

SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 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 September 2017, and the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-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

10 November 2017

Sri Trang Agro-Industry Public Company Limited

Statement of Financial Position

As at 30 September 2017

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents		1,902,459,913	1,674,618,807	145,105,701	341,997,422
Derivative financial instruments	6	286,271,893	164,979,930	167,140,652	20,160,205
Trade accounts receivable and other receivables, net	7	7,148,242,647	8,093,256,160	4,892,932,035	3,526,070,485
Amounts due from futures brokers		525,030,833	633,921,366	12,676,653	22,980,570
Inventories, net		19,714,863,133	20,931,003,297	8,237,987,160	10,860,738,679
Current portion of long-term loans to subsidiaries	18.4	-	-	935,300,955	534,882,000
Other current assets		742,888,113	314,101,947	226,853,256	112,720,704
Total current assets		30,319,756,532	31,811,881,507	14,617,996,412	15,419,550,065
Non-current assets					
Long-term loans to subsidiaries	18.4	-	-	1,660,215,000	1,539,321,476
Fixed deposits pledged as collateral		5,056,548	12,320,480	-	-
Investments in subsidiaries	8.1	-	-	18,023,388,548	11,246,845,292
Investments in associates	8.2	489,812,635	1,489,919,788	157,568,800	619,177,500
Investment in joint ventures	8.3	363,627,638	3,699,158,251	134,716,526	197,716,526
Available-for-sale investments		50,718,624	48,702,734	49,544,005	47,586,682
Long-term investment		100,000,000	10,427,032	100,000,000	10,427,032
Property, plant and equipment, net	9	23,057,457,161	15,765,513,625	8,860,839,244	6,804,703,563
Rubber and palm plantations, net	10	1,762,364,921	1,573,403,867	4,383,631	2,550,659
Intangible assets, net	11	465,026,742	480,804,744	453,041,376	469,980,922
Goodwill	12	2,866,472,571	-	-	-
Investment properties		191,292,510	151,931,585	75,663,125	27,769,750
Withholding tax deducted at source		356,639,684	365,540,461	343,758,512	343,758,512
Deferred income tax assets, net		371,327,073	492,342,586	-	139,499,375
Other non-current assets		246,719,026	56,608,008	23,277,216	17,761,640
Total non-current assets		30,326,515,133	24,146,673,161	29,886,395,983	21,467,098,929
Total assets		60,646,271,665	55,958,554,668	44,504,392,395	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 September 2017

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September	31 December	30 September	31 December
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable and other payables	13	2,547,507,278	3,167,835,158	1,877,300,361	1,740,184,886
Short-term borrowings from financial institutions	14	29,080,169,366	23,433,814,874	20,263,594,000	14,338,230,000
Current portion					
- Long-term borrowings from financial institutions	14	301,005,000	5,397,791,500	300,000,000	4,276,387,500
- Debenture	14	600,000,000	-	600,000,000	-
- Finance lease liabilities	14	4,295,830	8,333,682	4,223,939	2,466,055
Derivative financial instruments	6	188,484,804	654,919,773	139,605,612	460,845,943
Current income tax liabilities		32,122,946	113,819,683	-	-
Other current liabilities		85,230,436	59,553,051	18,011,399	27,472,890
Total current liabilities		32,838,815,660	32,836,067,721	23,202,735,311	20,845,587,274
Non-current liabilities					
Long-term borrowings from financial institutions	14	4,422,970,000	654,000	4,422,970,000	-
Debentures	14	2,265,000,000	2,865,000,000	2,265,000,000	2,865,000,000
Finance lease liabilities	14	14,617,732	5,127,618	10,531,692	4,424,685
Deferred income tax liabilities, net		826,291,255	119,339,871	267,349,253	-
Provision for retirement benefit obligations		284,006,666	185,232,931	90,923,465	83,946,773
Other non-current liabilities		35,406,266	35,214,923	-	-
Total non-current liabilities		7,848,291,919	3,210,569,343	7,056,774,410	2,953,371,458
Total liabilities		40,687,107,579	36,046,637,064	30,259,509,721	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 September 2017

