Balance as at 31 March 2024	<u>4,955,516</u>
Current portions	2,017,216
Non-current portions	2,938,300

There were no changes in the conditions of the long-term borrowing agreements from financial institutions during the current period.

12.3 Debentures

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
Balance as at 1 January 2024	1,512,670
Increase in accrued interest expenses	13,800
Interest paid	(27,599)
Amortisation of deferred expenses of issuing debentures	112
Balance as at 31 March 2024	<u>1,498,983</u>
Current portions	154
Non-current portions	1,498,829

There were no changes in the conditions of the debenture agreements during the current period.

(Unaudited but reviewed)

13. Other gain (loss)

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Gain (loss) on derivative financial instruments	(117,671)	55,063	(123,627)	46,591
Gain on disposal of and write-off for machinery, equipment, right-of-use assets and intangible assets	1,920	1,484	1,908	1,298
Total other gain (loss), net	<u>(115,751)</u>	<u>56,547</u>	<u>(121,719)</u>	<u>47,889</u>

14. Income tax

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

Interim corporate income tax of the overseas subsidiaries is calculated in accordance with the accounting standards and/or tax law of each entity's country of domicile.

(Unit: Thousand Baht)

	For the three-month periods ended 31 March			
	Consolidated financial statements		Separate financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Current income tax:				
Interim corporate income tax charge	11,523	42,519	8,526	35,277
Adjustment in respect of corporate income tax of previous year	-	(450)	-	(450)
Deferred tax:				
Relating to origination and reversal of temporary differences	7,808	(17,494)	(2,360)	(16,963)
Income tax reported in the profit or loss	<u>19,331</u>	<u>24,575</u>	<u>6,166</u>	<u>17,864</u>
Income tax reported in other comprehensive income	<u>(2,705)</u>	<u>(6,213)</u>	<u>(2,705)</u>	<u>(6,213)</u>

(Unaudited but reviewed)

15. Segment information

The Group did not change the organisation of its reportable segments during the current period.

The Group's financial information by segments for the three-month periods ended 31 March 2024 and 2023

(Unit: Million Baht)

Consolidated

financial statements

	Gloves		Others		Elimination		financial statements	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Revenues								
Revenues from external customers	6,001	4,581	49	-	-	-	6,050	4,581
Inter-segment revenues	-	-	181	-	(181)	-	-	-
Total revenues	<u>6,001</u>	<u>4,581</u>	<u>230</u>	<u>-</u>	<u>(181)</u>	<u>-</u>	<u>6,050</u>	<u>4,581</u>
Other income and expenses								
Depreciation and amortisation	(453)	(393)	(5)	-	5	-	(453)	(393)
Finance income	9	23	83	44	-	-	92	67
Finance cost	(72)	(72)	-	-	-	-	(72)	(72)
Segment profit								
Profit before income tax	85	105	92	52	(11)	-	166	157
Income tax	(22)	(25)	(3)	-	6	-	(19)	(25)
Profit for the period	<u>63</u>	<u>80</u>	<u>89</u>	<u>52</u>	<u>(5)</u>	<u>-</u>	<u>147</u>	<u>132</u>
Total assets	<u>46,017</u>	<u>48,346</u>	<u>15,546</u>	<u>6,183</u>	<u>(13,527)</u>	<u>(6,196)</u>	<u>48,036</u>	<u>48,333</u>

16. Dividends

On 9 April 2024, the Annual General Meeting of the Company passed resolutions approving annual dividend payments for the year 2023 of Baht 0.50 per share, amounting to approximately Baht 1,432.59 million. the Company made payment of such dividend in May 2024.

17. Commitments and contingent liabilities

(Unit: Million Baht)

	31 March 2024	
	Consolidated financial statements	Separate financial statements
Capital commitments relating to		
The construction of factory buildings and acquisition of machinery	978	3,554
Guarantees and contingent liabilities		
Bank guarantees for electricity usage and sales of goods	152	152
The future aggregate minimum payments under non-cancellable lease and service agreements		
Not later than 1 year	3	3
Later than 1 year but not later than 5 years	1	1

18. Financial instruments**Fair value of financial instrument**

Since the majority of the Group's financial instruments are short-term in nature or carrying interest at rates close to the ^{market} interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 9 May 2024.