

Sri Trang Agro-Industry Public Company Limited  
and its subsidiaries  
Report and interim consolidated financial statements  
For the three-month and nine-month periods ended  
30 September 2018

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

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

I have reviewed the accompanying consolidated statement of financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries as at 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, and the related consolidated statements of changes in shareholders' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Sri Trang Agro-Industry Public Company Limited for the same periods. 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*.

**Other matter**

The consolidated statement of financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries, and the separate statement of financial position of Sri Trang Agro-Industry Public Company Limited as at 31 December 2017, presented herein as comparative information, were audited by another auditor who expressed an unqualified opinion on those statements, under his report dated 28 February 2018. The consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2017, and the related consolidated statements of changes in shareholders' equity and cash flows for the nine-month period then ended of Sri Trang Agro-Industry Public Company Limited and its subsidiaries, and the separate financial statements of Sri Trang Agro-Industry Public Company Limited for the same periods, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 10 November 2017, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 14 November 2018

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2018

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		3,995,042,057	2,241,899,673	238,802,869	269,018,868
Trade and other receivables	4	6,035,815,224	7,212,308,344	3,183,145,382	4,122,493,048
Amounts due from future brokers		820,821,541	810,539,650	28,748,256	16,177,188
Inventories	5	11,591,176,024	17,122,979,336	5,845,327,564	7,679,732,386
Current portion of long-term loans to subsidiaries	3	-	-	257,891,200	915,873,439
Derivative financial instruments	6	126,466,881	407,938,505	47,088,686	256,520,319
Other current assets		576,904,172	553,700,811	144,773,856	170,573,304
<b>Total current assets</b>		<b>23,146,225,899</b>	<b>28,349,366,319</b>	<b>9,745,777,813</b>	<b>13,430,388,552</b>
<b>Non-current assets</b>					
Fixed deposits pledged as collateral		2,142,763	12,139,002	-	-
Long-term loans to subsidiaries	3	-	-	2,256,548,000	1,625,730,000
Investments in subsidiaries	7	-	-	18,280,888,548	18,153,388,548
Investments in associates	8	504,444,192	367,990,023	157,568,800	157,568,800
Investment in joint venture	9	422,758,666	362,012,280	134,716,526	134,716,526
Long-term investments		150,880,921	153,299,352	150,499,819	152,097,250
Investment properties		188,032,314	188,910,160	75,663,125	75,663,125
Property, plant and equipment	10	24,581,099,630	24,189,691,410	9,159,761,796	8,944,117,159
Rubber and palm plantations	11	1,967,223,711	1,832,376,416	6,931,947	4,343,101
Intangible assets	12	427,729,207	459,793,735	410,149,944	440,581,393
Goodwill	7.1.1	2,953,782,343	2,953,782,343	-	-
Withholding tax deducted at source		558,575,224	574,760,228	383,541,374	455,811,324
Deferred tax assets - net		231,979,358	197,989,016	-	-
Other non-current assets		52,196,169	65,671,088	16,014,456	20,504,590
<b>Total non-current assets</b>		<b>32,040,844,498</b>	<b>31,358,415,053</b>	<b>31,032,284,335</b>	<b>30,164,521,816</b>
<b>Total assets</b>		<b>55,187,070,397</b>	<b>59,707,781,372</b>	<b>40,778,062,148</b>	<b>43,594,910,368</b>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 September 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	13	3,147,652,693	2,614,839,606	1,368,897,525	1,719,257,283
Short-term borrowings from financial institutions	14	14,856,122,600	21,786,026,285	11,150,664,000	14,754,529,000
Current portions of:					
- Long-term borrowings from financial institutions	14	519,000,000	420,654,000	300,000,000	300,000,000
- Debentures	14	810,000,000	600,000,000	810,000,000	600,000,000
- Finance lease liabilities	14	13,782,865	13,167,077	3,844,057	4,092,254
Income tax payable		150,119,046	153,519,811	-	-
Derivative financial instruments	6	148,338,649	231,242,576	90,638,610	198,130,309
Other current liabilities		69,077,594	37,026,162	50,747,217	18,144,656
<b>Total current liabilities</b>		<b>19,714,093,447</b>	<b>25,856,475,517</b>	<b>13,774,791,409</b>	<b>17,594,153,502</b>
<b>Non-current liabilities</b>					
Non-current portions of:					
- Long-term borrowings from financial institutions	14	7,967,719,000	7,193,710,000	4,726,719,000	4,313,710,000
- Debentures	14	1,455,000,000	2,265,000,000	1,455,000,000	2,265,000,000
- Finance lease liabilities	14	21,887,214	27,521,245	6,687,634	9,541,549
Deferred tax liabilities - net		801,542,270	745,028,559	176,677,365	91,236,924
Provision for retirement benefit obligations		336,022,612	308,188,201	101,038,451	93,046,446
Other non-current liabilities		169,130	34,966,411	-	-
<b>Total non-current liabilities</b>		<b>10,582,340,226</b>	<b>10,574,414,416</b>	<b>6,466,122,450</b>	<b>6,772,534,919</b>
<b>Total liabilities</b>		<b>30,296,433,673</b>	<b>36,430,889,933</b>	<b>20,240,913,859</b>	<b>24,366,688,421</b>

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

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

**Statement of financial position (continued)**

**As at 30 September 2018**

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2018</u>	<u>31 December 2017</u>	<u>30 September 2018</u>	<u>31 December 2017</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>					
Share capital					
Registered	15				
1,535,999,998 ordinary shares		<u>1,535,999,998</u>	<u>1,536,000,000</u>	<u>1,535,999,998</u>	<u>1,536,000,000</u>
(31 December 2017: 1,536,000,000 ordinary shares) of Baht 1 each					
Issued and fully paid					
1,535,999,998 ordinary shares of Baht 1 each		1,535,999,998	1,535,999,998	1,535,999,998	1,535,999,998
Premium on ordinary shares		10,851,951,634	10,851,951,634	10,851,951,634	10,851,951,634
Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests		(173,134,488)	(173,134,488)	-	-
Retained earnings					
Appropriated - statutory reserve		153,600,000	128,000,000	153,600,000	128,000,000
Unappropriated		8,789,213,612	7,165,408,573	5,905,265,568	4,751,554,758
Other components of shareholders' equity					
Surplus on revaluation of assets - net of accumulated depreciation		4,172,818,887	4,049,446,188	2,075,673,123	1,944,873,058
Surplus on changes in value of available-for-sale investments		14,730,763	16,432,908	14,657,966	15,842,499
Exchange differences on translation of financial statements in foreign currency		(834,625,452)	(666,077,422)	-	-
Equity attributable to owners of the Company		<u>24,510,554,954</u>	<u>22,908,027,391</u>	<u>20,537,148,289</u>	<u>19,228,221,947</u>
Non-controlling interests of the subsidiaries		<u>380,081,770</u>	<u>368,864,048</u>	-	-
<b>Total shareholders' equity</b>		<u>24,890,636,724</u>	<u>23,276,891,439</u>	<u>20,537,148,289</u>	<u>19,228,221,947</u>
<b>Total liabilities and shareholders' equity</b>		<u>55,187,070,397</u>	<u>59,707,781,372</u>	<u>40,778,062,148</u>	<u>43,594,910,368</u>
		-	-	-	-

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

Directors

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

## Statement of comprehensive income

For the three-month period ended 30 September 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
Revenues from sales of goods and services		18,859,397,853	18,224,076,283	9,914,836,904	10,783,079,999
Cost of sales and services		<u>(16,889,582,774)</u>	<u>(16,910,316,110)</u>	<u>(9,124,670,390)</u>	<u>(10,403,368,932)</u>
<b>Gross profit</b>		1,969,815,079	1,313,760,173	790,166,514	379,711,067
Other income		31,836,055	44,114,954	33,413,786	37,728,772
Dividend income		334,736	416,396	328,086	415,496
Selling expenses		(904,632,278)	(669,414,298)	(631,782,021)	(464,514,332)
Administrative expenses		(427,320,688)	(454,357,010)	(180,791,084)	(176,694,576)
Gain on exchange rates - net		7,232,956	93,388,806	46,505,467	73,446,678
Gains on change in fair value of investment properties		-	47,893,375	-	47,893,375
Other gain - net		<u>256,620,798</u>	<u>253,102,065</u>	<u>116,166,577</u>	<u>147,395,836</u>
<b>Operating profit</b>		933,886,658	628,904,461	174,007,325	45,382,316
Share of profit from investments in associates and joint venture		<u>60,032,092</u>	<u>82,611,492</u>	<u>-</u>	<u>-</u>
<b>Profit before finance income and finance cost and tax expense</b>					
		993,918,750	711,515,953	174,007,325	45,382,316
Finance income		9,570,134	17,306,653	29,179,664	31,443,615
Finance cost		<u>(336,831,298)</u>	<u>(345,798,905)</u>	<u>(126,699,161)</u>	<u>(188,773,086)</u>
<b>Profit (loss) before tax expense</b>		666,657,586	383,023,701	76,487,828	(111,947,155)
Tax expense	17	<u>(141,062,350)</u>	<u>(211,394,042)</u>	<u>(36,928,513)</u>	<u>(148,544,387)</u>
<b>Profit (loss) for period</b>		<u>525,595,236</u>	<u>171,629,659</u>	<u>39,559,315</u>	<u>(260,491,542)</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(175,378,102)	(90,522,604)	-	-
Gain on change in value of available-for-sale investments - net of income tax		<u>5,440,637</u>	<u>791,766</u>	<u>5,395,937</u>	<u>758,323</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(169,937,465)</u>	<u>(89,730,838)</u>	<u>5,395,937</u>	<u>758,323</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in revaluation of assets - net of income tax		-	2,190,324,916	-	1,423,477,027
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		-	2,190,324,916	-	1,423,477,027
<b>Other comprehensive income for the period</b>		<u>(169,937,465)</u>	<u>2,100,594,078</u>	<u>5,395,937</u>	<u>1,424,235,350</u>
<b>Total comprehensive income for the period</b>		<u>355,657,771</u>	<u>2,272,223,737</u>	<u>44,955,252</u>	<u>1,163,743,808</u>