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
Note	Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
Ordinary shares, 1,280,000,000 shares				
at par value of Baht 1 each				
(2016: 1,280,000,000 shares				
at par value of 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				
at par value of Baht 1 each				
(2016: 1,280,000,000 shares				
at par value of Baht 1 each)				
	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
	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				
9	3,459,992,039	1,296,859,775	1,972,603,112	552,826,994
Unrealised gains on available-for-sale				
investments				
	14,368,326	12,755,614	13,799,903	12,234,045
Cumulative currency differences on translation				
	(573,461,622)	(284,004,450)	-	-
Retained earnings				
Appropriated - legal reserve				
	128,000,000	128,000,000	128,000,000	128,000,000
Unappropriated				
	6,645,431,691	9,036,069,449	2,299,489,838	2,563,639,402
Total equity attributable to owners of the parent				
	19,332,185,767	19,847,535,721	14,244,882,674	13,087,690,262
Non-controlling interests				
	626,978,319	64,381,883	-	-
Total equity				
	19,959,164,086	19,911,917,604	14,244,882,674	13,087,690,262
Total liabilities and equity				
	60,646,271,665	55,958,554,668	44,504,392,395	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 September 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		18,224,076,283	19,308,955,240	10,783,079,999	9,478,882,534
Cost of sales and services		(16,910,316,110)	(18,271,968,887)	(10,403,368,932)	(8,970,668,664)
Gross profit		1,313,760,173	1,036,986,353	379,711,067	508,213,870
Other income		44,531,350	49,317,024	38,144,268	24,468,167
Selling expenses		(669,414,298)	(798,537,574)	(464,514,332)	(592,625,333)
Administrative expenses		(454,357,010)	(435,417,713)	(176,694,576)	(256,876,482)
Gains on exchange rate, net		93,388,806	95,753,389	73,446,678	39,769,103
Gains on change in fair value of investment properties		47,893,375	-	47,893,375	-
Other gains (losses), net		253,102,065	43,927,845	147,395,836	(1,697,266)
Operating profit (loss)		628,904,461	(7,970,676)	45,382,316	(278,747,941)
Share of profit of associates and joint ventures		82,611,492	111,980,098	-	-
Profit (loss) before net finance costs and income tax		711,515,953	104,009,422	45,382,316	(278,747,941)
Finance income		17,306,653	11,348,353	31,443,615	19,879,200
Finance costs		(345,798,905)	(152,909,677)	(188,773,086)	(105,095,801)
Finance costs, net		(328,492,252)	(141,561,324)	(157,329,471)	(85,216,601)
Profit (loss) before income tax		383,023,701	(37,551,902)	(111,947,155)	(363,964,542)
Income tax income (expense)	15	(211,394,042)	(52,347,090)	(148,544,387)	3,549,301
Profit (loss) for the periods		171,629,659	(89,898,992)	(260,491,542)	(360,415,241)
Other comprehensive income:					
<i>An item that will not be reclassified to profit or loss</i>					
Asset revaluation surplus, net of tax		2,190,324,916	-	1,423,477,027	-
Total item that will not be reclassified to profit or loss		2,190,324,916	-	1,423,477,027	-
<i>Items that will be reclassified subsequently to profit or loss</i>					
Change in value of available-for-sale investments, net of tax		791,766	1,795,409	758,323	1,812,949
Currency translation differences		(90,522,604)	(78,173,854)	-	-
Total items that will be reclassified subsequently to profit or loss		(89,730,838)	(76,378,445)	758,323	1,812,949
Other comprehensive income (expense) for the periods, net of tax		2,100,594,078	(76,378,445)	1,424,235,350	1,812,949
Total comprehensive income (expense) for the periods		2,272,223,737	(166,277,437)	1,163,743,808	(358,602,292)

