

SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)**

30 JUNE 2017

AUDITOR'S REPORT ON THE REVIEW OF THE INTERIM FINANCIAL INFORMATION

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

I have reviewed the interim consolidated financial information of Sri Trang Agro-Industry Public Company Limited and its subsidiaries, and the interim separate financial information of Sri Trang Agro-Industry Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2017, and the consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with the 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 consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Paiboon Tunkoon

Certified Public Accountant (Thailand) No. 4298

Bangkok

11 August 2017

Sri Trang Agro-Industry Public Company Limited

Statement of Financial Position

As at 30 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Assets					
Current assets					
Cash and cash equivalents		2,136,065,948	1,674,618,807	333,624,052	341,997,422
Derivative financial instruments	6	92,919,252	164,979,930	52,316,200	20,160,205
Trade accounts receivable and other receivables, net	7	7,512,246,028	8,093,256,160	4,481,852,360	3,526,070,485
Amounts due from futures brokers		457,255,582	633,921,366	5,521,672	22,980,570
Inventories, net		18,788,690,246	20,931,003,297	7,407,744,416	10,860,738,679
Current portion of long-term loans to subsidiaries	17.4	-	-	1,459,706,610	534,882,000
Other current assets		641,167,561	314,101,947	247,179,233	112,720,704
Total current assets		29,628,344,617	31,811,881,507	13,987,944,543	15,419,550,065
Non-current assets					
Long-term loans to subsidiaries	17.4	-	-	1,014,435,000	1,539,321,476
Fixed deposits pledged as collateral		12,984,672	12,320,480	-	-
Investments in subsidiaries	8.1	-	-	17,993,388,548	11,246,845,292
Investments in associates	8.2	443,054,124	1,489,919,788	157,568,800	619,177,500
Investment in joint ventures	8.3	327,774,658	3,699,158,251	134,716,526	197,716,526
Available-for-sale investments		49,728,917	59,129,766	48,596,101	58,013,714
Property, plant and equipment, net	9	20,108,364,548	15,765,513,625	6,939,403,236	6,804,703,563
Rubber and palm plantations, net	10	1,710,604,313	1,573,403,867	2,410,156	2,550,659
Intangible assets, net	11	478,540,481	480,804,744	464,745,136	469,980,922
Goodwill	12	2,886,125,970	-	-	-
Investment properties		145,523,324	151,931,585	27,769,750	27,769,750
Withholding tax deducted at source		356,641,859	365,540,461	343,758,512	343,758,512
Deferred income tax assets, net		680,639,397	492,342,586	237,253,971	139,499,375
Other non-current assets		304,952,289	56,608,008	24,845,934	17,761,640
Total non-current assets		27,504,934,552	24,146,673,161	27,388,891,670	21,467,098,929
Total assets		57,133,279,169	55,958,554,668	41,376,836,213	36,886,648,994

Director _____

Director _____

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited

Statements of Financial Position (Cont'd)

As at 30 June 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		30 June 2017 Baht	31 December 2016 Baht	30 June 2017 Baht	31 December 2016 Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable and other payables	13	2,292,467,927	3,167,835,158	1,706,106,154	1,740,184,886
Short-term borrowings from financial institutions	14	28,513,774,932	23,433,814,874	18,780,796,000	14,338,230,000
Current portion					
- Long-term borrowings from financial institutions	14	613,580,500	5,397,791,500	612,224,500	4,276,387,500
- Debenture	14	600,000,000	-	600,000,000	-
- Finance lease liabilities	14	4,496,685	8,333,682	3,883,241	2,466,055
Derivative financial instruments	6	295,663,885	654,919,773	195,629,865	460,845,943
Current income tax liabilities		43,166,555	113,819,683	-	-
Other current liabilities		73,080,003	59,553,051	14,323,380	27,472,890
Total current liabilities		32,436,230,487	32,836,067,721	21,912,963,140	20,845,587,274
Non-current liabilities					
Long-term borrowings from financial institutions	14	4,020,799,000	654,000	4,020,799,000	-
Debentures	14	2,265,000,000	2,865,000,000	2,265,000,000	2,865,000,000
Finance lease liabilities	14	13,143,356	5,127,618	8,758,467	4,424,685
Deferred income tax liabilities, net		400,145,509	119,339,871	-	-
Provision for retirement benefit obligations		275,614,203	185,232,931	88,176,740	83,946,773
Other non-current liabilities		35,406,265	35,214,923	-	-
Total non-current liabilities		7,010,108,333	3,210,569,343	6,382,734,207	2,953,371,458
Total liabilities		39,446,338,820	36,046,637,064	28,295,697,347	23,798,958,732

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited
Statements of Financial Position (Cont'd)
As at 30 June 2017

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht	Unaudited 30 June 2017 Baht	Audited 31 December 2016 Baht
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
Ordinary shares, 1,280,000,000 shares of par Baht 1 each (2016: 1,280,000,000 shares of par Baht 1 each)	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
Issued and paid-up share capital				
Ordinary shares, 1,280,000,000 shares of par Baht 1 each (2016: 1,280,000,000 shares of par Baht 1 each)	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
Premium on share capital	8,550,989,821	8,550,989,821	8,550,989,821	8,550,989,821
Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	(173,134,488)	(173,134,488)	-	-
Asset revaluation surplus, net of accumulated depreciation	1,273,729,591	1,296,859,775	538,831,543	552,826,994
Unrealised gains on available-for-sale investments	13,576,560	12,755,614	13,041,580	12,234,045
Cumulative currency differences on translation	(485,443,632)	(284,004,450)	-	-
Retained earnings				
Appropriated - legal reserve	128,000,000	128,000,000	128,000,000	128,000,000
Unappropriated	6,474,714,023	9,036,069,449	2,570,275,922	2,563,639,402
Total equity attributable to owners of the parent	17,062,431,875	19,847,535,721	13,081,138,866	13,087,690,262
Non-controlling interests	624,508,474	64,381,883	-	-
Total equity	17,686,940,349	19,911,917,604	13,081,138,866	13,087,690,262
Total liabilities and equity	57,133,279,169	55,958,554,668	41,376,836,213	36,886,648,994

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited
Statement of Comprehensive Income
For the three-month period ended 30 June 2017

	Consolidated financial information		Separate financial information	
	Unaudited	Unaudited	Unaudited	Unaudited
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Revenues from sales of goods and services	22,875,301,732	18,751,631,841	13,120,783,693	8,877,171,390
Cost of sales and services	(23,686,010,288)	(16,813,668,368)	(13,403,605,344)	(7,734,056,626)
Gross profit (loss)	(810,708,556)	1,937,963,473	(282,821,651)	1,143,114,764
Other income	28,014,534	44,888,317	51,080,031	346,621,465
Selling expenses	(828,610,696)	(738,325,160)	(543,476,389)	(533,381,104)
Administrative expenses	(491,019,144)	(444,693,901)	(224,672,097)	(258,554,161)
Gains (losses) on exchange rate, net	42,812,417	(49,286,990)	27,433,026	32,152,209
Other gains (losses), net	33,867,573	64,304,932	(65,905,750)	70,997,322
Operating profit (loss)	(2,025,643,872)	814,850,671	(1,038,362,830)	800,950,495
Share of profit (loss) from investments in associates and joint ventures	(57,273,063)	92,481,592	-	-
Profit (loss) before net finance costs and income tax	(2,082,916,935)	907,332,263	(1,038,362,830)	800,950,495
Finance income	13,301,260	9,425,226	26,673,529	18,578,069
Finance costs	(323,611,518)	(90,113,755)	(194,832,266)	(99,169,881)
Finance costs, net	(310,310,258)	(80,688,529)	(168,158,737)	(80,591,812)
Profit (loss) before income tax	(2,393,227,193)	826,643,734	(1,206,521,567)	720,358,683
Income tax (expense)	307,037,027	(33,469,280)	104,475,192	(29,796,375)
Profit (loss) for the periods	(2,086,190,166)	793,174,454	(1,102,046,375)	690,562,308
Other comprehensive income:				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Change in fair value of available-for-sale investments, net of tax	(1,347,783)	(645,657)	(1,353,905)	(661,739)
Currency differences on translation	(97,028,496)	36,792,838	-	-
Total items that will be reclassified subsequently to profit or loss	(98,376,279)	36,147,181	(1,353,905)	(661,739)
Other comprehensive income for the periods, net of tax	(98,376,279)	36,147,181	(1,353,905)	(661,739)
Total comprehensive income (expense) for the periods	(2,184,566,445)	829,321,635	(1,103,400,280)	689,900,569