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

(Unaudited but reviewed)

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

**Statement of comprehensive income (continued)**

**For the three-month period ended 30 September 2018**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit (loss) attributable to:</b>					
Owners of the Company		501,559,455	166,655,200	<u>39,559,315</u>	<u>(260,491,542)</u>
Non-controlling interests of the subsidiaries		<u>24,035,781</u>	<u>4,974,459</u>		
		<u>525,595,236</u>	<u>171,629,659</u>		
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		336,813,891	2,269,753,892	<u>44,955,252</u>	<u>1,163,743,808</u>
Non-controlling interests of the subsidiaries		<u>18,843,880</u>	<u>2,469,845</u>		
		<u>355,657,771</u>	<u>2,272,223,737</u>		
<b>Earnings per share</b>	18				
Basic earnings per share					
Profit (loss) attributable to owners of the Company		<u>0.33</u>	<u>0.13</u>	<u>0.03</u>	<u>(0.20)</u>
Diluted earnings per share					
Profit (loss) attributable to owners of the Company		<u>0.33</u>	<u>0.12</u>	<u>0.03</u>	<u>(0.20)</u>

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



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

## Statement of comprehensive income

For the nine-month period ended 30 September 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
<b>Profit or loss:</b>					
Revenues from sales of goods and services		56,303,223,194	69,618,626,906	31,494,407,595	39,823,997,099
Cost of sales and services		<u>(50,562,375,804)</u>	<u>(67,216,734,109)</u>	<u>(28,790,603,050)</u>	<u>(39,376,337,891)</u>
<b>Gross profit</b>		5,740,847,390	2,401,892,797	2,703,804,545	447,659,208
Other income		170,668,110	285,910,314	105,276,303	138,554,332
Dividend income		1,601,738	1,652,607	932,093,151	2,231,946,309
Selling expenses		(2,643,726,662)	(2,611,331,012)	(1,868,029,481)	(1,803,857,693)
Administrative expenses		(1,253,610,819)	(1,915,119,859)	(487,950,945)	(617,536,925)
Gain (loss) on exchange rates - net		(1,923,985)	385,294,273	(3,981,687)	282,972,730
Gain on change in fair value from investment reclassification	7.1.1	-	223,626,008	-	-
Gain on change in fair value from disposals of investments in associates and general investment	7.1.1	-	132,699,762	-	-
Gain from disposals of investments in associates and general investment		-	-	-	217,824,854
Gains on change in fair value of investment properties		-	47,893,375	-	47,893,375
Other gain (loss) - net		<u>1,047,255,565</u>	<u>(12,836,962)</u>	<u>471,322,473</u>	<u>(182,216,866)</u>
<b>Operating profit (loss)</b>		3,061,111,337	(1,060,318,697)	1,852,534,359	763,239,324
Share of profit from investments in associates and joint ventures		<u>197,200,556</u>	<u>83,279,418</u>	-	-
<b>Profit (loss) before finance income and finance cost and tax expense</b>		3,258,311,893	(977,039,279)	1,852,534,359	763,239,324
Finance income		14,423,300	32,173,216	83,608,439	83,179,479
Finance cost		<u>(980,903,713)</u>	<u>(934,821,542)</u>	<u>(409,803,047)</u>	<u>(551,681,369)</u>
<b>Profit (loss) before tax expense</b>		2,291,831,480	(1,879,687,605)	1,526,339,751	294,737,434
Tax expense	17	<u>(296,924,874)</u>	<u>(46,103,471)</u>	<u>(35,035,034)</u>	<u>(50,587,907)</u>
<b>Profit (loss) for period</b>		<u>1,994,906,606</u>	<u>(1,925,791,076)</u>	<u>1,491,304,717</u>	<u>244,149,527</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(178,080,826)	(294,799,226)	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax		<u>(1,702,145)</u>	<u>1,612,712</u>	<u>(1,184,533)</u>	<u>1,565,858</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(179,782,971)</u>	<u>(293,186,514)</u>	<u>(1,184,533)</u>	<u>1,565,858</u>
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Changes in revaluation of assets - net of income tax		<u>231,472,239</u>	<u>2,190,324,916</u>	<u>202,806,158</u>	<u>1,423,477,027</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>231,472,239</u>	<u>2,190,324,916</u>	<u>202,806,158</u>	<u>1,423,477,027</u>
<b>Other comprehensive income for the period</b>		<u>51,689,268</u>	<u>1,897,138,402</u>	<u>201,621,625</u>	<u>1,425,042,885</u>
<b>Total comprehensive income for the period</b>		<u>2,046,595,874</u>	<u>(28,652,674)</u>	<u>1,692,926,342</u>	<u>1,669,192,412</u>

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

(Unaudited but reviewed)

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

**Statement of comprehensive income (continued)**

**For the nine-month period ended 30 September 2018**

(Unit: Baht)

	<u>Note</u>	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit (loss) attributable to:</b>					
Owners of the Company		1,925,305,499	(1,905,830,410)	<u>1,491,304,717</u>	<u>244,149,527</u>
Non-controlling interests of the subsidiaries		<u>69,601,107</u>	<u>(19,960,666)</u>		
		<u>1,994,906,606</u>	<u>(1,925,791,076)</u>		
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		1,986,527,564	(3,349,954)	<u>1,692,926,342</u>	<u>1,669,192,412</u>
Non-controlling interests of the subsidiaries		<u>60,068,310</u>	<u>(25,302,720)</u>		
		<u>2,046,595,874</u>	<u>(28,652,674)</u>		
<b>Earnings per share</b>	18				
Basic earnings per share					
Profit (loss) attributable to owners of the Company		<u>1.25</u>	<u>(1.49)</u>	<u>0.97</u>	<u>0.19</u>
Diluted earnings per share					
Profit (loss) attributable to owners of the Company		<u>1.25</u>	<u>(1.49)</u>	<u>0.97</u>	<u>0.18</u>

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

**Sri Trang Agro-Industry Public Company Limited and its subsidiaries****Cash flow statement****For the nine-month period ended 30 September 2018**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	2,291,831,480	(1,879,687,605)	1,526,339,751	294,737,434
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Unrealised loss on exchange rates	64,238,783	70,448,092	48,529,528	103,046,737
Unrealised loss (gain) on revaluation of derivative financial instruments	198,567,697	(587,726,932)	101,939,934	(468,220,778)
Allowance for doubtful accounts (reversal)	(1,730,371)	238,720	-	-
Reduction of inventory cost to net realisable value (reversal)	(267,335,991)	1,044,900,277	(148,890,778)	542,171,497
Reversal of allowance for damaged inventories from fire accident	-	(41,593,901)	-	-
Provision for retirement benefit obligations	28,728,931	24,586,610	8,544,005	8,240,177
Depreciation	1,642,999,259	1,253,786,431	625,638,099	504,418,370
Amortisation - rubber and palm plantations	2,629,424	873,425	193,966	211,919
Amortisation - intangible assets	50,644,792	47,684,980	43,698,891	41,710,936
Impairment loss from assets revaluation (reversal)	10,799,066	(5,860,306)	(175,950)	(15,650,331)
Write-off withholding tax deducted at source	516,187	-	516,187	-
Finance cost	980,903,713	934,821,542	409,803,047	551,681,369
Finance income	(14,423,300)	(32,173,216)	(83,608,439)	(83,179,479)
Dividend income	(1,601,738)	(1,652,607)	(932,093,151)	(2,231,946,309)
Share of profit from investments in associates and joint ventures	(197,200,556)	(83,279,418)	-	-
Loss (gain) on disposal and write-off of machinery, equipment and intangible assets	7,010,608	(7,104,867)	3,687,031	(3,654,174)
Gain on change in fair value from disposals of investments	-	(132,699,762)	-	-
Gain from disposal of investments in associates and general investment	-	-	-	(217,824,854)
Gain on change in fair value from investment reclassification	-	(223,626,008)	-	-
Gain on change in fair value of investment properties	-	(47,893,375)	-	(47,893,375)
Gain from account receivables, which were repayments for land and buildings	-	(16,711,862)	-	(5,491,530)
Profit (loss) from operating activities before changes in operating assets and liabilities	4,796,577,984	317,330,218	1,604,122,121	(1,027,642,391)
Operating assets (increase) decrease				
Trade and other receivables	1,150,149,036	2,058,290,371	923,092,911	(1,402,622,175)
Amounts due from future brokers	(10,281,891)	108,890,533	(12,571,068)	10,303,917
Inventories	5,799,139,303	1,565,206,604	1,983,295,600	2,080,580,022
Other current assets	70,507,121	(168,279,609)	158,629,923	(23,483,223)
Other non-current assets	13,474,919	(189,266,380)	(67,779,816)	(5,515,576)
Operating liabilities increase (decrease)				
Trade and other payables	449,325,916	(1,681,924,886)	(391,073,990)	146,138,573
Other current liabilities	32,051,431	25,677,385	32,602,561	(9,461,491)
Provision for retirement benefit obligations	(894,520)	(2,347,985)	(552,000)	(1,263,485)
Cash flows provided by (used in) operating activities	12,300,049,299	2,033,576,251	4,229,766,242	(232,965,829)
Cash paid for interest expenses	(976,579,606)	(914,591,049)	(394,809,920)	(544,353,782)
Cash received for interest income	23,286,024	32,173,216	96,972,229	92,466,148
Cash paid for income tax	(499,685,669)	(370,271,011)	(60,443,760)	(90,649,329)
Cash received from income tax	72,401,161	9,757,648	71,753,763	-
<b>Net cash flows provided by (used in) operating activities</b>	<b>10,919,471,209</b>	<b>790,645,055</b>	<b>3,943,238,554</b>	<b>(775,502,792)</b>