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 September 2017

	Note	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		166,655,200	(90,777,752)	(260,491,542)	(360,415,241)
Non-controlling interests		4,974,459	878,760	-	-
Profit (loss) for the periods		<u>171,629,659</u>	<u>(89,898,992)</u>	<u>(260,491,542)</u>	<u>(360,415,241)</u>
Total comprehensive income (expense)					
for the periods attributable to:					
Owners of the parent		2,269,753,892	(164,758,241)	1,163,743,808	(358,602,292)
Non-controlling interests		2,469,845	(1,519,196)	-	-
Total comprehensive income (expense)		<u>2,272,223,737</u>	<u>(166,277,437)</u>	<u>1,163,743,808</u>	<u>(358,602,292)</u>
Earnings (losses) per share					
Basic earnings (losses) per share	16	<u>0.13</u>	<u>(0.07)</u>	<u>(0.20)</u>	<u>(0.28)</u>
Diluted earnings (losses) per share	16	<u>0.12</u>	<u>-</u>	<u>(0.19)</u>	<u>-</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 nine-month period ended 30 September 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Revenues from sales of goods and services		69,618,626,906	54,755,095,274	39,823,997,099	26,095,710,751
Cost of sales and services		(67,216,734,109)	(50,962,887,254)	(39,376,337,891)	(24,046,039,964)
Gross profit		2,401,892,797	3,792,208,020	447,659,208	2,049,670,787
Other income		287,562,921	138,460,775	2,370,500,641	402,553,545
Selling expenses		(2,611,331,012)	(2,294,363,734)	(1,803,857,693)	(1,738,442,053)
Administrative expenses		(1,915,119,859)	(1,189,130,919)	(617,536,925)	(661,742,152)
Gains on exchange rate, net		385,294,273	41,918,879	282,972,730	95,119,317
Gains on change in fair value from group investment reclassification	20	223,626,008	-	-	-
Gains from disposals of investments in associates and general investment	20	132,699,762	-	217,824,854	-
Gains on change in fair value of investment properties		47,893,375	-	47,893,375	-
Other gains (losses), net		(12,836,962)	124,983,720	(182,216,866)	25,306,829
Operating profit (loss)		(1,060,318,697)	614,076,741	763,239,324	172,466,273
Share of profit from investments in associates and joint ventures		83,279,418	301,288,584	-	-
Profit (loss) before net finance costs and income tax		(977,039,279)	915,365,325	763,239,324	172,466,273
Finance income		32,173,216	27,000,240	83,179,479	53,819,245
Finance costs		(934,821,542)	(378,946,069)	(551,681,369)	(302,704,471)
Finance costs, net		(902,648,326)	(351,945,829)	(468,501,890)	(248,885,226)
Profit (loss) before income tax		(1,879,687,605)	563,419,496	294,737,434	(76,418,953)
Income tax income (expense)	15	(46,103,471)	(37,847,225)	(50,587,907)	4,887,661
Profit (loss) for the periods		(1,925,791,076)	525,572,271	244,149,527	(71,531,292)
Other comprehensive income:					
<i>An item that will not be reclassified to profit or loss</i>					
Asset revaluation surplus, net of tax		2,190,324,916	-	1,423,477,027	-
Total item that will not be reclassified to profit or loss		2,190,324,916	-	1,423,477,027	-
<i>Items that will be reclassified subsequently to profit or loss</i>					
Change in value of available-for-sale investments, net of tax		1,612,712	5,943,843	1,565,858	5,872,463
Currency translation differences		(294,799,226)	(111,746,608)	-	-
Total items that will be reclassified subsequently to profit or loss		(293,186,514)	(105,802,765)	1,565,858	5,872,463
Other comprehensive income (expense) for the periods, net of tax		1,897,138,402	(105,802,765)	1,425,042,885	5,872,463
Total comprehensive income (expense) for the periods		(28,652,674)	419,769,506	1,669,192,412	(65,658,829)

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 nine-month period ended 30 September 2017

	Note	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		(1,905,830,410)	545,134,314	244,149,527	(71,531,292)
Non-controlling interests		(19,960,666)	(19,562,043)	-	-
Profit (loss) for the periods		<u>(1,925,791,076)</u>	<u>525,572,271</u>	<u>244,149,527</u>	<u>(71,531,292)</u>
Total comprehensive income (expense) for the periods attributable to:					
Owners of the parent		(3,349,954)	438,289,737	1,669,192,412	(65,658,829)
Non-controlling interests		(25,302,720)	(18,520,231)	-	-
Total comprehensive income (expense) for the periods		<u>(28,652,674)</u>	<u>419,769,506</u>	<u>1,669,192,412</u>	<u>(65,658,829)</u>
Earnings (losses) per share					
Basic earnings (losses) per share	16	<u>(1.49)</u>	<u>0.43</u>	<u>0.19</u>	<u>(0.06)</u>
Diluted earnings (losses) per share	16	<u>(1.43)</u>	<u>-</u>	<u>0.18</u>	<u>-</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
For the nine-month period ended 30 September 2017