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the three-month period ended 30 June 2016

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Unaudited	Unaudited	Unaudited
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Profit (loss) for the periods attributable to:				
Owners of the parent	(2,080,054,058)	801,542,758	(1,102,046,375)	690,562,308
Non-controlling interests	(6,136,108)	(8,368,304)	-	-
Profit (loss) for the periods	<u>(2,086,190,166)</u>	<u>793,174,454</u>	<u>(1,102,046,375)</u>	<u>690,562,308</u>
Total comprehensive income (expense)				
for the periods attributable to:				
Owners of the parent	(2,174,474,863)	834,632,496	(1,103,400,280)	689,900,569
Non-controlling interests	(10,091,582)	(5,310,861)	-	-
Total comprehensive income (expense)				
for the periods	<u>(2,184,566,445)</u>	<u>829,321,635</u>	<u>(1,103,400,280)</u>	<u>689,900,569</u>
Earnings (loss) per share				
Basic earnings (loss) per share	<u>(1.63)</u>	<u>0.63</u>	<u>(0.86)</u>	<u>0.54</u>

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the six-month period ended 30 June 2017

	Consolidated		Separate	
	financial information		financial information	
	Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Note				
Revenues from sales of goods and services	51,394,550,623	35,446,140,034	29,040,917,100	16,616,828,217
Cost of sales and services	(50,306,417,999)	(32,690,918,367)	(28,972,968,959)	(15,075,371,300)
Gross profit	1,088,132,624	2,755,221,667	67,948,141	1,541,456,917
Other income	243,031,571	89,143,751	2,332,356,373	378,085,378
Selling expenses	(1,941,916,714)	(1,495,826,160)	(1,339,343,361)	(1,145,816,720)
Administrative expenses	(1,460,762,849)	(753,713,206)	(440,842,349)	(404,865,670)
Gains (losses) on exchange rate, net	291,905,467	(53,834,510)	209,526,052	55,350,214
Gains on change in fair value from group investment reclassification	223,626,008	-	-	-
Gains from disposals of investments in associates and general investment	132,699,762	-	217,824,854	-
Other gains (losses), net	(265,939,027)	81,055,875	(329,612,702)	27,004,095
Operating profit (loss)	(1,689,223,158)	622,047,417	717,857,008	451,214,214
Share of profit from investments in associates and joint ventures	667,926	189,308,486	-	-
Profit (loss) before net finance costs and income tax	(1,688,555,232)	811,355,903	717,857,008	451,214,214
Finance income	14,866,563	15,651,887	51,735,864	33,940,045
Finance costs	(589,022,637)	(226,036,392)	(362,908,283)	(197,608,670)
Finance costs, net	(574,156,074)	(210,384,505)	(311,172,419)	(163,668,625)
Profit (loss) before income tax	(2,262,711,306)	600,971,398	406,684,589	287,545,589
Income tax income	15 165,290,571	14,499,865	97,956,480	1,338,360
Profit (loss) for the periods	(2,097,420,735)	615,471,263	504,641,069	288,883,949
Other comprehensive income:				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Change in fair value of available-for-sale investments, net of tax	820,946	4,148,434	807,535	4,059,514
Currency differences on translation	(204,276,622)	(33,572,754)	-	-
Total items that will be reclassified subsequently to profit or loss	(203,455,676)	(29,424,320)	807,535	4,059,514
Other comprehensive income for the periods, net of tax	(203,455,676)	(29,424,320)	807,535	4,059,514
Total comprehensive income (expense) for the periods	(2,300,876,411)	586,046,943	505,448,604	292,943,463

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited
Statement of Comprehensive Income (Cont'd)
For the six-month period ended 30 June 2017

	Consolidated financial information		Separate financial information	
	Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Profit (loss) for the periods attributable to:				
Owners of the parent	(2,072,485,610)	635,912,066	504,641,069	288,883,949
Non-controlling interests	(24,935,125)	(20,440,803)	-	-
Profit (loss) for the periods	(2,097,420,735)	615,471,263	504,641,069	288,883,949
Total comprehensive income (expense) for the periods attributable to:				
Owners of the parent	(2,273,103,846)	603,047,978	505,448,604	292,943,463
Non-controlling interests	(27,772,565)	(17,001,035)	-	-
Total comprehensive income (expense) for the periods	(2,300,876,411)	586,046,943	505,448,604	292,943,463
Earnings (loss) per share				
Basic earnings (loss) per share	(1.62)	0.50	0.39	0.23

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited
Statement of Changes in Equity
For the six-month period ended 30 June 2017

Consolidated financial information (Unaudited)											
Attributable to owners of the parent											
Note	Other components of equity			Other comprehensive income			Retained earnings		Total owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Premium on share capital	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	Asset revaluation surplus, net of accumulated depreciation	Unrealised gains on available-for-sale investments	Cumulative currency differences on translation	Appropriated	Unappropriated			
							- legal reserve				
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 January 2017	1,280,000,000	8,550,989,821	(173,134,488)	1,296,859,775	12,755,614	(284,004,450)	128,000,000	9,036,069,449	19,847,535,721	64,381,883	19,911,917,604
Loss for the period	-	-	-	-	-	-	-	(2,072,485,610)	(2,072,485,610)	(24,935,125)	(2,097,420,735)
Other comprehensive income											
Depreciation of surplus from assets revaluation, net of tax	-	-	-	(23,040,489)	-	-	-	23,040,489	-	-	-
Disposals and write-offs of assets, net of tax	-	-	-	(89,695)	-	-	-	89,695	-	-	-
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	820,946	-	-	-	820,946	-	820,946
Currency differences on translation	-	-	-	-	-	(201,439,182)	-	-	(201,439,182)	(2,837,440)	(204,276,622)
Total other comprehensive income, net of tax	-	-	-	(23,130,184)	820,946	(201,439,182)	-	23,130,184	(200,618,236)	(2,837,440)	(203,455,676)
Total comprehensive income (expense)	-	-	-	(23,130,184)	820,946	(201,439,182)	-	(2,049,355,426)	(2,273,103,846)	(27,772,565)	(2,300,876,411)
Transactions with equity											
Dividend payment	16	-	-	-	-	-	-	(512,000,000)	(512,000,000)	-	(512,000,000)
Dividend payment from subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(521)	(521)
Acquisition of non-controlling interest with a change in control.	19	-	-	-	-	-	-	-	-	587,899,677	587,899,677
Total transactions with equity		-	-	-	-	-	-	(512,000,000)	(512,000,000)	587,899,156	75,899,156
Closing balance as at 30 June 2017	<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>(173,134,488)</u>	<u>1,273,729,591</u>	<u>13,576,560</u>	<u>(485,443,632)</u>	<u>128,000,000</u>	<u>6,474,714,023</u>	<u>17,062,431,875</u>	<u>624,508,474</u>	<u>17,686,940,349</u>

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited
Statement of Changes in Equity (Cont'd)
For the six-month period ended 30 June 2017

Consolidated financial information (Unaudited)											
Attributable to owners of the parent											
Other components of equity											
Other comprehensive income											
Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests Baht	Asset revaluation surplus, net of accumulated depreciation Baht	Unrealised gains on available-for-sale investments Baht	Cumulative currency differences on translation Baht	Retained earnings		Total owners of the parent Baht	Non-controlling interests Baht	Total equity Baht
							Appropriated - legal reserve Baht	Unappropriated Baht			
Opening balance as at 1 January 2016	1,280,000,000	8,550,989,821	(173,134,488)	1,427,799,885	6,832,287	(268,546,606)	128,000,000	10,287,731,589	21,239,672,488	94,236,247	21,333,908,735
Profit (loss) for the period	-	-	-	-	-	-	-	635,912,066	635,912,066	(20,440,803)	615,471,263
Other comprehensive income											
Depreciation of surplus from assets revaluation, net of tax	-	-	-	(9,696,299)	-	-	-	9,696,299	-	-	-
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	4,148,434	-	-	-	4,148,434	-	4,148,434
Currency differences on translation	-	-	-	-	-	(37,012,522)	-	-	(37,012,522)	3,439,768	(33,572,754)
Total other comprehensive income, net of tax	-	-	-	(9,696,299)	4,148,434	(37,012,522)	-	9,696,299	(32,864,088)	3,439,768	(29,424,320)
Total comprehensive income (expense)	-	-	-	(9,696,299)	4,148,434	(37,012,522)	-	645,608,365	603,047,978	(17,001,035)	586,046,943
Transactions with equity											
Dividend payment	16	-	-	-	-	-	-	(512,000,000)	(512,000,000)	-	(512,000,000)
Non-controlling interests invested in subsidiaries		-	-	-	-	-	-	-	-	(487)	(487)
Total transactions with equity	-	-	-	-	-	-	-	(512,000,000)	(512,000,000)	(487)	(512,000,487)
Closing balance as at 30 June 2016	<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>(173,134,488)</u>	<u>1,418,103,586</u>	<u>10,980,721</u>	<u>(305,559,128)</u>	<u>128,000,000</u>	<u>10,421,339,954</u>	<u>21,330,720,466</u>	<u>77,234,725</u>	<u>21,407,955,191</u>