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

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

## Cash flow statement (continued)

For the nine-month period ended 30 September 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
<b>Cash flows from investing activities</b>				
Decrease in fixed deposits pledged as collateral	9,996,239	7,263,932	-	-
Dividends received	1,601,738	2,129,720,506	932,093,151	2,231,946,309
Cash received from repayment of long-term loan to a subsidiary	-	-	883,600,000	540,000,000
Increase in long-term loan to a subsidiary	-	-	(893,203,600)	(1,178,981,500)
Cash paid for investment in a subsidiary	-	(5,129,542,633)	(127,500,000)	(6,713,543,256)
Cash received from disposal of investments in associates and a long-term investment	-	689,389,350	-	689,389,350
Cash received from disposal of machinery, equipment and intangible assets	42,573,865	71,905,916	5,799,510	18,327,526
Cash paid for long-term investment	-	(100,000,000)	-	(100,000,000)
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets	(2,204,536,248)	(2,101,632,683)	(616,198,010)	(801,431,527)
<b>Net cash flows provided by (used in) investing activities</b>	<b>(2,150,364,406)</b>	<b>(4,432,895,612)</b>	<b>184,591,051</b>	<b>(5,314,293,098)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term borrowings from financial institutions	(6,675,783,714)	5,111,455,196	(3,603,865,000)	5,925,364,000
Increase in short-term loan from a subsidiary	-	-	300,000,000	500,000,000
Repayment of short-term loan from a subsidiary	-	-	(300,000,000)	(500,000,000)
Proceeds from long-term borrowings	2,079,400,000	1,172,362,500	629,400,000	1,172,362,500
Repayments of long-term borrowings	(1,215,654,000)	(1,811,053,000)	(225,000,000)	(690,000,000)
Repayments of debentures	(600,000,000)	-	(600,000,000)	-
Repayments of finance lease liabilities	(9,916,711)	(5,234,960)	(3,102,112)	(2,822,331)
Dividend paid	(355,478,492)	(512,000,000)	(355,478,492)	(512,000,000)
Dividend paid to non-controlling interests of the subsidiaries	(48,850,588)	(521)	-	-
<b>Net cash flows provided by (used in) financing activities</b>	<b>(6,826,283,505)</b>	<b>3,955,529,215</b>	<b>(4,158,045,604)</b>	<b>5,892,904,169</b>
<b>Decrease in translation adjustments</b>	<b>(189,680,914)</b>	<b>(85,437,552)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,753,142,384</b>	<b>227,841,106</b>	<b>(30,215,999)</b>	<b>(196,891,721)</b>
Cash and cash equivalents at beginning of period	2,241,899,673	1,674,618,807	269,018,868	341,997,422
<b>Cash and cash equivalents at end of period</b>	<b>3,995,042,057</b>	<b>1,902,459,913</b>	<b>238,802,869</b>	<b>145,105,701</b>
	-	-	-	-

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

(Unaudited but reviewed)

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

## Statement of changes in shareholders' equity

For the nine-month period ended 30 September 2018

(Unit: Baht)

<b>Consolidated financial statements</b>												
Equity attributable to owners of the Company												
	Issued and paid-up share capital	Premium on ordinary shares	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	Other components of shareholders' equity								
				Retained earnings		Other comprehensive income			Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets - net of depreciation	Surplus on changes in value of available-for-sale investments	Exchange differences on translation of financial statements in foreign currency				
<b>Balance as at 1 January 2017</b>	1,280,000,000	8,550,989,821	(173,134,488)	128,000,000	9,036,069,449	1,296,859,775	12,755,614	(284,004,450)	1,025,610,939	19,847,535,721	64,381,883	19,911,917,604
Loss for period	-	-	-	-	(1,905,830,410)	-	-	-	-	(1,905,830,410)	(19,960,666)	(1,925,791,076)
Other comprehensive income for the period	-	-	-	-	-	2,190,324,916	1,612,712	(289,457,172)	1,902,480,456	1,902,480,456	(5,342,054)	1,897,138,402
Total comprehensive income for the period	-	-	-	-	(1,905,830,410)	2,190,324,916	1,612,712	(289,457,172)	1,902,480,456	(3,349,954)	(25,302,720)	(28,652,674)
Depreciation on assets revaluation - net of income tax	-	-	-	-	21,778,457	(21,778,457)	-	-	(21,778,457)	-	-	-
Decrease in surplus from sale of assets - net of income tax	-	-	-	-	5,414,195	(5,414,195)	-	-	(5,414,195)	-	-	-
Dividend paid	-	-	-	-	(512,000,000)	-	-	-	-	(512,000,000)	-	(512,000,000)
Dividend paid to non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(521)	(521)
Increase in non-controlling interests of the subsidiary from investment in subsidiary (Note 7.1.1)	-	-	-	-	-	-	-	-	-	-	587,899,677	587,899,677
<b>Balance as at 30 September 2017</b>	<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>(173,134,488)</u>	<u>128,000,000</u>	<u>6,645,431,691</u>	<u>3,459,992,039</u>	<u>14,368,326</u>	<u>(573,461,622)</u>	<u>2,900,898,743</u>	<u>19,332,185,767</u>	<u>626,978,319</u>	<u>19,959,164,086</u>
<b>Balance as at 1 January 2018</b>	1,535,999,998	10,851,951,634	(173,134,488)	128,000,000	7,165,408,573	4,049,446,188	16,432,908	(666,077,422)	3,399,801,674	22,908,027,391	368,864,048	23,276,891,439
Profit for period	-	-	-	-	1,925,305,499	-	-	-	-	1,925,305,499	69,601,107	1,994,906,606
Other comprehensive income for the period	-	-	-	-	-	231,472,239	(1,702,145)	(168,548,030)	61,222,064	61,222,064	(9,532,797)	51,689,267
Total comprehensive income for the period	-	-	-	-	1,925,305,499	231,472,239	(1,702,145)	(168,548,030)	61,222,064	1,986,527,563	60,068,310	2,046,595,873
Depreciation on assets revaluation - net of income tax	-	-	-	-	107,642,231	(107,642,231)	-	-	(107,642,231)	-	-	-
Decrease in surplus from sale of assets - net of income tax	-	-	-	-	457,309	(457,309)	-	-	(457,309)	-	-	-
Dividend paid (Note 16)	-	-	-	-	(384,000,000)	-	-	-	-	(384,000,000)	-	(384,000,000)
Dividend paid to non-controlling interest of the subsidiaries	-	-	-	-	-	-	-	-	-	-	(48,850,588)	(48,850,588)
Transferred unappropriated retained earnings to statutory reserve	-	-	-	25,600,000	(25,600,000)	-	-	-	-	-	-	-
<b>Balance as at 30 September 2018</b>	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>(173,134,488)</u>	<u>153,600,000</u>	<u>8,789,213,612</u>	<u>4,172,818,887</u>	<u>14,730,763</u>	<u>(834,625,452)</u>	<u>3,352,924,198</u>	<u>24,510,554,954</u>	<u>380,081,770</u>	<u>24,890,636,724</u>

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

(Unaudited but reviewed)

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

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

For the nine-month period ended 30 September 2018

(Unit: Baht)

	Separate financial statements							
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Other components of shareholders' equity			
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income		Total other components of shareholders' equity	Total shareholders' equity
					Surplus on revaluation of assets - net of accumulated depreciation	Surplus on changes in value of available-for-sale investments		
<b>Balance as at 1 January 2017</b>	1,280,000,000	8,550,989,821	128,000,000	2,563,639,402	552,826,994	12,234,045	565,061,039	13,087,690,262
Profit for period	-	-	-	244,149,527	-	-	-	244,149,527
Other comprehensive income for the period	-	-	-	-	1,423,477,027	1,565,858	1,425,042,885	1,425,042,885
Total comprehensive income for the period	-	-	-	244,149,527	1,423,477,027	1,565,858	1,425,042,885	1,669,192,412
Depreciation on assets revaluation - net of income tax	-	-	-	3,700,909	(3,700,909)	-	(3,700,909)	-
Dividend paid	-	-	-	(512,000,000)	-	-	-	(512,000,000)
<b>Balance as at 30 September 2017</b>	<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>128,000,000</u>	<u>2,299,489,838</u>	<u>1,972,603,112</u>	<u>13,799,903</u>	<u>1,986,403,015</u>	<u>14,244,882,674</u>
<b>Balance as at 1 January 2018</b>	1,535,999,998	10,851,951,634	128,000,000	4,751,554,758	1,944,873,058	15,842,499	1,960,715,557	19,228,221,947
Profit for period	-	-	-	1,491,304,717	-	-	-	1,491,304,717
Other comprehensive income for the period	-	-	-	-	202,806,158	(1,184,533)	201,621,625	201,621,625
Total comprehensive income for the period	-	-	-	1,491,304,717	202,806,158	(1,184,533)	201,621,625	1,692,926,342
Depreciation on assets revaluation - net of income tax	-	-	-	72,006,093	(72,006,093)	-	(72,006,093)	-
Dividend paid (Note 16)	-	-	-	(384,000,000)	-	-	-	(384,000,000)
Transferred unappropriated retained earnings to statutory reserve	-	-	25,600,000	(25,600,000)	-	-	-	-
<b>Balance as at 30 September 2018</b>	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>153,600,000</u>	<u>5,905,265,568</u>	<u>2,075,673,123</u>	<u>14,657,966</u>	<u>2,090,331,089</u>	<u>20,537,148,289</u>

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

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

**Notes to interim consolidated financial statements**

**For the three-month and nine-month periods ended 30 September 2018**

**1. General information**

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

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

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

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

**1.2 Basis of consolidation**

These interim consolidated financial statements include the financial statements of Sri Trang Agro-Industry Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2017. There were no changes in the composition of the group during the current period.