Consolidated financial information (Unaudited)												
Attributable to owners of the parent												
Notes	Other components of equity											
	Issued and paid-up share capital	Premium on paid-up capital	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	Other comprehensive income			Retained earnings		Total owners of the parent	Non-controlling interests	Total equity	
				Asset revaluation surplus, net of accumulated depreciation	Unrealised gains on available-for-sale investments	Cumulative currency differences on translation	Appropriated - legal reserve	Unappropriated				
Baht	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	-	-	-	-	-	-	-	(1,905,830,410)	(1,905,830,410)	(19,960,666)	(1,925,791,076)	
Other comprehensive income												
Asset revaluation surplus, net of tax	9	-	-	2,190,324,916	-	-	-	-	2,190,324,916	-	2,190,324,916	
Depreciation on asset revaluation, net of tax		-	-	(21,778,457)	-	-	-	21,778,457	-	-	-	
Disposal of assets, net of tax		-	-	(5,414,195)	-	-	-	5,414,195	-	-	-	
Change in value of available-for-sale investments, net of tax		-	-	-	1,612,712	-	-	-	1,612,712	-	1,612,712	
Currency translation differences		-	-	-	-	(289,457,172)	-	-	(289,457,172)	(5,342,054)	(294,799,226)	
Total other comprehensive income, net of tax		-	-	2,163,132,264	1,612,712	(289,457,172)	-	27,192,652	1,902,480,456	(5,342,054)	1,897,138,402	
Total comprehensive income		-	-	2,163,132,264	1,612,712	(289,457,172)	-	(1,878,637,758)	(3,349,954)	(25,302,720)	(28,652,674)	
Transactions with equity												
Dividend payment	17	-	-	-	-	-	-	(512,000,000)	(512,000,000)	-	(512,000,000)	
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(521)	(521)	
Acquisition of non-controlling interests with a change in control	20	-	-	-	-	-	-	-	-	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 September 2017		1,280,000,000	8,550,989,821	(173,134,488)	3,459,992,039	14,368,326	(573,461,622)	128,000,000	6,645,431,691	19,332,185,767	626,978,319	19,959,164,086

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 nine-month period ended 30 September 2017

Consolidated financial information (Unaudited)												
Attributable to owners of the parent												
	Other components of equity											
	Issued and paid-up share capital	Premium on paid-up capital	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	Other comprehensive income				Retained earnings		Total owners of the parent	Non-controlling interests	Total equity
				Asset revaluation surplus, net of accumulated depreciation	Unrealised gains on available-for-sale investments	Cumulative currency differences on translation	Appropriated - legal reserve	Unappropriated				
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	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 for the period	-	-	-	-	-	-	-	545,134,314	545,134,314	(19,562,043)	525,572,271	
Other comprehensive income												
Depreciation on asset revaluation, net of tax	-	-	-	(14,474,944)	-	-	-	14,474,944	-	-	-	
Change in value of available-for-sale investments, net of tax	-	-	-	-	5,943,843	-	-	-	5,943,843	-	5,943,843	
Currency translation differences	-	-	-	-	-	(112,788,421)	-	-	(112,788,421)	1,041,813	(111,746,608)	
Total other comprehensive income, net of tax	-	-	-	(14,474,944)	5,943,843	(112,788,421)	-	14,474,944	(106,844,578)	1,041,813	(105,802,765)	
Total comprehensive income	-	-	-	(14,474,944)	5,943,843	(112,788,421)	-	559,609,258	438,289,736	(18,520,230)	419,769,506	
Transactions with equity												
Dividend payment	17	-	-	-	-	-	-	(512,000,000)	(512,000,000)	-	(512,000,000)	
Dividends of subsidiaries to non-controlling interests		-	-	-	-	-	-	-	-	(487)	(487)	
Acquisition of non-controlling interests with a change in control		-	-	-	-	-	-	-	-	(393)	(393)	
Total transactions with equity		-	-	-	-	-	-	(512,000,000)	(512,000,000)	(880)	(512,000,880)	
Closing balance as at 30 September 2016	1,280,000,000	8,550,989,821	(173,134,488)	1,413,324,941	12,776,130	(381,335,027)	128,000,000	10,335,340,847	21,165,962,224	75,715,137	21,241,677,361	

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 nine-month period ended 30 September 2017