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited

Statement of Changes in Equity (Cont'd)

For the six-month period ended 30 June 2017

	Separate financial information (Unaudited)							Total equity Baht
	Other components of equity							
	Other comprehensive income							
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Asset revaluation surplus, net of accumulated depreciation Baht	Unrealised gains on available-for-sale investments Baht	Retained earnings		
						Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 January 2017	1,280,000,000	8,550,989,821	552,826,994	12,234,045	128,000,000	2,563,639,402	13,087,690,262	
Profit for the period	-	-	-	-	-	504,641,069	504,641,069	
Other comprehensive income								
Depreciation of surplus from assets revaluation, net of tax	-	-	(13,995,451)	-	-	13,995,451	-	
Change in fair value of available-for-sale investments, net of tax	-	-	-	807,535	-	-	807,535	
Total other comprehensive income, net of tax	-	-	(13,995,451)	807,535	-	13,995,451	807,535	
Total comprehensive income (expense)	-	-	(13,995,451)	807,535	-	518,636,520	505,448,604	
Transactions with equity								
Dividend payment	16	-	-	-	-	(512,000,000)	(512,000,000)	
Total transactions with equity		-	-	-	-	(512,000,000)	(512,000,000)	
Closing balance as at 30 June 2017		1,280,000,000	8,550,989,821	538,831,543	13,041,580	128,000,000	2,570,275,922	13,081,138,866

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited

Statement of Changes in Equity (Cont'd)

For the six-month period ended 30 June 2017

Separate financial information (Unaudited)								
Other components of equity								
Other comprehensive income								
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Asset		Retained earnings		Total equity Baht
				revaluation surplus, net of accumulated depreciation Baht	Unrealised gains on available-for-sale investments Baht	Appropriated - legal reserve Baht	Unappropriated Baht	
Opening balance as at 1 January 2016		1,280,000,000	8,550,989,821	654,327,347	6,479,970	128,000,000	3,972,561,056	14,592,358,194
Profit for the period		-	-	-	-	-	288,883,949	288,883,949
Other comprehensive income								
Depreciation of surplus from assets revaluation, net of tax		-	-	(6,784,846)	-	-	6,784,846	-
Change in fair value of available-for-sale investments, net of tax		-	-	-	4,059,514	-	-	4,059,514
Total other comprehensive income, net of tax		-	-	(6,784,846)	4,059,514	-	6,784,846	4,059,514
Total comprehensive expense		-	-	(6,784,846)	4,059,514	-	295,668,795	292,943,463
Transactions with equity								
Dividend payment	16	-	-	-	-	-	(512,000,000)	(512,000,000)
Total transactions with equity		-	-	-	-	-	(512,000,000)	(512,000,000)
Closing balance as at 30 June 2016		1,280,000,000	8,550,989,821	647,542,501	10,539,484	128,000,000	3,756,229,851	14,373,301,657

The accompanying notes are an integral part of these interim financial information.

Sri Trang Agro-Industry Public Company Limited
Statement of Cash Flows
For the six-month period ended 30 June 2017

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Cash flows from operating activities					
Profit (loss) before income tax		(2,262,711,306)	600,971,398	406,684,589	287,545,589
Adjustments for:					
Unrealised (gains) losses on foreign exchange rate		(102,331,496)	(60,867,694)	60,904,103	97,601,533
Unrealised (gains) losses from revaluation of derivative financial instruments		(287,195,210)	220,997,519	(297,372,074)	155,271,191
Allowance for impairment of trade accounts receivable (reversal)		238,720	(175,573)	-	-
Allowance for inventory cost in excess of net realisable value (reversal)		2,918,085,303	(340,856,965)	1,533,164,660	(164,169,669)
Reversal of provision for damaged inventories from fire accident		(41,593,901)	-	-	-
Provision for retirement benefit obligations		16,194,148	17,400,240	5,493,452	6,029,862
Depreciation charges	9	762,148,197	555,051,677	322,405,848	254,529,324
Amortisation charges - rubber and palm plantations	10	447,077	295,807	140,503	140,894
Amortisation charges - intangible assets	11	31,124,282	8,473,959	27,217,399	5,245,807
Finance costs		589,022,637	226,036,392	362,908,283	197,608,670
Dividend income		(1,236,211)	(1,175,135)	(2,231,530,813)	(320,339,939)
Share of profit from investments in associates and joint ventures		(667,926)	(189,308,486)	-	-
(Gains) losses on disposal and write-off of property, plant and equipment, rubber and palm plantations and intangible assets		2,434,014	(727,277)	1,353,359	1,034,062
Gain on disposal of investment in associates and general investment	19	(132,699,762)	-	(217,824,854)	-
Gain on change in fair value from investment group reclassification	19	(223,626,008)	-	-	-
Changes in operating assets and liabilities:					
(Increase) decrease in operating assets					
- Trade accounts receivable and other receivables		1,769,924,420	(3,196,189,318)	(955,781,875)	(540,015,850)
- Amounts due from futures brokers		176,665,784	262,878,747	17,458,898	68,134,122
- Inventories		618,194,466	3,219,927,827	1,919,829,603	1,863,358,928
- Other current assets		(115,788,794)	115,563,889	(66,449,803)	(14,447,077)
- Other non-current assets		(247,499,643)	(2,809,237)	(7,084,294)	140,871
Increase (decrease) in operating liabilities					
- Trade accounts payable and other payables		(1,919,931,040)	(208,458,901)	(19,163,345)	(80,695,312)
- Other current liabilities		13,526,952	5,726,912	(13,149,510)	(5,458,574)
Cash flows generated from operating activities		1,562,724,703	1,232,755,781	849,204,129	1,811,514,432
Interest paid		(591,232,025)	(229,466,239)	(365,503,254)	(202,824,885)
Income tax (paid) refundable		(264,848,689)	(100,423,391)	(68,008,726)	(31,557,350)
Employee benefits paid		(2,481,986)	(156,000)	(1,263,485)	-
Net cash flows generated from operating activities		704,162,003	902,710,151	414,428,664	1,577,132,197

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

Sri Trang Agro-Industry Public Company Limited
Statement of Cash Flows (Cont'd)
For the six-month period ended 30 June 2017

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Unaudited	Unaudited	Unaudited
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Cash flows from investing activities				
(Increase) decrease in fixed deposits				
pledged as collateral	(664,192)	20,083,227	-	9,288,665
Dividends received	2,129,304,110	1,175,134	2,231,530,813	320,339,939
Cash received from debt settlement of loan to a subsidiary	-	-	-	300,000,000
Cash paid from long-term loans to a subsidiary	-	-	(513,097,500)	(283,600,000)
Cash paid for investments in subsidiaries	(5,129,542,633)	-	(6,683,543,256)	(284,000,000)
Cash received from disposals of investment in associates and general investment	689,389,350	-	689,389,350	-
Cash paid for investments in a joint venture	-	(100,388,466)	-	(100,388,466)
Proceeds from disposal of property, plant and equipment, rubber and palm plantations and intangible assets	15,363,225	17,587,525	4,584,597	770,221
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets	(1,282,298,215)	(1,034,644,567)	(489,702,902)	(637,635,260)
Net cash flows used in investing activities	(3,578,448,355)	(1,096,187,147)	(4,760,838,898)	(675,224,901)
Cash flows from financing activities				
Increase (decrease) in short-term borrowings from financial institutions	4,562,537,377	(2,432,337,020)	4,442,566,000	(2,234,771,000)
Increase in short-term borrowings from subsidiary	-	-	500,000,000	-
Repayments in short-term borrowings from subsidiary	-	-	(500,000,000)	-
Proceeds from long-term borrowings	509,362,500	660,000,000	509,362,500	-
Repayments of long-term borrowings	(1,220,702,000)	(114,355,000)	(100,000,000)	(113,653,000)
Proceeds from debenture	-	2,265,000,000	-	2,265,000,000
Repayments of debenture	-	(300,000,000)	-	(300,000,000)
Payments on finance lease liabilities	(3,463,863)	(16,581,534)	(1,891,636)	(3,049,946)
Dividend paid	(512,000,000)	(512,000,000)	(512,000,000)	(512,000,000)
Dividend paid from subsidiaries to non-controlling interests	(521)	(487)	-	-
Net cash flows from (used in) financing activities	3,335,733,493	(450,274,041)	4,338,036,864	(898,473,946)
Net increase (decrease) in cash and cash equivalents	461,447,141	(643,751,037)	(8,373,370)	3,433,350
Cash and cash equivalents at the beginning of the periods	1,674,618,807	2,197,241,259	341,997,422	302,242,191
Cash and cash equivalents at end of the periods	2,136,065,948	1,553,490,222	333,624,052	305,675,541
Supplementary information for cash flows				
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets:				
Property, plant and equipment, rubber and palm plantation and intangible assets acquired	(1,262,870,262)	(1,064,895,210)	(485,025,091)	(669,889,089)
Increase in finance lease liabilities	7,642,604	3,630,000	7,642,604	3,630,000
Increase (decrease) in payable from purchases of assets	(27,070,557)	26,620,643	(12,320,415)	28,623,829
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets	(1,282,298,215)	(1,034,644,567)	(489,702,902)	(637,635,260)