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

**1.3 New financial reporting standards**

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

During the period, the Group adopted the revised financial reporting standards and interpretations (revised 2017) which were effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards did not have any significant impact on the Group’s financial statements.

**(b) Financial reporting standards that will become effective in the future**

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

**TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

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

**Thai Financial Reporting Standards related to financial instruments**

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

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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



(Unaudited but reviewed)

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

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

## **2. Significant accounting policies**

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2017.

**3. Related party transactions**

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

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with subsidiaries</u>				
Sales of goods	-	-	1,327,514	1,437,328
Purchases of goods	-	-	922,293	2,770,479
Service income	-	-	41,384	52,310
Rental income	-	-	61	61
Interest income	-	-	29,177	22,773
Service expenses	-	-	162,367	149,024
Rental expenses	-	-	1,198	199
Interest expenses	-	-	2,106	-
<u>Transactions with associates</u>				
Sales of goods	3,298	6,560	-	-
Purchases of goods	31	39	-	9
Service income	9,157	5,068	2,437	2,324
Rental income	100	100	-	-
Service expenses	9	-	-	-
<u>Transactions with joint venture</u>				
Sales of goods	-	192	-	-
Purchases of goods	451,688	322,479	-	-
Service income	2,313	2,916	2,295	2,295
<u>Transactions with related company<sup>1</sup></u>				
Sales of goods	66,256	-	65,023	-
Purchases of goods	205,819	-	85,089	-
Service income	38,857	-	499	-
Service expenses	1,533	-	-	-

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with subsidiaries</u>				
Sales of goods	-	-	3,503,311	4,412,206
Purchases of goods	-	-	3,931,867	7,473,324
Service income	-	-	118,590	145,401
Dividend income	-	-	930,499	519,166
Rental income	-	-	183	183
Interest income	-	-	83,156	56,940
Service expenses	-	-	462,960	652,996
Rental expenses	-	-	3,261	599
Interest expenses	-	-	2,251	-
<u>Transactions with associates</u>				
Sales of goods	15,705	19,423	-	-
Purchases of goods	170	63	15	9
Service income	25,812	14,481	7,166	6,923
Dividend income	-	451,486	-	398,370
Rental income	300	300	-	-
Service expenses	9	6	-	-
<u>Transactions with joint ventures</u>				
Sales of goods	-	1,152	-	293,032
Purchases of goods	1,566,774	2,959,257	64,008	237,114
Service income	8,433	46,607	8,415	19,375
Dividend income	-	1,676,582	-	1,312,760
Rental income	-	5,458	-	-
<u>Transactions with related company <sup>1</sup></u>				
Sales of goods	66,256	-	65,023	-
Purchases of goods	205,819	-	85,089	-
Service income	38,857	-	499	-
Service expenses	1,533	-	-	-

(Unaudited but reviewed)

The pricing policies of the Group are as follows.

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

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

As at 30 September 2018 and 31 December 2017, the balances of the accounts between the Company and those related parties were as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<b><u>Trade accounts receivable</u></b> (Note 4)				
Subsidiaries	-	-	581,447	774,251
Associates	3,441	4,138	766	715
Joint venture	2	2	-	-
Related company <sup>1</sup>	62,349	-	43,000	-
	<u>65,792</u>	<u>4,140</u>	<u>625,213</u>	<u>774,966</u>
<b><u>Advance payment for goods</u></b> (Note 4)				
Subsidiaries	-	-	20,267	4,914
Related company <sup>1</sup>	950	-	950	-
	<u>950</u>	<u>-</u>	<u>21,217</u>	<u>4,914</u>
<b><u>Accrued income</u></b> (Note 4)				
Subsidiaries	-	-	20,879	28,285
Associates	231	561	-	-
Related company <sup>1</sup>	91	-	-	-
	<u>322</u>	<u>561</u>	<u>20,879</u>	<u>28,285</u>
<b><u>Advance payment</u></b> (Note 4)				
Subsidiaries	-	-	3,755	9,259
Associates	1	-	1	-
	<u>1</u>	<u>-</u>	<u>3,756</u>	<u>9,259</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<b><u>Retention</u></b> (Note 4)				
Related company <sup>1</sup>	89,500	-	-	-
	<u>89,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Other receivables</u></b> (Note 4)				
Subsidiaries	-	-	2,015	756
Associates	958	807	-	-
Related company <sup>1</sup>	91	-	91	-
	<u>1,049</u>	<u>807</u>	<u>2,106</u>	<u>756</u>
<b><u>Trade accounts payable</u></b> (Note 13)				
Subsidiaries	-	-	326,859	791,558
Associates	9	16	-	-
Joint venture	43,576	179,717	-	-
Related company <sup>1</sup>	77,513	-	14,274	-
	<u>121,098</u>	<u>179,733</u>	<u>341,133</u>	<u>791,558</u>
<b><u>Accrued expenses</u></b> (Note 13)				
Subsidiaries	-	-	1,779	5,000
	<u>-</u>	<u>-</u>	<u>1,779</u>	<u>5,000</u>
<b><u>Deferred income</u></b> (Note 13)				
Related company <sup>1</sup>	61,212	-	-	-
	<u>61,212</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Other payables</u></b> (Note 13)				
Subsidiaries	-	-	12,602	50,159
Associates	-	4	-	-
	<u>-</u>	<u>4</u>	<u>12,602</u>	<u>50,159</u>

<sup>1</sup> Thaikong Public Company Limited as described in Note 7.1.2 to the interim financial statements.

(Unaudited but reviewed)

### Outstanding balances arising from loans to subsidiaries

As at 30 September 2018 and 31 December 2017, the balances of loans between the Company and subsidiaries were as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
<b><u>Interest receivables</u></b> (Note 4)				
Subsidiaries	-	-	5,468	9,969
<b><u>Long-term loans</u></b>				
Subsidiaries	-	-	2,514,439	2,541,603

As at 30 September 2018 and 31 December 2017, long-term loans to subsidiaries were unsecured and were summarised as below.

		Separate financial statements			
		As at 30 September 2018			
		Principle		Interest rates %	Borrowing periods
Relationship		Million USD	Million Baht		
PT Sri Trang Lingga Indonesia	A direct subsidiary	45	1,450	4.18 - 4.30	3 Years
PT Star Rubber	An indirect subsidiary	33	1,064	4.18 - 5.05	1 - 3 Years
	Total	78	2,514		

  

		Separate financial statements			
		As at 31 December 2017			
		Principle		Interest rates %	Borrowing periods
Relationship		Million USD	Million Baht		
		(Audited)			
PT Sri Trang Lingga Indonesia	A direct subsidiary	50	1,627	3.33 - 4.30	3 - 5 years
PT Star Rubber	An indirect subsidiary	28	915	2.65 - 4.18	2 - 5 years
	Total	78	2,542		

(Unaudited but reviewed)

Movements in the balance of long-term loans to subsidiaries during the nine-month period ended 30 September 2018 were as follows.

(Unit: Thousand Baht)

Long-term loans	Separate financial statements				Balance as at 30 September 2018
	Balance as at 31 December 2017	Increase during the period	Decrease during the period	Unrealised loss on exchange rate	
	(Audited)				
Subsidiaries	2,541,603	893,204	(883,600)	(36,768)	2,514,439

### Outstanding balances arising from a loan from a subsidiary

Movements in the balance of a short-term loan from a subsidiary during the nine-month period ended 30 September 2018 was as follows.

(Unit: Thousand Baht)

Short-term loan	Separate financial statements			Balance as at 30 September 2018
	Balance as at 31 December 2017	Increase during the period	Decrease during the period	
	(Audited)			
Subsidiary	-	300,000	(300,000)	-

### Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	62,775	56,497	12,686	11,744
Post-employment benefits	1,483	864	321	316
Total	64,258	57,361	13,007	12,060

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	181,806	152,079	38,058	34,041
Post-employment benefits	4,428	2,652	964	924
Total	<u>186,234</u>	<u>154,731</u>	<u>39,022</u>	<u>34,965</u>

Guarantee obligations with related parties

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

**4. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
		(Audited)		(Audited)
<b><u>Trade accounts receivable - related parties</u></b> (Note 3)				
Aged on the basis of due dates				
Not yet due	65,750	4,138	616,317	767,717
Past due				
Up to 30 days	-	-	16	-
31 - 60 days	-	-	1,697	14
61 - 90 days	-	2	8	1
91 - 120 days	42	-	-	-
121 - 365 days	-	-	3	-
Over 365 days	-	-	7,172	7,234
Total trade accounts receivable - related parties	<u>65,792</u>	<u>4,140</u>	<u>625,213</u>	<u>774,966</u>



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<b><u>Trade accounts receivable - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	4,607,577	5,392,887	1,982,942	2,428,577
Past due				
Up to 30 days	553,075	832,691	266,582	629,149
31 - 60 days	71,070	50,049	35,012	26,301
61 - 90 days	61,333	24,029	44,690	13,499
91 - 120 days	30,135	13,486	25,549	10,180
121 - 365 days	73,851	15,832	21,855	11,452
Over 365 days	59,643	55,332	52,037	40,537
Total	5,456,684	6,384,306	2,428,667	3,159,695
Less: Allowance for doubtful debts	(47,326)	(49,056)	(33,421)	(33,421)
Total trade accounts receivable - unrelated parties, net	5,409,358	6,335,250	2,395,246	3,126,274
Total trade accounts receivable, net	5,475,150	6,339,390	3,020,459	3,901,240
<b><u>Other receivables</u></b>				
Advance payment for goods - related parties (Note 3)	950	-	21,217	4,914
Advance payment for goods - unrelated parties	207,132	169,166	16,761	74,620
Prepaid expenses	177,236	199,790	83,449	64,276
Interest receivables - related parties (Note 3)	-	-	5,468	9,969
Accrued income - related parties (Note 3)	322	561	20,879	28,285
Accrued income - unrelated parties	17,593	36,098	2,918	15,414
Advance payment - related parties (Note 3)	1	-	3,756	9,259
Advance payment - unrelated parties	33,185	39,960	4,710	2,666
Retention - related party (Note 3)	89,500	-	-	-
Other receivables - related parties (Note 3)	1,049	807	2,106	756
Other receivables - unrelated parties	33,697	426,536	1,422	11,094
Total other receivables	560,665	872,918	162,686	221,253
Total trade and other receivables, net	6,035,815	7,212,308	3,183,145	4,122,493

(Unaudited but reviewed)

**5. Inventories**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		฿		฿
Inventories - at cost	11,741,503	17,617,270	5,936,407	7,919,702
Less: Reduction of cost to net realisable value	(150,327)	(494,291)	(91,079)	(239,970)
Inventories, net	11,591,176	17,122,979	5,845,328	7,679,732

**6. Derivative financial instruments**

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 September 2018		31 December 2017	
	Assets	Liabilities	Assets	Liabilities
	(Audited)			
Foreign exchange swaps	-	(2,903)	23,778	(55,844)
Foreign exchange options	2,380	(61,147)	-	(65,293)
Rubber options	1,340	(404)	14,161	(58,646)
Forward foreign exchange contracts	45,862	(66,559)	113,261	(5,183)
Rubber futures	72,401	(16,487)	256,739	(45,338)
Physical forward contracts	4,484	(839)	-	(939)
Total derivative financial instruments	126,467	(148,339)	407,939	(231,243)

(Unit: Thousand Baht)

	Separate financial statements			
	30 September 2018		31 December 2017	
	Assets	Liabilities	Assets	Liabilities
	(Audited)			
Foreign exchange swaps	-	(2,903)	23,778	(55,844)
Foreign exchange options	2,380	(40,881)	-	(48,665)
Rubber options	-	(404)	14,161	(58,646)
Forward foreign exchange contracts	6,417	(36,540)	64,804	(971)
Rubber futures	38,292	(9,911)	153,777	(34,004)
Total derivative financial instruments	47,089	(90,639)	256,520	(198,130)

## **7. Investments in subsidiaries**

### **7.1 Sri Trang Gloves (Thailand) Co., Ltd.**

#### **7.1.1 Business acquisition in 2017**

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

Subsequently on 14 March 2017, the Company's Extraordinary General Meeting of Shareholders No.1/2017 passed the resolution to approve the demerger of associates and joint ventures comprising of:

- (a) The acquisition of the ordinary shares of Siam Sempermed Corporation Ltd.
- (b) The disposal of ordinary shares and investments in associates, including the disposal of shares in Semperflex Asia Corporation Ltd. under the Call Option agreement
- (c) The settlement of various disputes

On 15 March 2017, the Company additionally acquired 10,000 ordinary shares of Siam Sempermed Corporation Ltd. (on 16 March 2017 being changed its name to "Sri Trang Gloves (Thailand) Co., Ltd.") ("Sri Trang Gloves"), joint ventures, representing 50% of paid-up capital of Sri Trang Gloves at a price of USD 180.10 million or approximately Baht 6,367 million from Semperit. As a result of step acquisition, the investments in this company had been classified from joint venture to subsidiary. The shareholding of the Group in this subsidiary changed from 40.23% to 90.23% (held by the Company 81.50% and by Rubberland Products Co., Ltd. (subsidiary) 8.73%).

The management of the Company believed that the acquisition of Sri Trang Gloves was a business combination because the assets acquired and liabilities assumed constitute a business and the Company had control over Sri Trang Gloves in accordance with the definition specified in TFRS 3 Business Combinations. Transactions from business combination are accounted for using purchase method and the Company had included the financial statements of Sri Trang Gloves in the consolidated financial statements since 15 March 2017 (acquisition date).

Under TFRS 3, during the measurement period, which must not exceed one year from the acquisition date, the management was required to make a preliminary assessment of the fair values of businesses acquired as at the acquisition date and retrospectively adjust the provisional amounts recognised as at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

(Unaudited but reviewed)

In the fourth quarter of the year 2017, the Company completed the assessment of the fair values of the identifiable assets and liabilities of the subsidiary and presented the fair value of the acquirees' identifiable assets and liabilities in the consolidated financial statements for the year ended 31 December 2017.

The following details summarised the consideration transferred for business acquisition. The amounts of the assets acquired and liabilities assumed as recognised at the acquisition date.

### Consideration transferred as at 15 March 2017

	(Unit: Thousand Baht)
Cash paid for Sri Trang Gloves'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	174,114
<b>Total consideration paid and transferred</b>	<b>6,319,534</b>
Fair value of previously held investment in Sri Trang Gloves prior to the acquisition date	1,987,632
<b>Total consideration</b>	<b>8,307,166</b>

(Unit: Thousand Baht)

### Recognised amounts of identifiable assets acquired and liabilities assumed at the acquisition date

#### Assets

Cash and cash equivalents	1,237,590
Trade accounts and other receivables	1,194,017
Inventories	1,352,373
Other current assets	45,873
Property, plant and equipment	4,134,827
Intangible assets	6,701
Deferred tax assets	40,386
Other non-current assets	845

(Unaudited but reviewed)

(Unit: Thousand Baht)

Liabilities

Short-term borrowings from financial institutions	500,000
Trade accounts and other payables	1,161,345
Deferred tax liabilities	333,021
Provision for retirement benefit obligations	76,962
<b>Total identifiable net assets</b>	<b>5,941,284</b>
Fair value of non-controlling interests	(587,900)
Goodwill	2,953,782
<b>Total consideration transferred</b>	<b>8,307,166</b>

(Unit: Thousand Baht)

<b>Cash paid for purchase of investment in a subsidiary</b>	<b>6,367,133</b>
<u>Less:</u> Cash and cash equivalents of the subsidiary	(1,237,590)
Net cash paid for purchase of investment in a subsidiary	<u>5,129,543</u>

(Unit: Thousand Baht)

<b>Fair value of previously held investment in Sri Trang Gloves</b>	
<b>prior to the acquisition date</b>	<b>1,987,632</b>
<u>Less:</u> Carrying value of investment under equity method in Sri trang Gloves at the acquisition date	(1,764,006)
Gain on change in fair value from investment reclassification	<u>223,626</u>

(Unit: Thousand Baht)

<b>Fair value of transferred equity instruments prior to the acquisition date</b>	
Sempermed USA, Inc.	187,628
Semperflex Shanghai Ltd.	197,854
Sempermed Singapore Pte. Ltd.	82,194
Shanghai Semperit Rubber & Plastic Products Co., Ltd.	174,114
<u>Less:</u> Carrying value of investment under equity method in the Company at the acquisition date	(509,090)
Gain from disposals of investments in associates and general investment	<u>132,700</u>

Other significant information related to business acquisition was as follows.

**(a) Call Option**

The Company granted a call option to Semperit for the acquisition of Semperflex Asia Co., Ltd. totalling 1,615,000 shares, representing 42.50 percent of paid-in capital of Semperflex Asia Co., Ltd. from the Company and its subsidiary, at the exercise price of USD 51 million, and with a condition to pay all dividend from profit contribution after the acquisition date. The exercise period is between 30 June 2019 and 30 June 2021.

**(b) Acquired property, plant and equipment**

Fair value of acquired property, plant and equipment was Baht 4,135 million which was assessed by an independent appraiser by using the replacement cost method and deducted by accumulated depreciation based on a number of year used.

**(c) Non-controlling interests**

The Company chose to recognise the non-controlling interests at its fair value for the acquisition of Sri Trang Gloves. The Group measured non-controlling interests from acquiree's identifiable net assets based on proportion of shares held by non-controlling interests.

**(d) Revenues and profit contribution**

Revenues had been included in the consolidated statement of comprehensive income from 15 March 2017 (The date that the Company assumed control over the acquiree) to 30 September 2017 contributed by acquiree was Baht 4,608 million and also the contributed loss of Baht 472 million, which was included compensation expenses for the demerger of Baht 532 million. If Sri Trang Gloves has been consolidated from 1 January 2017, the consolidated statement of comprehensive income for the period ended 30 September 2017 would show the revenues of Baht 6,551 million and net profit of Baht 64 million, respectively.

**(e) Business expenses prior to the demerger**

Business expenses prior to the demerger was the compensation for demerger transaction between Sri Trang Gloves and Semperit of USD 15 million, or approximately Baht 532 million which was stated in the related agreements.