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

1 General information

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

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

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

For reporting purposes, the Company and its subsidiaries are referred to as ‘the Group’.

This interim consolidated and separate financial information was authorised for issue by the Board of Directors on 11 August 2017.

This interim consolidated and separate financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in shareholders’ equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2016.

An English version of the interim consolidated and separate financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual consolidated and company financial statements for the year ended 31 December 2016.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2017.

(a) Financial reporting standards, which have significant changes and are relevant to the Group is as follows:

TAS 41 (revised 2016)	Agriculture
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(b) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 16 (revised 2016)	Property, plant and equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee benefits
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 33 (revised 2016)	Earnings per share
TAS 34 (revised 2016)	Interim financial reporting
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment property
TFRS 3 (revised 2016)	Business combinations
TFRS 8 (revised 2016)	Operating segments
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities
TFRS 13 (revised 2016)	Fair value measurement
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TSIC 27 (revised 2016)	Evaluating the substance of transactions involving the legal form of a lease

3 Estimates

The preparation of interim financial information requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim financial information, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 December 2016.

4 Fair value estimation

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

Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 : Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 30 June 2017.

	Consolidated financial information (Unaudited)			
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Available-for-sale investments				
- Equity securities	49,729	-	-	49,729
Financial assets at fair value through profit or loss				
- Trading derivatives	29,466	63,453	-	92,919
Total assets	79,195	63,453	-	142,648
Liabilities				
Financial liabilities at fair value through profit or loss				
- Trading derivatives	173,429	122,235	-	295,664
Total liabilities	173,429	122,235	-	295,664
Separate financial information (Unaudited)				
	Level 1 Baht'000	Level 2 Baht'000	Level 3 Baht'000	Total Baht'000
Assets				
Available-for-sale investments				
- Equity securities	48,596	-	-	48,596
Financial assets at fair value through profit or loss				
- Trading derivatives	9,440	42,876	-	52,316
Total assets	58,036	42,876	-	100,912
Liabilities				
Financial liabilities at fair value through profit or loss				
- Trading derivatives	113,865	81,765	-	195,630
Total liabilities	113,865	81,765	-	195,630

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

4 Fair value estimation (Cont'd)

(a) Financial instruments in Level 1

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

(b) Financial instruments in Level 2

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

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

Specific valuation techniques used to value financial instruments include:

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

5 Segment information

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

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

There are four reportable segments as follows:

- (1) Natural Rubber Products: This segment is engaged in the manufacture, sale and trading of ribbed smoked sheets, concentrated latex and block rubbers. This segment also includes the manufacture and sale of powdered and powder-free latex examination gloves.
- (2) Engineering business: This segment is engaged in the engineering service including research and development of machinery and production process, and also providing information system service.
- (3) Plantation: This segment is engaged in plantations including rubber, palm and temperate fruits.
- (4) Other Businesses: This segment is engaged in logistics services and wood processing service. These services are provided mainly to the Group, with some services provided externally.

As at 30 June 2017, the Group operates four business segments in seven main geographical areas (As at 30 June 2016: seven main geographical areas). The allocation of revenue to each geographical area is based on the origin of sales.

Sales between segments are carried out independently on an arm's length basis. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the statement of comprehensive income.

Sri Trang Agro-Industry Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2017

5 Segment information (Cont'd)

Reportable segments by geographical area of interim consolidated financial information for the six-month period ended 30 June 2017:

	Consolidated financial information (Unaudited)										
	Natural rubber products						Engineering Business	Plantation	Other businesses		Total
	Thailand Baht'000	Indonesia Baht'000	Singapore Baht'000	USA Baht'000	China Baht'000	Vietnam Baht'000	Myanmar Baht'000	Thailand Baht'000	Thailand Baht'000	Thailand Baht'000	
Segment revenues	41,290,167	6,186,947	15,000,943	1,501,311	236,385	-	200,495	405,199	1,900	696,436	65,519,783
Inter-segment revenues	(6,390,383)	(4,656,861)	(2,078,584)	199	-	-	(200,495)	(316,780)	(490)	(481,838)	(14,125,232)
Revenues from external customers	34,899,784	1,530,086	12,922,359	1,501,510	236,385	-	-	88,419	1,410	214,598	51,394,551
Depreciation and amortisation	(608,022)	(135,546)	(3,256)	(897)	(1,278)	-	(2,584)	(10,505)	(16,834)	(14,798)	(793,720)
Finance income	12,976	1,009	201	-	309	-	-	152	39	181	14,867
Finance costs	(404,867)	(133,555)	(9,438)	(17,280)	-	-	(2,041)	(21,570)	-	(272)	(589,023)
Share of profit from investments in associates and joint ventures	668	-	-	-	-	-	-	-	-	-	668
Profit (loss) before income tax	(217,786)	333,623	649,775	46,335	(2,252)	(1,592)	13,519	(2,236)	(63,241)	(10,582)	745,563
Income tax income (expense)	122,170	12,048	11,851	10,748	(841)	-	5,596	3,790	49	(120)	165,291
Profit (loss) for the period	(95,616)	345,671	661,626	57,083	(3,093)	(1,592)	19,115	1,554	(63,192)	(10,702)	910,854
Intersegmental balances											(3,008,275)
Total loss for the period											(2,097,421)
Total assets	54,103,956	9,250,263	6,805,167	1,358,538	482,687	27,225	166,551	1,315,568	6,191,067	4,021,436	83,722,458
Intersegmental balances											(26,589,179)
Total assets											57,133,279

Reportable segments by geographical area of interim consolidated financial information for the six-month period ended 30 June 2016:

	Consolidated financial information (Unaudited)								
	Natural rubber products						Other businesses		Total
	Thailand Baht'000	Indonesia Baht'000	Singapore Baht'000	USA Baht'000	China Baht'000	Vietnam Baht'000	Myanmar Baht'000	Thailand Baht'000	
Segment revenues	23,706,409	3,858,284	10,579,070	916,322	658,833	-	45,456	2,304,239	42,068,613
Inter-segment revenues	(2,270,231)	(3,008,501)	(688,249)	-	-	-	(45,456)	(610,036)	(6,622,473)
Revenues from external customers	21,436,178	849,783	9,890,821	916,322	658,833	-	-	1,694,203	35,446,140
Depreciation and amortisation	(377,449)	(137,778)	(4,379)	(1,068)	(1,279)	(71)	(2,797)	(39,000)	(563,821)
Finance income	12,815	1,873	80	-	636	2	-	246	15,652
Finance costs	(221,397)	29,349	(2,750)	(15,305)	-	(4)	-	(15,929)	(226,036)
Share of profit from investments in associates and joint ventures	189,308	-	-	-	-	-	-	-	189,308
Profit (loss) before income tax	762,750	(301,423)	421,912	(82,488)	(34,782)	(1,693)	(11,421)	168,093	920,948
Income tax income (expense)	4,114	64,669	(43,192)	22,897	12,307	-	-	(46,295)	14,500
Profit (loss) for the period	766,864	(236,754)	378,720	(59,591)	(22,475)	(1,693)	(11,421)	121,798	935,448
Intersegmental balances									(319,977)
Total profit for the period									615,471
Total assets	33,931,267	6,144,568	5,161,387	1,122,962	565,460	30,345	102,322	10,101,281	57,159,592
Intersegmental balances									(13,221,536)
Total assets									43,938,056