**(f) Commercial disputes relating to the joint venture agreement**

On 15 March 2017, the Company and Semperit successfully completed the demerger of the associates and joint ventures. As a result of this, any disputes and lawsuits which related to arbitration proceedings, and legal proceedings between the Group and Semperit in any courts and arbitrations had been withdrawn or terminated.

### **7.1.2 Investment in Rubber Gloves Manufacturing Business**

On 10 July 2018, the Board of Directors Meeting of the Company passed a resolution not to object to the proposed investment by Dr. Viyavood Sincharoenkul (“Dr. Viyavood”), who is the Chairman and Managing Director of the Company, in Thaikong Co., Ltd. (“TK”), which is in the rubber gloves manufacturing business, through the acquisition of shares held by Thaikong Group Co., Ltd. (“TKG”) by using his own funds. The Board of Directors also passed a resolution to conduct due diligence on TKG and TK as well as to study the investment structure in details. Dr. Viyavood has requested the Company to issue a written confirmation of the Company’s investment in TK as well as the structure of the investment within 31 December 2018. This grants an exclusive right to the Company to invest in TK, whether directly or indirectly, in order to incorporate TK into the Group, at the cost at which TK’s shares were acquired by Dr. Viyavood (including finance costs). Dr. Viyavood also allowed the Company to determine an appropriate structure for the investment. During the decision making period of the Company, Dr. Viyavood undertake not to cause TK to make any dividend payments or reduce its capital. In addition, any transactions between the Group and TK would have to be conducted on an arm’s length basis and there must be no transfer of benefits and no conflicts of interest in accordance with the applicable law and regulations.

Subsequently, on 30 August 2018, the Board of Directors resolved to approve the Company’s investment in TK, through the amalgamation of TK and Sri Trang Gloves (Thailand) Co., Ltd. (“Sri Trang Gloves”), which is a subsidiary of the Company. Following the amalgamation, Sri Trang Gloves will cease to be a subsidiary of the Company and the company formed by amalgamation will be a new subsidiary (the “New Merged Co.”). The New Merged Co., by virtue of law on the amalgamation, will assume all assets, liabilities, rights, duties, and responsibilities of both TK and Sri Trang Gloves. The Company and Rubberland Co., Ltd. will together hold 81.08 percent of the total shares of New Merged Co. The Company expects the amalgamation to be completed by 1 April 2019 and will incur costs of this transaction amounting to Baht 1,232.82 million, representing the cost of acquisition of Dr. Viyavood and the financing costs to be paid by Dr. Viyavood for the loan used to make this acquisition.

In addition, TK changed its juristic person from a limited company to a public limited company under the Public Limited Companies Act and registered the company’s conversion from “Thaikong Company Limited” to “Thaikong Public Company Limited” with the Ministry of Commerce on 19 September 2018.

Subsequently, on 9 October 2018, the Extraordinary General Meeting of Shareholders of Sri Trang Gloves passed special resolutions approving the following matters:

1. A change in a par value of Sri Trang Gloves's shares from Baht 10,000 to Baht 100 per share, as a result of which Sri Trang Gloves registered and paid-up capital of Baht 200 million comprising 2 million shares with a par value of Baht 100 per share. Sri Trang Gloves registered the change in a par value and amendment of the memorandum of association with the Ministry of Commerce on 9 October 2018.
2. The amalgamation of Sri Trang Gloves and TK.

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

On 13 March 2018, the Extraordinary Shareholder's Meeting of SRP passed a resolution to approve on the increase of its registered capital of Baht 200 million by issuing 2,000,000 newly issued ordinary shares at the par value of Baht 100 per share. As a result, SRP has the new registered capital of 65,550,000 shares and to call up at 25 percent, totalling of Baht 50 million. The Company paid cash for the additional shares.

In addition, during the nine-month period ended 30 September 2018, the Company already paid in a further Baht 77.5 million called-up in respect of the additional shares of SRP in 2017.

## 7.3 Startex Rubber Company Limited

On 14 August 2018, the Board of Directors Meeting of the Company passed a resolution to approve an increase of USD 2.5 million or approximately Baht 83 million in the registered share capital of Startex Rubber Company Limited (a direct subsidiary) for the purpose of increasing the registered share capital of Shi Dong Shanghai Medical Equipment Company Limited (an indirect subsidiary) to expand glove distribution business in China. The Company has expected to complete the share increase within the year 2018.

## 8. Investments in associates

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Cost	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Semperflex Asia Co., Ltd.	496,332	359,929	142,500	142,500
Pattana Agro Futures Co., Ltd.	8,112	8,061	15,069	15,069
Total investments in associates	<u>504,444</u>	<u>367,990</u>	<u>157,569</u>	<u>157,569</u>



(Unaudited but reviewed)

## 9. Investment in joint venture

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Cost	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Thaitech Rubber Corp., Ltd.	<u>422,759</u>	<u>362,012</u>	<u>134,717</u>	<u>134,717</u>

## 10. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements	Separate financial statements
Net book value as at 1 January 2018	24,189,691	8,944,117
Acquisitions	2,105,080	597,075
Additions of assets revaluation	289,340	253,508
Disposals and writes-off - net	(48,689)	(9,476)
Depreciation	(1,642,999)	(625,638)
Depreciation capitalised to assets (Note 11)	(57,290)	-
Impairment loss	(10,975)	-
Reversal of impairment loss	176	176
Transfers to intangible assets (Note 12)	(4,909)	-
Translation adjustment	(238,325)	-
Net book value as at 30 September 2018	<u>24,581,100</u>	<u>9,159,762</u>

As at 30 September 2018, net book value of property and plant of a subsidiary with collateral against credit facilities, short-term and long-term borrowings received from a commercial bank was approximately Baht 170 million (31 December 2017: Baht 167 million) as described in Note 14 to the interim financial statements.

(Unaudited but reviewed)

## 11. Rubber and palm plantations

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2018	1,832,376	4,343
Additions	81,037	2,783
Disposals and writes-off - net	(850)	-
Amortisation	(2,629)	(194)
Depreciation capitalised to assets (Note 10)	57,290	-
Net book value as at 30 September 2018	<u>1,967,224</u>	<u>6,932</u>

## 12. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2018	459,794	440,581
Additions	13,871	13,278
Writes-off - net	(45)	(10)
Amortisation	(50,645)	(43,699)
Transfers from equipment (Note 10)	4,909	-
Translation adjustment	(155)	-
Net book value as at 30 September 2018	<u>427,729</u>	<u>410,150</u>

(Unaudited but reviewed)

**13. Trade and other payables**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
Trade payables - related parties (Note 3)	121,098	179,733	341,133	791,558
Trade payables - unrelated parties	1,480,869	1,221,484	436,020	349,392
Accrued expenses - related parties (Note 3)	-	-	1,779	5,000
Accrued expenses - unrelated parties	667,263	621,595	309,307	274,817
Deferred income - related parties (Note 3)	61,212	-	-	-
Deferred income for goods and others	483,567	279,897	198,069	170,467
Deposits and retentions received from customers	219,212	99,906	23,784	19,601
Other payables - related parties (Note 3)	-	4	12,602	50,159
Other payables - unrelated parties	113,902	211,638	46,099	58,108
Others	530	583	105	155
<b>Total trade and other payables</b>	<b>3,147,653</b>	<b>2,614,840</b>	<b>1,368,898</b>	<b>1,719,257</b>

**14. Borrowings**

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Audited)		(Audited)
<b>Short-term borrowings from financial institutions</b>				
Short-term borrowings from financial institutions	14,856,123	21,378,372	11,150,664	14,754,529
Notes payable	-	407,655	-	-
<b>Total short-term borrowings from financial institutions</b>	<b>14,856,123</b>	<b>21,786,027</b>	<b>11,150,664</b>	<b>14,754,529</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
		(Audited)		(Audited)
<b>Current portions of:</b>				
Long-term borrowings from financial institutions	519,000	420,654	300,000	300,000
Debentures	810,000	600,000	810,000	600,000
Finance lease liabilities	13,783	13,167	3,844	4,092
Total current portions	<u>1,342,783</u>	<u>1,033,821</u>	<u>1,113,844</u>	<u>904,092</u>
<b>Non-current portions of:</b>				
Long-term borrowings from financial institutions	7,967,719	7,193,710	4,726,719	4,313,710
Debentures	1,455,000	2,265,000	1,455,000	2,265,000
Finance lease liabilities	21,887	27,521	6,688	9,542
Total non-current portions	<u>9,444,606</u>	<u>9,486,231</u>	<u>6,188,407</u>	<u>6,588,252</u>
Total long-term borrowings from financial institutions	<u>10,787,389</u>	<u>10,520,052</u>	<u>7,302,251</u>	<u>7,492,344</u>
Total borrowings	<u>25,643,512</u>	<u>32,306,079</u>	<u>18,452,915</u>	<u>22,246,873</u>

(Unaudited but reviewed)

Movements in the borrowing account during the nine-month period ended 30 September 2018 were summarised below.

	Consolidated	(Unit: Thousand Baht)
	financial statements	Separate financial statements
Balance as at 1 January 2018	32,306,079	22,246,873
Decrease in short-term borrowings from financial institutions	(6,675,784)	(3,603,865)
Additions of long-term borrowings from financial institutions	2,079,400	629,400
Repayments of long-term borrowings from financial institutions	(1,215,654)	(225,000)
Repayments of debenture	(600,000)	(600,000)
Additions of finance lease liabilities	4,945	-
Repayments of finance lease liabilities	(9,917)	(3,102)
Unrealised loss on exchange rates	19,690	8,609
Translation adjustments	(265,247)	-
Balance as at 30 September 2018	25,643,512	18,452,915

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

As at 30 September 2018, certain of short-term and long-term borrowings of the local subsidiary totaling Baht 31 million (31 December 2017: Baht 26 million) were guaranteed by lands, land improvements, buildings and structures thereon of the subsidiary as described in Note 10, certain of the Company's directors. According to a condition of the borrowing agreements, the Company and the subsidiary are not allowed to create any encumbrance on their assets, except for encumbrances created with the prior consent of the banks and permitted liens.

(Unaudited but reviewed)

During the nine-month periods ended 30 September 2018, the Group entered into additional long-term borrowing agreements with domestic commercial banks with details as follows.

Borrowing	Company	Credit facilities	Borrowing periods	Interest rate %	Principal and interest repayment	Collateral	Drawn down amount as at 30 September 2018	
							Million USD	(Equivalent) Million Baht
1	Sri Trang Agro-Industry Public Co., Ltd.	USD 20 million	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly	None	20	629
2	Sri Trang Gloves (Thailand) Co., Ltd.	Baht 950 million	7 years	MLR less fixed rate per annum	Quarterly	None	-	950
3	Sri Trang Gloves (Thailand) Co., Ltd.	Baht 700 million	4 years and 6 months	MLR less fixed rate per annum	Quarterly	None	-	500
						Total	20	2,079

In April 2018, the commercial bank amended the long-term borrowing agreement with Sri Trang Gloves for the credit facilities of Baht, 3,000 million, changing the amount of principal that is to be paid each quarter. Sri Trang Gloves made the early repayment for partial principal amounting to Baht 950 million on 23 April 2018, and on the same day, Sri Trang Gloves entered into a new long-term borrowing agreement with that commercial bank for a facility of Baht 950 million and already has drawn down the borrowing amounting to Baht 950 million.

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

### Debentures

Debentures are unsubordinated, unsecured and denominated in Thai Baht, which are due for redemption in the years from 2019 and 2021.

### Finance lease liabilities

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

## **15. Share capital**

On 26 April 2018, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a decrease in the Company's registered share capital from Baht 1,536,000,000 (1,536,000,000 ordinary shares of Baht 1 each) to Baht 1,535,999,998 (1,535,999,998 ordinary shares of Baht 1 each) by cancelling 2 registered ordinary shares with a par value of Baht 1 each that are unissued. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 7 May 2018.

## **16. Dividend**

On 30 August 2018, the Board of Directors Meeting of the Company passed a resolution to approve the interim dividend payment at Baht 0.25 per share, totaling Baht 384 million, which was determined from the operating results of the six-months period ended 30 June 2018. The dividend was paid on 28 September 2018 to the shareholders.

## **17. Income tax**

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

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

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

(Unaudited but reviewed)

Tax expenses for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	81,228	35,397	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	59,834	175,997	36,928	148,544
<b>Tax expense reported in the statement of comprehensive income</b>	<u>141,062</u>	<u>211,394</u>	<u>36,928</u>	<u>148,544</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	346,487	77,154	-	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(49,562)	(31,051)	35,035	50,588
<b>Tax expense reported in the statement of comprehensive income</b>	<u>296,925</u>	<u>46,103</u>	<u>35,035</u>	<u>50,588</u>

The estimated average effective tax rate was calculated from net profit before income tax. For the three-month and nine-month periods ended 30 September 2018, the average effective tax rates for the consolidated financial statements were 21.2 and 13.0 percent, respectively, and for the separate financial statements were 48.3 and 2.3 percent, respectively.



**18. Earnings per share**

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

For the calculation of the diluted earnings per share, the net profit adjusted for weighted average number of ordinary shares are assumed for conversion of call option of common stock which was issued in the third quarter of 2017.

The basic earnings per share and the diluted earnings per share are as follows.

	For the three-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Weighted average number of ordinary shares (Thousand shares)	1,536,000	1,280,000	1,536,000	1,280,000
Effect of dilutive potential ordinary shares (Thousand shares)	-	56,000	-	56,000
Weighted average number of ordinary shares for diluted earnings (Thousand shares)	<u>1,536,000</u>	<u>1,336,000</u>	<u>1,536,000</u>	<u>1,336,000</u>
Profit (loss) attributable to owners of the Company (Thousand Baht)	501,559	166,655	39,559	(260,492)
Basic earnings per share (Baht)	0.33	0.13	0.03	(0.20)
Diluted earnings per share (Baht)	0.33	0.12	0.03	(0.20)*
	For the nine-month periods ended 30 September			
	Consolidated financial statements		Separate financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Weighted average number of ordinary shares (Thousand shares)	1,536,000	1,280,000	1,536,000	1,280,000
Effect of dilutive potential ordinary shares (Thousand shares)	-	56,000	-	56,000
Weighted average number of ordinary shares for diluted earnings (Thousand shares)	<u>1,536,000</u>	<u>1,336,000</u>	<u>1,536,000</u>	<u>1,336,000</u>
Profit (loss) attributable to owners of the Company (Thousand Baht)	1,925,305	(1,905,830)	1,491,305	244,150
Basic earnings per share (Baht)	1.25	(1.49)	0.97	0.19
Diluted earnings per share (Baht)	1.25	(1.49)*	0.97	0.18

\*

The calculation of diluted earnings per share should not include potential ordinary shares that would decrease loss per share.

## **19. Segment information**

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

Financial information by geographical area, which is presented to the Board of Directors of the Group is the chief operating decision makers of the Group, for the three-month and nine-month periods ended 30 September 2018 and 2017 have been presented as follows.

(Unaudited but reviewed)

For the three-month period ended 30 September 2018

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of											
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar					
<b>Revenues</b>												
Revenues from external customers	12,808,810	898,495	4,201,767	53,245	806,575	-	-	79,253	764	10,489	-	18,859,398
Inter-segment revenues	2,958,386	2,205,647	150,257	-	-	-	100,589	321,027	2,686	260,389	(5,998,981)	-
<b>Total revenues</b>	<u>15,767,196</u>	<u>3,104,142</u>	<u>4,352,024</u>	<u>53,245</u>	<u>806,575</u>	<u>-</u>	<u>100,589</u>	<u>400,280</u>	<u>3,450</u>	<u>270,878</u>	<u>(5,998,981)</u>	<u>18,859,398</u>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(466,842)	(77,115)	(2,034)	(105)	(460)	-	(1,258)	(5,887)	(7,895)	(6,868)	-	(568,464)
Finance income	29,209	1,607	7,789	-	118	-	-	2,106	-	24	(31,283)	9,570
Finance cost	(168,727)	(175,303)	(1,878)	(4,416)	-	-	(20,769)	-	-	(462)	34,723	(336,832)
Share of profit from investments in associates and joint venture	60,033	-	-	-	-	-	-	-	-	-	-	60,033
<b>Profit (loss) before income tax expense</b>	618,251	(46,030)	177,556	(28,226)	(12,386)	966	(5,202)	16,479	(26,787)	2,824	(30,787)	666,658
Tax income (expense)	(130,018)	10,656	(27,548)	6,593	3,301	-	-	(3,567)	58	(537)	-	(141,062)
<b>Profit (loss) for the period</b>	<u>488,233</u>	<u>(35,374)</u>	<u>150,008</u>	<u>(21,633)</u>	<u>(9,085)</u>	<u>966</u>	<u>(5,202)</u>	<u>12,912</u>	<u>(26,729)</u>	<u>2,287</u>	<u>(30,787)</u>	<u>525,596</u>
<b>Total assets</b>	<u>54,368,342</u>	<u>6,492,782</u>	<u>5,436,659</u>	<u>235,833</u>	<u>1,480,726</u>	<u>26,006</u>	<u>157,504</u>	<u>1,329,514</u>	<u>6,632,744</u>	<u>4,124,519</u>	<u>(25,097,559)</u>	<u>55,187,070</u>

(Unaudited but reviewed)

For the three-month period ended 30 September 2017

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of											
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar					
<b>Revenues</b>												
Revenues from external customers	11,436,337	319,531	3,450,566	506,276	471,845	-	-	25,915	100	13,507	-	18,224,076
Inter-segment revenues	4,076,652	2,630,369	393,300	5	-	-	90,256	222,504	-	173,890	(7,587,364)	-
<b>Total revenues</b>	<u>15,512,989</u>	<u>2,949,900</u>	<u>5,843,866</u>	<u>506,669</u>	<u>471,845</u>	<u>-</u>	<u>905,256</u>	<u>248,419</u>	<u>100</u>	<u>187,397</u>	<u>(7,587,364)</u>	<u>18,224,076</u>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(413,982)	(69,452)	(1,558)	(393)	(743)	-	(1,274)	(5,574)	(8,406)	(7,244)	-	(508,626)
Finance income	39,543	416	82	-	154	-	-	-	-	5	(22,893)	17,307
Finance cost	(203,567)	(156,793)	(5,876)	(9,427)	-	-	(812)	306	-	(235)	30,605	(345,799)
Share of profit from investments in associates and joint venture	82,611	-	-	-	-	-	-	-	-	-	-	82,611
<b>Profit (loss) before income tax expense</b>	2,983	19,362	36,792	(103,599)	(60,313)	(126)	(4,767)	23,486	(26,095)	416	494,885	383,024
Tax income (expense)	(133,263)	(54,162)	(40,519)	16,217	8,894	-	(4,087)	(3,516)	25	(983)	-	(211,394)
<b>Profit (loss) for the period</b>	<u>(130,280)</u>	<u>(34,800)</u>	<u>(3,727)</u>	<u>(87,382)</u>	<u>(51,419)</u>	<u>(126)</u>	<u>(8,854)</u>	<u>19,970</u>	<u>(26,070)</u>	<u>(567)</u>	<u>494,885</u>	<u>171,630</u>
<b>Total assets</b>	<u>58,374,365</u>	<u>9,077,021</u>	<u>5,749,031</u>	<u>914,942</u>	<u>1,249,266</u>	<u>27,248</u>	<u>104,395</u>	<u>1,409,390</u>	<u>6,187,298</u>	<u>4,006,303</u>	<u>(26,452,987)</u>	<u>60,646,272</u>