5 Segment information (Cont'd)

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

	Consolidated financial information	
	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Thailand	20,233,799	15,807,820
Indonesia	2,215,995	2,003,222
Singapore	243,508	160,012
USA	1,843	2,588
China	25,021	23,040
Myanmar	27,679	31,371
Vietnam	140	209
Total	22,747,985	18,028,262

6 Derivative financial instruments

	Consolidated financial information			
	(Unaudited) 30 June 2017		(Audited) 31 December 2016	
	Assets Baht'000	Liabilities Baht'000	Assets Baht'000	Liabilities Baht'000
Foreign exchange swaps	11,908	(81,665)	-	(120,311)
Foreign exchange options	-	(15)	-	-
Forward foreign exchange contracts	43,743	(11,645)	60,359	(188,190)
Rubber futures	29,465	(173,429)	23,054	(280,758)
Physical forward contracts	7,803	(28,910)	81,567	(65,661)
Total derivative financial instruments	92,919	(295,664)	164,980	(654,920)

	Separate financial information			
	(Unaudited) 30 June 2017		(Audited) 31 December 2016	
	Assets Baht'000	Liabilities Baht'000	Assets Baht'000	Liabilities Baht'000
Foreign exchange swaps	11,908	(81,664)	-	(120,311)
Foreign exchange options	-	(12)	-	-
Forward foreign exchange contracts	30,968	(89)	4	(131,150)
Rubber futures	9,440	(113,865)	20,156	(209,385)
Total derivative financial instruments	52,316	(195,630)	20,160	(460,846)

Sri Trang Agro-Industry Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 June 2017

7 Trade accounts receivable and other receivables, net

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Trade accounts receivable - other companies	6,929,413	7,643,206	2,821,997	2,976,587
<u>Less</u> Allowance for impairment of trade accounts receivable	(43,496)	(42,359)	(27,636)	(27,636)
Total trade accounts receivable - other companies, net	6,885,917	7,600,847	2,794,361	2,948,951
Trade accounts receivable - related companies (Note 17.3)	13,173	98,594	671,640	333,977
Total trade accounts receivable, net	6,899,090	7,699,441	3,466,001	3,282,928
Advance payments for goods	245,017	129,536	882,040	65,395
Prepaid expenses	262,892	155,640	71,142	30,771
Accrued income and other receivables	105,247	108,639	62,669	146,976
Total trade accounts receivable and other receivables, net	7,512,246	8,093,256	4,481,852	3,526,070

The aging analysis of the trade accounts receivable based on the due date is as follows:

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Within credit terms	6,265,271	6,982,754	2,946,811	2,812,632
Overdue 1 - 30 days	529,048	639,682	432,843	429,808
Overdue 31 - 60 days	61,548	31,411	54,547	25,271
Overdue 61 - 90 days	9,383	27,824	17,017	989
Overdue 91 - 120 days	18,243	2,566	-	-
Overdue 121 - 365 days	9,695	12,284	7,180	7,638
More than 365 days	49,398	45,279	35,239	34,226
	6,942,586	7,741,800	3,493,637	3,310,564
<u>Less</u> Allowance for impairment of trade accounts receivable	(43,496)	(42,359)	(27,636)	(27,636)
Total trade accounts receivable, net	6,899,090	7,699,441	3,466,001	3,282,928

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8 Investments in subsidiaries, associates and joint ventures

8.1 Investments in subsidiaries

Significant investments in subsidiaries are as follows:

	Activities	Countries of incorporation	Consolidated financial information	
			% Ownership interest	
			(Unaudited) 30 June 2017	(Audited) 31 December 2016
Subsidiaries				
Sri Trang USA, Inc.	Distribution of rubber products	USA	100.00	100.00
PT Sri Trang Lingga Indonesia	Manufacture of STR block rubber products	Indonesia	90.00	90.00
Anvar Parawood Co., Ltd.	Manufacture of parawood	Thailand	99.94	99.94
Rubberland Products Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Namhua Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Sadao P.S. Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Startex Rubber Co., Ltd.	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 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) Co., Ltd. (formerly Siam Sempermed Corp., Ltd.)*	Manufacture of medical gloves	Thailand	90.23	40.23
Indirect subsidiaries				
Sri Trang International Pte Ltd. (held by Startex Rubber Co., Ltd.)	Distribution of rubber products	Singapore	99.99	99.99
Shi Dong Investments Pte Ltd. (held by Sri Trang International Pte Ltd.)	Investment holding	Singapore	99.99	99.99
PT Star Rubber (held by Shi Dong Investments Pte Ltd.)	Manufacture of STR block rubber products	Indonesia	98.99	98.99
Sri Trang Indochina (Vietnam) Co., Ltd. (held by Sri Trang International Pte Ltd.)	Distribution of rubber products	Vietnam	99.99	99.99
Sri Trang Ayeyar Rubber Industry Co., Ltd. (held by Sri Trang International Pte Ltd.)	Manufacture of STR block rubber products	Myanmar	58.99	58.99
Shidong Shanghai Medical Equipment Co.,Ltd (held by Startex Rubber Co., Ltd.)	Distribution of gloves	China	99.99	-

The movement in investments in subsidiaries can be summarised as follows:

	Relationships	Currency	Consolidated financial information			
			(Unaudited) 30 June 2017		(Audited) 31 December 2016	
			Number of shares	(Equivalent) Baht Million	Number of Shares	(Equivalent) Baht Million
Additional investment and Reclassification						
Startex Rubber Co., Ltd.	A subsidiary	Baht Million	-	50	-	2,025
Sri Trang International Pte Ltd.	indirect subsidiary	Baht Million	-	-	(61)	(2,014)
Shidong Shanghai Medical Equipment Co.,Ltd	indirect subsidiary	Baht Million	-	57	-	-
Sri Trang USA, Inc.	A subsidiary	Baht Million	-	34	-	-
Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp., Ltd)	A subsidiary	Baht Million	18,046	6,448	-	-
Sri Trang Rubber & Plantation Co., Ltd.	A subsidiary	Baht Million	-	232	-	534
		Total		6,821		545

* In March 2017, Sri Trang Gloves (Thailand) Co., Ltd. ("Sri Trang Gloves ") changed its status from joint venture to direct subsidiary and also its name. The Group holds 90.23% of the shares in Sri Trang Gloves . Related detail is shown in Note 19 Business acquisition.

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

8.2 Investments in associates

Significant investments in associates are as follows:

	Activities	Countries of incorporation	Consolidated financial information	
			(Unaudited) 30 June 2017	(Audited) 31 December 2016
Direct associates				
Semperflex Asia Co., Ltd.	Manufacture of hydraulic hoses	Thailand	42.50	42.50
Sempermed USA, Inc.**	Distribution of medical gloves	USA	-	45.12
Pattana Agro Futures Co., Ltd.	Futures broker	Thailand	40.00	40.00
Semperflex Shanghai Co., Ltd.**	Manufacture of hydraulic hoses	China	-	50.00
Sempermed Singapore Pte Ltd.**	Investment holding in the company that selling medical gloves	Singapore	-	50.00
Indirect associates				
Sempermed Brazil Comercio Exterior LTDA. (held by Sempermed Singapore Pte Ltd.)**	Sales of medical gloves	Brazil	-	50.00
Formtech Engineering (M) Sdn. Bhd. (held by Sempermed Singapore Pte Ltd.)**	Manufacture of glove formers	Malaysia	-	41.43

The movement in investments in associates can be summarised as follows:

	Relationship	Currency	Consolidated financial information	
			(Unaudited) 30 June 2017 Baht Million	(Audited) 31 December 2016 Baht Million
Disposal of :				
Sempermed USA, Inc.	Direct associate	Baht Million	(333)	-
Semperflex Shanghai Co., Ltd.	Direct associate	Baht Million	(295)	-
Sempermed Singapore Pte Ltd.	Indirect associate	Baht Million	(25)	-
Sempermed Brazil Comercio Exterior LTDA. (held by Sempermed Singapore Pte Ltd.)	Indirect associate	Baht Million	-	-
Formtech Engineering (M) Sdn. Bhd. (held by Sempermed Singapore Pte Ltd.)	Indirect associate	Baht Million	(16)	-
	Total		(669)	-

** In March 2017, The Company disposed its investment in associates and an indirect joint venture to Semperit Technische Produkte Gesellschaft m.b.H. ("Semperit"). Related detail is shown in Note 19 Business acquisition.

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

8.3 Investments in joint ventures

The jointly controlled entities are as follows:

Activities	Countries of incorporation	Consolidated financial information		
		% Ownership interest		
		(Unaudited) 30 June 2017	(Audited) 31 December 2016	
Direct joint ventures				
Thaitech Rubber Corp., Ltd.	Manufacture of STR block rubber products	Thailand	42.51	42.51
Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp. Ltd.)*	Manufacture of medical gloves	Thailand	-	40.23
Indirect joint ventures				
Shanghai Sempermed Gloves Co., Ltd. (held by Sri Trang Gloves (Thailand) Co., Ltd.)***	Manufacture of medical gloves	China	-	40.23
PT. Thaitech Rubber Indonesia (held by Thaitech Rubber Co., Ltd.)	Manufacturing and selling of rubbers	Indonesia	42.51	42.51

The movement in investments in joint venture can be summarised as follows:

Relationship	Currency	Consolidated financial information				
		(Unaudited) 30 June 2017		(Audited) 31 December 2016		
		Number of shares	(Equivalent) Baht Million	Number of shares	(Equivalent) Baht Million	
Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp., Ltd.)	A joint venture	Baht Million	(8,046)	(1,764)	-	-

***In March 2017, Sri Trang Gloves (Thailand) Co., Ltd disposed all of investment in Shanghai Sempermed Gloves Co., Ltd. to Semperit.

9 Property, plant and equipment, net

	Consolidated financial information	Separate financial information
	(Unaudited) Baht'000	(Unaudited) Baht'000
For the six-month period ended 30 June 2017		
Opening net book value	15,765,514	6,804,704
Property, plant and equipment from business acquisition (Note 19)	4,110,260	-
Additions	1,136,909	462,924
Disposals and write-offs, net	(16,592)	(5,819)
Depreciation charges	(762,148)	(322,406)
Depreciation capitalised to assets	(35,518)	-
Cumulative currency differences on translation	(90,060)	-
Closing net book value	20,108,365	6,939,403

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10 Rubber and palm plantations, net

	Consolidated financial information	Separate financial information
	(Unaudited) Baht'000	(Unaudited) Baht'000
For the six-month period ended 30 June 2017		
Opening net book value	1,573,404	2,551
Additions	103,197	-
Disposals, net	(1,068)	-
Amortisation charges	(447)	(141)
Depreciation capitalised to assets	35,518	-
Closing net book value	<u>1,710,604</u>	<u>2,410</u>

11 Intangible assets, net

	Consolidated financial information	Separate financial information
	(Unaudited) Baht'000	(Unaudited) Baht'000
For the six-month period ended 30 June 2017		
Opening net book value	480,805	469,981
Intangible assets equipment from business acquisition (Note 19)	6,701	-
Additions	22,764	22,101
Disposals and write-offs, net	(137)	(120)
Amortisation charges	(31,124)	(27,217)
Cumulative currency differences on translation	(469)	-
Closing net book value	<u>478,540</u>	<u>464,745</u>

12 Goodwill

	Consolidated financial information
	(Unaudited) Baht'000
Opening balance as at 1 January 2017	-
Business acquisition (Note 19)	<u>2,886,126</u>
Closing balance as at 30 June 2017	<u>2,886,126</u>

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13 Trade accounts payable and other payables

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Trade accounts payable - other companies	1,140,395	974,197	371,610	430,670
Trade accounts payable - related companies (Note 17.3)	35,905	633,460	830,216	522,822
Accrued expenses	582,900	800,857	234,258	333,387
Advance received for goods and others	225,755	339,054	131,849	248,263
Deposits and retentions received from customers	93,164	107,213	19,191	16,976
Other trade account payable - other companies	213,141	307,052	61,396	124,724
Other trade accounts payable - related companies (Note 17.3)	42	5,677	56,842	63,158
Others	1,166	325	744	185
Total trade accounts payable and other payables	2,292,468	3,167,835	1,706,106	1,740,185

14 Borrowings

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Current				
Short-term borrowings from financial institutions	27,359,891	23,086,867	18,780,796	14,338,230
Notes payable	1,153,884	346,948	-	-
Total short-term borrowings from financial institutions	28,513,775	23,433,815	18,780,796	14,338,230
Current portion				
- Long-term borrowings from financial institutions	613,581	5,397,792	612,225	4,276,388
- Debenture	600,000	-	600,000	-
- Finance lease liabilities	4,497	8,334	3,883	2,466
Total current borrowings	29,731,853	28,839,941	19,996,904	18,617,084
Non-current				
Long-term borrowings from financial institutions	4,020,799	654	4,020,799	-
Debentures	2,265,000	2,865,000	2,265,000	2,865,000
Finance lease liabilities	13,143	5,127	8,758	4,425
Total non-current borrowings	6,298,942	2,870,781	6,294,557	2,869,425
Total borrowings	36,030,795	31,710,722	26,291,461	21,486,509

14 Borrowings (Cont'd)

The movements in borrowings can be analysed as follows:

	Consolidated financial information	Separate financial information
	(Unaudited) Baht'000	(Unaudited) Baht'000
For the six-month period ended 30 June 2017		
Opening balance as at 1 January 2017	31,710,722	21,486,509
Borrowing of a subsidiary from business acquisition (Note 19)	500,000	-
Increases of short-term borrowings from financial institutions	4,562,537	4,442,566
Additions of long-term borrowings from financial institutions	509,363	509,363
Repayments of long-term borrowings from financial institutions	(1,220,702)	(100,000)
Additions of finance lease liabilities	7,643	7,643
Repayments of finance lease liabilities	(3,464)	(1,892)
Cumulative currency differences on translation	(35,304)	(52,728)
Closing balance as at 30 June 2017	36,030,795	26,291,461

Short-term and long-term borrowings of the Group are mainly denominated in Thai Baht, which are secured by land, land improvements, buildings and structures, machinery and equipment, fixed deposits of some subsidiaries and certain of the Company's directors. These borrowings have average repayment periods from 1 day to 10 years.

In March 2017, Company additionally borrowed Baht 4,500 million for business acquisition (as described in Note 19 Business acquisition). The borrowings are made in Thai Baht with interest rate at MLR minus 2.25% and will mature by 29 December 2017

As at 31 March 2017, the Company had received the waiver document in order to ignore the full compliance with certain terms under the underlying borrowings agreement effective date is between 31 March 2017 and 30 June 2017. Long-term borrowings from financial institutions a balance of Baht 3,536 million, which were previously reclassified as a current portion of long-term borrowings from financial institutions in the financial statements for the year ended 31 December 2016, were then classified as long-term borrowings from financial institutions in the financial statements for the six-month period ended 30 June 2017.

As at 30 June 2017, long-term borrowings from financial institutions a balance of Baht 550 million the Company had received from financial institutions as at 7 June 2017 were still classified as long-term borrowings from financial institutions due to the fact that, the Company had received the waiver document on 28 June 2017 (before the ending date of the financial statements) in order to ignore the full compliance with certain terms under the underlying borrowings agreement even though, the Company was not in full compliance with certain terms under the underlying borrowings agreements.

Debentures are unsubordinated, unsecured and denominated in Thai Baht, which are due for redemption from 2017, 2018, 2019 and 2021 respectively.

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

15 Income tax

The interim income tax was accrued based on management's estimate, using the tax rate that would be applicable to the expected total annual earnings. The estimated average effective tax rate calculated from net profit before income tax adjusted with legal compensation expense for the interim consolidated financial information for the six-month period ended 30 June 2017 was 7.30% (the average effective tax rate for the year ended 31 December 2016 was 26.40%), and for the interim company financial information, it was 24.09% (the average effective tax rate for the year ended 31 December 2016 was 22.35%).

16 Dividend

At the Annual General Meeting of Shareholders held on 25 April 2017, it was resolved that dividend be paid to shareholders in respect of 2016 retained earnings at Baht 0.4 per share, totaling of Baht 512 million. The dividend was paid on 24 May 2017 to the shareholders.

At the Annual General Meeting of Shareholders held on 28 April 2016, it was resolved that dividend be paid to shareholders in respect of 2015 operating results at Baht 0.4 per share, totaling of Baht 512 million. The dividend was paid on 27 May 2016 to the shareholders.