(Unaudited but reviewed)

For the nine-month period ended 30 September 2018

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of											
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar					
<b>Revenues</b>												
Revenues from external customers	38,640,730	1,967,082	13,457,249	253,842	1,806,562	-	-	152,430	1,680	23,648	-	56,303,223
Inter-segment revenues	9,392,017	6,242,122	343,668	-	28,478	-	279,265	901,509	3,941	726,179	(17,917,179)	-
<b>Total revenues</b>	<u>48,032,747</u>	<u>8,209,204</u>	<u>13,800,917</u>	<u>253,842</u>	<u>1,835,040</u>	<u>-</u>	<u>279,265</u>	<u>1,053,939</u>	<u>5,621</u>	<u>749,827</u>	<u>(17,917,179)</u>	<u>56,303,223</u>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(1,389,045)	(228,694)	(5,932)	(454)	(1,441)	-	(3,795)	(17,675)	(24,226)	(25,011)	-	(1,696,273)
Finance income	84,402	2,507	8,158	-	652	-	-	3,818	73	220	(85,407)	14,423
Finance cost	(537,452)	(489,657)	(3,488)	(13,273)	-	-	(31,650)	-	-	(1,455)	96,071	(980,904)
Share of profit from investments in associates and joint venture	197,201	-	-	-	-	-	-	-	-	-	-	197,201
<b>Profit (loss) before income tax expense</b>	<u>2,930,086</u>	<u>(181,169)</u>	<u>479,264</u>	<u>(116,386)</u>	<u>287,639</u>	<u>715</u>	<u>(6,442)</u>	<u>33,110</u>	<u>(92,686)</u>	<u>8,268</u>	<u>(1,050,567)</u>	<u>2,291,832</u>
Tax income (expense)	(193,934)	2,386	(62,486)	27,307	(64,986)	-	-	(6,616)	2,305	(901)	-	(296,925)
<b>Profit (loss) for the period</b>	<u>2,736,152</u>	<u>(178,783)</u>	<u>416,778</u>	<u>(89,079)</u>	<u>222,653</u>	<u>715</u>	<u>(6,442)</u>	<u>26,494</u>	<u>(90,381)</u>	<u>7,367</u>	<u>(1,050,567)</u>	<u>1,994,907</u>
<b>Total assets</b>	<u>54,368,342</u>	<u>6,492,782</u>	<u>5,436,659</u>	<u>235,833</u>	<u>1,480,726</u>	<u>26,006</u>	<u>157,504</u>	<u>1,329,514</u>	<u>6,632,744</u>	<u>4,124,519</u>	<u>(25,097,559)</u>	<u>55,187,070</u>

(Unaudited but reviewed)

For the nine-month period ended 30 September 2017

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of											
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar					
<b>Revenues</b>												
Revenues from external customers	46,336,121	1,849,617	18,372,925	2,007,786	708,230	-	-	114,334	1,509	228,105	-	69,618,627
Inter-segment revenues	10,467,035	7,287,230	2,471,884	(194)	-	-	290,751	539,284	490	655,728	(21,712,208)	-
<b>Total revenues</b>	<b>56,803,156</b>	<b>9,136,847</b>	<b>20,844,809</b>	<b>2,007,592</b>	<b>708,230</b>	<b>-</b>	<b>290,751</b>	<b>653,618</b>	<b>1,999</b>	<b>883,833</b>	<b>(21,712,208)</b>	<b>69,618,627</b>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(1,022,004)	(204,997)	(4,814)	(1,290)	(2,021)	-	(3,858)	(16,079)	(25,240)	(22,042)	-	(1,302,345)
Finance income	88,246	1,424	283	-	463	-	-	152	39	186	(58,620)	32,173
Finance cost	(609,994)	(339,797)	(15,314)	(26,707)	-	-	(2,853)	(21,264)	-	(507)	81,614	(934,822)
Share of profit from investments in associates and joint ventures	83,279	-	-	-	-	-	-	-	-	-	-	83,279
<b>Profit (loss) before income tax expense</b>	<b>(214,803)</b>	<b>352,985</b>	<b>686,567</b>	<b>(57,264)</b>	<b>(62,565)</b>	<b>(1,718)</b>	<b>8,752</b>	<b>21,250</b>	<b>(89,336)</b>	<b>(10,166)</b>	<b>(2,513,390)</b>	<b>(1,879,688)</b>
Tax income (expense)	(11,093)	(42,114)	(28,668)	26,965	8,053	-	1,509	274	74	(1,103)	-	(46,103)
<b>Profit (loss) for the period</b>	<b>(225,896)</b>	<b>310,871</b>	<b>657,899</b>	<b>(30,299)</b>	<b>(54,512)</b>	<b>(1,718)</b>	<b>10,261</b>	<b>21,524</b>	<b>(89,262)</b>	<b>(11,269)</b>	<b>(2,513,390)</b>	<b>(1,925,791)</b>
<b>Total assets</b>	<b>58,374,365</b>	<b>9,077,021</b>	<b>5,749,031</b>	<b>914,942</b>	<b>1,249,266</b>	<b>27,248</b>	<b>104,395</b>	<b>1,409,390</b>	<b>6,187,298</b>	<b>4,006,303</b>	<b>(26,452,987)</b>	<b>60,646,272</b>

**20. Commitments and contingent liabilities****20.1 Sales and purchases commitments**

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

(Unit: Thousand Baht)

	As at 30 September 2018	
	Consolidated financial statements	Separate financial statements
<b>Purchases from:</b>		
Joint venture	371,983	-
Third parties	729,513	40,472
	<u>1,101,496</u>	<u>40,472</u>
<b>Sales to:</b>		
Subsidiaries	-	1,032,443
Third parties	13,206,209	8,331,367
	<u>13,206,209</u>	<u>9,363,810</u>

**20.2 Capital commitments**

The Group had capital commitments as follows.

(Unit: Thousand Baht)

	As at 30 September 2018	
	Consolidated financial statements	Separate financial statements
Capital commitments - purchase of fixed assets	<u>303,429</u>	<u>68,246</u>

(Unaudited but reviewed)

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

20.3.1 The Group had commitments from guarantees on the borrowings of subsidiaries as follows.

Currencies	As at 30 September 2018	
	Consolidated financial statements / Separate financial statements	(Equivalent) Million Baht
Million USD	11	357
Billion Rupiah	867	1,894
Total		2,251

20.3.2 As at 30 September 2018, the Group had contingent liabilities for bank guarantees issued in favor of government agencies mainly for electricity usage totaling Baht 154 million. A local subsidiary has pledged its fixed deposits of Baht 1 million as collateral with government agencies for these bank guarantees.

### 20.4 Operating lease commitments - where the Group and the Company is the lessee

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

	(Unit: Thousand Baht)	
	As at 30 September 2018	
	Consolidated financial statements	Separate financial statements
Not later than 1 year	140,057	79,682
Later than 1 year but not later than 5 years	159,207	106,343
Total	299,264	186,025



(Unaudited but reviewed)

## 21. Fair value measurements

As at 30 September 2018 and 31 December 2017, the Group had the assets and liabilities that were measured at fair value using different levels of inputs as follows.

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 30 September 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets				
- equity securities	50,881	-	-	50,881
Financial assets at fair value through profit or loss - trading derivatives	72,401	54,066	-	126,467
<b>Total assets</b>	<b>123,282</b>	<b>54,066</b>	<b>-</b>	<b>177,348</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- trading derivatives	16,488	131,851	-	148,339
<b>Total liabilities</b>	<b>16,488</b>	<b>131,851</b>	<b>-</b>	<b>148,339</b>

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2017 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets				
- equity securities	53,299	-	-	53,299
Financial assets at fair value through profit or loss - trading derivatives	256,739	151,200	-	407,939
<b>Total assets</b>	<b>310,038</b>	<b>151,200</b>	<b>-</b>	<b>461,238</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- trading derivatives	45,338	185,905	-	231,243
<b>Total liabilities</b>	<b>45,338</b>	<b>185,905</b>	<b>-</b>	<b>231,243</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	As at 30 September 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets				
- equity securities	50,500	-	-	50,500
Financial assets at fair value through profit or loss - trading derivatives	38,291	8,798	-	47,089
<b>Total assets</b>	<b>88,791</b>	<b>8,798</b>	<b>-</b>	<b>97,589</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- trading derivatives	9,911	80,728	-	90,639
<b>Total liabilities</b>	<b>9,911</b>	<b>80,728</b>	<b>-</b>	<b>90,639</b>

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2017 (Audited)			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Available-for-sale financial assets				
- equity securities	52,097	-	-	52,097
Financial assets at fair value through profit or loss - trading derivatives	153,777	102,743	-	256,520
<b>Total assets</b>	<b>205,874</b>	<b>102,743</b>	<b>-</b>	<b>308,617</b>
<b>Liabilities</b>				
Financial liabilities at fair value through profit or loss				
- trading derivatives	34,004	164,126	-	198,130
<b>Total liabilities</b>	<b>34,004</b>	<b>164,126</b>	<b>-</b>	<b>198,130</b>

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

## 22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 November 2018.