17 Significant related party transactions

The following significant transactions were carried out with related companies:

17.1 Revenues from sales and services and other income

For the three-month periods ended	Consolidated financial information (Unaudited)		Separate financial information (Unaudited)	
	30 June 2017 Baht'000	30 June 2016 Baht'000	30 June 2017 Baht'000	30 June 2016 Baht'000
Revenues from sales to:				
Subsidiaries	-	-	1,910,149	844,740
An associate	6,289	7,268	-	-
A joint venture	-	724,339	-	334,523
	<u>6,289</u>	<u>731,607</u>	<u>1,910,149</u>	<u>1,179,263</u>
Service income from:				
Subsidiaries	-	-	42,163	10,043
An associate	6,621	5,392	2,295	625
Joint ventures	4,861	72,064	4,590	3,960
	<u>11,482</u>	<u>77,456</u>	<u>49,048</u>	<u>14,628</u>
Dividend income:				
Subsidiaries	-	-	19,166	319,166
Rental income:				
Subsidiaries	-	-	1	256
An associate	100	200	-	-
A joint venture	-	13,832	-	1,920
	<u>100</u>	<u>14,032</u>	<u>1</u>	<u>2,176</u>
Interest income:				
Subsidiaries	-	-	17,765	10,402

17 Significant related party transactions (Cont'd)

17.1 Revenues from sales and services and other income (Cont'd)

For the six-month periods ended	Consolidated financial information (Unaudited)		Separate financial information (Unaudited)	
	30 June 2017 Baht'000	30 June 2016 Baht'000	30 June 2017 Baht'000	30 June 2016 Baht'000
Revenues from sales to:				
Subsidiaries	-	-	2,974,878	1,513,270
An associate	12,863	13,205	-	-
A joint venture	960	1,352,954	293,032	534,380
	<u>13,823</u>	<u>1,366,159</u>	<u>3,267,910</u>	<u>2,047,650</u>
Service income from:				
Subsidiaries	-	-	93,091	22,985
Associates	9,413	10,564	4,599	1,349
Joint ventures	43,691	143,032	17,080	8,109
	<u>53,104</u>	<u>153,596</u>	<u>114,770</u>	<u>32,443</u>
Dividend income:				
Subsidiaries	-	-	519,166	319,166
An associate	451,487	-	398,370	-
A joint venture	1,676,581	-	1,312,760	-
	<u>2,128,068</u>	<u>-</u>	<u>2,230,296</u>	<u>319,166</u>
Rental income:				
Subsidiaries	-	-	122	511
An associate	200	200	-	-
A joint venture	5,458	16,913	-	3,840
	<u>5,658</u>	<u>17,113</u>	<u>122</u>	<u>4,351</u>
Interest income:				
Subsidiaries	-	-	34,167	21,165

17 Significant related party transactions (Cont'd)

17.2 Purchases of goods and services

For the three-month periods ended	Consolidated financial information (Unaudited)		Separate financial information (Unaudited)	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	Baht'000	Baht'000	Baht'000	Baht'000
Purchases of goods from:				
Subsidiaries	-	-	2,965,207	397,186
An associate	20	7	-	-
A joint venture	665,277	1,523,859	-	267,505
	<u>665,297</u>	<u>1,523,866</u>	<u>2,965,207</u>	<u>664,691</u>
Service expenses from:				
Subsidiaries	-	-	215,305	277,752
An associate	6	-	-	-
A joint venture	-	77	-	2
	<u>6</u>	<u>77</u>	<u>215,305</u>	<u>277,754</u>
Rental expenses:				
Subsidiaries	-	-	200	307
	<u>-</u>	<u>-</u>	<u>200</u>	<u>307</u>
For the six-month periods ended	Consolidated financial information (Unaudited)		Separate financial information (Unaudited)	
	30 June 2017	30 June 2016	30 June 2017	30 June 2016
	Baht'000	Baht'000	Baht'000	Baht'000
Purchases of goods from:				
Subsidiaries	-	-	4,702,844	639,618
An associate	24	23	-	-
Joint ventures	2,637,178	2,869,726	237,514	537,692
	<u>2,637,202</u>	<u>2,869,749</u>	<u>4,940,358</u>	<u>1,177,310</u>
Service expenses from:				
Subsidiaries	-	-	503,972	587,163
Associates	6	-	-	-
A joint venture	743	165	-	8
	<u>749</u>	<u>165</u>	<u>503,972</u>	<u>587,171</u>
Rental expense:				
A subsidiary	-	-	400	614
	<u>-</u>	<u>-</u>	<u>400</u>	<u>614</u>

17 Significant related party transactions (Cont'd)

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

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Trade accounts receivable: (Note 7)				
Subsidiaries	-	-	670,929	326,207
An associate	4,211	7,759	711	809
A joint venture	8,962	90,835	-	6,961
	<u>13,173</u>	<u>98,594</u>	<u>671,640</u>	<u>333,977</u>
Deposit with future brokers:				
An associate	-	22,981	-	22,981
Other receivables:				
Subsidiaries	-	-	34,625	81,018
An associate	1,329	311	-	-
A joint venture	1,046	3,610	819	-
	<u>2,375</u>	<u>3,921</u>	<u>35,444</u>	<u>81,018</u>
Trade accounts payable: (Note 13)				
Subsidiaries	-	-	830,216	405,466
An associate	21	24	-	-
Joint ventures	35,884	633,436	-	117,356
	<u>35,905</u>	<u>633,460</u>	<u>830,216</u>	<u>522,822</u>
Other payables: (Note 13)				
Subsidiaries	-	-	56,842	63,141
An associate	42	-	-	-
A joint venture	-	5,677	-	17
	<u>42</u>	<u>5,677</u>	<u>56,842</u>	<u>63,158</u>

17 Significant related party transactions (Cont'd)

17.4 Outstanding balances arising from long term loans to subsidiaries

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 June 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Accrued interest income:				
Subsidiaries	-	-	9,737	10,389
Long-term loans to:				
Subsidiaries	-	-	2,474,142	2,074,203

As at 30 June 2017, long-term loans to subsidiaries are unsecured loans and can be summarised as below:

Consolidated financial information (Unaudited)					
Relationships	Principal		Interest rate %	Borrowing period	
	USD Million	(Equivalent) Baht Million			
PT Sri Trang Lingga Indonesia	An overseas subsidiary	5	170	3.33	5 years
PT Sri Trang Lingga Indonesia	An overseas subsidiary	15	507	2.65	2 years
PT Sri Trang Lingga Indonesia	An overseas subsidiary	15	507	4.20	3 years
PT Sri Trang Lingga Indonesia	An overseas subsidiary	10	338	4.18	3 years
PT Star Rubber	An indirect overseas subsidiary	15	511	3.33	5 years
PT Star Rubber	An indirect overseas subsidiary	8	271	2.65	2 years
PT Star Rubber	An indirect overseas subsidiary	5	170	4.18	3 years
		73	2,474		

17.5 Key management compensation

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

For the three-month periods ended	Consolidated (Unaudited)		Company (Unaudited)	
	30 June 2017 Baht'000	30 June 2016 Baht'000	30 June 2017 Baht'000	30 June 2016 Baht'000
Salaries and other short-term key management benefits	51,720	38,062	11,815	10,551
Post-employment benefits	862	843	304	302
Total	52,582	38,905	12,119	10,853
For the six-month periods ended	Consolidated (Unaudited)		Company (Unaudited)	
	30 June 2017 Baht'000	30 June 2016 Baht'000	30 June 2017 Baht'000	30 June 2016 Baht'000
Salaries and other short-term key management benefits	95,582	76,056	22,297	20,422
Post-employment benefits	1,788	1,715	608	603
Total	97,370	77,771	22,905	21,025

18 Contingent liabilities and commitments

18.1 Sales and purchases commitments

The Group and the Company are committed to certain sales and purchases contracts relating to finished products from natural rubber. Some of the contractual prices are fixed and are to be settled at future dates. Some of the contractual prices are also not determined at the contract date. However, the values of these commitments are presented at the fixed contractual prices or the market prices at the end of the period. For contractual price which are not determined at the contract date, are as follows.

	Consolidated financial information (Unaudited) 30June 2017 Baht'000	Separate financial information (Unaudited) 30June 2017 Baht'000
Purchases made from:		
A joint venture	182,123	-
Third parties	2,881,634	-
	<u>3,063,757</u>	<u>-</u>
Sales made to:		
Subsidiaries	-	599,603
Third parties	16,315,191	10,415,086
	<u>16,315,191</u>	<u>11,014,689</u>

18.2 Capital commitments

The Group and the Company have capital commitments as follows:

	Consolidated financial information (Unaudited) 30June 2017 Baht'000	Separate financial information (Unaudited) 30June 2017 Baht'000
Capital commitments - purchase of fixed assets	736,868	148,990

18.3 Commitments from guarantees on borrowings of subsidiaries and contingent liabilities

18.3.1 The Group and the Company have guarantee commitments from the borrowings of subsidiaries as follows:

	Consolidated financial information (Unaudited)			
	Relationships	Currencies	30 June 2017	
Amount			(Equivalent) Baht Million	
Sri Trang USA, Inc.	An overseas subsidiary	USD Million	35	1,195
PT Sri Trang Lingga Indonesia	An overseas subsidiary	USD Million Rupiah Billion	54 592	1,859 1,519
PT Star Rubber	An indirect overseas subsidiary	USD Million Rupiah Billion	12 240	403 616

18.3.2 The Group has contingent liabilities for bank guarantees issued in favor of government agencies totalling Baht 164 million mainly for electricity usage and has pledged its fixed deposits as collateral for these bank guarantees for Baht 1 million.

18 Contingent liabilities and commitments (Cont'd)

18.4 Operating lease commitments - where the Group and the Company are the lessees

The future aggregate minimum lease payments under non-cancellable operating leases from the lease of property, plant and equipment of the Group and the Company are as follows:

	Consolidated financial information (Unaudited) 30 June 2017 Baht'000	Separate financial information (Unaudited) 30 June 2017 Baht'000
Not later than 1 year	148,406	77,738
Later than 1 year but not later than 5 years	191,076	77,058
Later than 5 years	403	-
Total	<u>339,885</u>	<u>154,796</u>

19 Business acquisition

On 15 March 2017, the Company additionally acquired shares of Siam Sempermed Corp. Ltd. (Subsequently changed the name to "Sri Trang Gloves (Thailand) Co., Ltd.") totalling 10,000 shares, representing 50% of paid-in capital of Sri Trang Gloves (Thailand) Co., Ltd. for Baht 6,319.53 million. As a result of this business acquisition, The Company has initially recognised goodwill of Baht 2,886.13 million and related transaction from business combination are accounted for using purchase method.

The following table summarises the consideration paid for business acquisition. The amounts of the assets acquired and liabilities assumed as recognised at the acquisition date.

Consideration as at 15 March 2017

	Baht'000
Cash paid for Sri Trang Gloves (Thailand) Co., Ltd.'s shares	6,367,133
Cash received from related investment disposals	(689,389)
Fair value of related equity instruments	
- Direct associate : Sempermed USA, Inc. at 25% of capital	187,628
- Direct associate : Semperflex Shanghai Ltd. at 50% of capital	197,854
- Direct associate : Sempermed Singapore Pte. Ltd. at 50% of capital	82,194
- General investment Shanghai Semperit Rubber & Plastic Products Co., Ltd. at 10% of capital	<u>174,114</u>
Total consideration paid and transferred	6,319,534
Fair value of previously held investment in Sri Trang Gloves (Thailand) Co., Ltd. Prior to the acquisition date	<u>1,987,632</u>
Total consideration	<u>8,307,166</u>

19 Business acquisition (Cont'd)

	Baht'000
Recognised amounts of identifiable assets acquired and liabilities assumed at the acquisition date	
Asset	
Cash and cash equivalents	1,237,590
Trade accounts receivable and other receivables, net	1,194,017
Inventories	1,352,373
Other current assets	45,872
Property, plant and equipment (Note 9)	4,110,260
Intangible assets (Note 11)	6,701
Deferred income tax assets	40,386
Other assets	845
Liabilities	
Short term borrowings from financial institutions (Note 14)	500,000
Trade accounts payable and other payables	1,074,035
Deferred income tax liabilities, net	328,107
Provision for retirement benefit obligations	76,962
Total identifiable net assets	6,008,940
Non-controlling interests	(587,900)
Goodwill (Note 12)	2,886,126
Total consideration transferred	8,307,166
Fair value of previously held investment in Sri Trang Gloves (Thailand) Co., Ltd. prior to the acquisition date	1,987,639
<u>Less</u> book value of investment under equity method in Sri Trang Gloves (Thailand) Co., Ltd. at the acquisition date	(1,764,013)
Gains on change in fair value from group investment reclassific	223,626
Fair value of transferred equity instruments in Sri Trang Gloves (Thailand) Co., Ltd. prior to the acquisition date	
Sempermed USA, Inc.	252,151
Semperflex Shanghai Ltd.	370,716
Sempermed Singapore Pte. Ltd.	5,779
Shanghai Semperit Rubber & Plastic Products Co., Ltd.	13,145
<u>Less</u> book value of investment under equity method in Sri Trang Gloves (Thailand) Co., Ltd. at acquisition date	(509,092)
Gains from disposals of investments in associates and general investment	132,699

Other significant information related to business acquisition is as follows

(a) Call Option

The Group granted a call option to Semperit Technische Produkte Gesellschaft m.b.H. for the acquisition of Semperflex Asia Co., Ltd. totalling 1,615,000 shares, representing 42.50% of paid-in capital of Semperflex Asia Co., Ltd with a condition to pay all dividend from profit contribution after the acquisition date the exercise price is of USD 51 million and the exercise period is between 30 June 2019 and 30 June 2021.

(b) Acquired property, plant and equipment

Fair value of acquired property, plant and equipment is Baht 4,110.26 million which is assessed by an independent asset appraiser by using the replacement cost method and deducted by accumulated depreciation based on a number of year used.

19 Business acquisition (Cont'd)

Other significant information related to business acquisition is as follows (Cont'd)

(c) Non-controlling interests

The Group has chosen to recognise the non-controlling interests at its fair value for the acquisition of Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp. Ltd.). The Group measures non-controlling interests from acquiree's identifiable net assets, based on proportion of shares held by non-controlling interests.

(d) Revenues and profit contribution

The revenues included in the consolidated income statement from 15 March 2017 (The date that the Group assumes control over the acquiree) to 30 June 2017 contributed by acquiree was Baht 2,445.69 million and also the contributed loss of Baht 510.80 million including related business expense prior to the demerger for Baht 532.24 million. Had Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp. Ltd.) been consolidated from 1 January 2017, the consolidated income statement for the period ended 30 June 2017 would show the revenues of Baht 4,389.18 million and net profit of Baht 19.26 million, respectively.

(e) Dividend income prior to the demerger

Dividend income prior to the demerger is the profit distribution between Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp. Ltd.) and group company of USD 47.55 million (equivalent to Baht 1,676.58 million) which was stated in the related agreements.

(f) Business expenses prior to the demerger

Business expenses prior to the demerger is the compensation for demerger transaction between Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp. Ltd.) and Semperit Technische Produkte Gesellschaft m.b.H. of USD 15 million (equivalent to Baht 532.24 million) which was stated in the related agreements.

(g) Consolidated financial information

In preparing the consolidated financial information for the six-month period then ended 30 June 2017. The Company measures the identifiable assets and liabilities at fair value and recognised the difference between purchase price and fair value of consideration paid in "Goodwill" account of Baht 2,886.13 million, after taking into consideration of the data from independent assets and financial valuation reports and other current factors which may impact to the data. However, the Company has a policy to further remeasure fair value of identifiable assets (i.e. Property plant and equipment), liabilities and allocation of fair value measurement at the acquisition date. None of the goodwill is expected to be deductible for tax purposes. As a result of the acquisition, the Company expects to increase its market shares of gloves in overseas.

The Company is in the process of preparing for the appraisal of the value of the tangible assets, intangible assets and liabilities of Sri Trang Gloves (Thailand) Co., Ltd. at the acquisition date in a more detail which is expected to be completed by the end of 2017. Difference between consideration paid and fair value of net assets acquired may be presented as goodwill or gain on bargain purchase upon the completion of valuation stage.

20 Significant legal proceedings

Commercial disputes relating to the Joint Venture agreement

According to the Extraordinary General Meeting of Shareholders No. 1/2017, held on 14 March 2017, in approving the entering into the demerger of associate and joint venture companies in Thailand and other countries that the Company had invested with Semperit Technische Produkte Gesellschaft m.b.H. ("Semperit") including the acquisition and disposition of assets, as well as the settlement of all disputes, on 15 March 2017, the Company and Semperit successfully completed the demerger of the associates and joint venture companies on 15 March 2017. As a result of this, any disputes and lawsuits which related to arbitration proceedings, and legal proceedings between the Company and Semperit in any courts and arbitrations have been withdrawn or terminated.

21 Events after the reporting period

Capital increase of Sri Trang Agro-Industry Public Company Limited

At the Board of Directors Meeting ("the Board") No. 4/2017 held on 17 July 2017, the Board approved the increase in registered share capital of Baht 256 million comprising 256,000,000 shares at 1 Baht per share. As a result, registered shares will be increased to Baht 1,536 million from Baht 1,280 million. The increased share capital will be proposed for further approval in the Extraordinary Shareholders' Meeting No. 2/2017 on 31 August 2017.