Separate financial information (Unaudited)							
Note	Issued and paid-up share capital Baht		Other components of equity		Retained earnings		Total equity Baht
			Other comprehensive income				
	Premium on paid-up capital Baht	Asset	Unrealised gains	Appropriated		Unappropriated Baht	
		revaluation surplus, net of accumulated depreciation Baht	on available-for-sale investments Baht	- legal reserve Baht	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	-	-	-	-	-	244,149,527	244,149,527
Other comprehensive income							
Asset revaluation surplus, net of tax	-	-	1,423,477,027	-	-	-	1,423,477,027
Depreciation on asset revaluation, net of tax	-	-	(3,700,909)	-	-	3,700,909	-
Change in value of available-for-sale investments, net of tax	-	-	-	1,565,858	-	-	1,565,858
Total other comprehensive income, net of tax	-	-	1,419,776,118	1,565,858	-	3,700,909	1,425,042,885
Total comprehensive expense	-	-	1,419,776,118	1,565,858	-	247,850,436	1,669,192,412
Transactions with equity							
Dividend payment	17	-	-	-	-	(512,000,000)	(512,000,000)
Total transactions with equity	-	-	-	-	-	(512,000,000)	(512,000,000)
Closing balance as at 30 September 2017	<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>1,972,603,112</u>	<u>13,799,903</u>	<u>128,000,000</u>	<u>2,299,489,838</u>	<u>14,244,882,674</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 nine-month period ended 30 September 2017

	Separate financial information (Unaudited)							Total equity Baht
			Other components of equity					
			Other comprehensive income					
			Asset	Unrealised gains		Retained earnings		
	Note	Issued and paid-up share capital Baht	Premium on paid-up capital Baht	revaluation surplus, net of accumulated depreciation Baht	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	
Loss for the period	-	-	-	-	-	(71,531,292)	(71,531,292)	
Other comprehensive income								
Depreciation on asset revaluation, net of tax	-	-	(10,206,230)	-	-	10,206,230	-	
Change in value of available-for-sale investments, net of tax	-	-	-	5,872,463	-	-	5,872,463	
Total other comprehensive income, net of tax	-	-	(10,206,230)	5,872,463	-	10,206,230	5,872,463	
Total comprehensive expense	-	-	(10,206,230)	5,872,463	-	(61,325,062)	(65,658,829)	
Transactions with equity								
Dividend payment	17	-	-	-	-	(512,000,000)	(512,000,000)	
Total transactions with equity	-	-	-	-	-	(512,000,000)	(512,000,000)	
Closing balance as at 30 September 2016	<u>1,280,000,000</u>	<u>8,550,989,821</u>	<u>644,121,117</u>	<u>12,352,433</u>	<u>128,000,000</u>	<u>3,399,235,994</u>	<u>14,014,699,365</u>	

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 nine-month period ended 30 September 2017

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Cash flows from operating activities					
Profit (loss) before income tax		(1,879,687,605)	563,419,496	294,737,434	(76,418,953)
Adjustments for:					
Unrealised (gains) losses on foreign currency translations		(86,318,256)	(130,721,248)	82,360,257	118,857,489
Unrealised (gains) losses on revaluation of derivative financial instruments		(587,726,932)	140,669,589	(468,220,778)	155,847,106
(Reversal of) Allowance for impairment of trade accounts receivable		238,720	(278,763)	-	-
(Reversal of) allowance for inventory cost in excess of net realisable value		1,044,900,277	(166,028,884)	542,171,497	(108,181,820)
Reversal of provision for damaged inventories from fire accident		(41,593,901)	-	-	-
Provision for retirement benefit obligations		24,586,610	25,072,212	8,240,177	8,671,461
Depreciation charges	9	1,253,786,431	839,817,323	504,418,370	387,756,410
Amortisation charges - rubber and palm plantations	10	873,425	477,599	211,919	212,114
Amortisation charges - intangible assets	11	47,684,980	21,739,298	41,710,936	17,018,935
Reversal of impairment loss from fixed assets		(5,860,306)	-	(15,650,331)	-
Write-off income tax refund		-	33,576,785	-	33,576,785
Finance costs		934,821,542	378,946,069	551,681,369	302,704,471
Finance income		(32,173,216)	(27,000,240)	(83,179,479)	(53,819,245)
Dividend income		(1,652,607)	(1,219,340)	(2,231,946,309)	(320,383,143)
Share of profit from investments in associates and joint ventures		(83,279,418)	(301,288,584)	-	-
(Gains) losses on disposal and write-off of property, plant and equipment and intangible assets		(7,104,867)	(1,302,151)	(3,654,174)	1,202,572
Gain on change in fair value from investment group reclassification	20	(223,626,008)	-	-	-
Gain on disposal of investment in associates and general investment	20	(132,699,762)	-	(217,824,854)	-
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)	-
Changes in operating assets and liabilities:					
(Increase) decrease in operating assets					
- Trade accounts receivable and other receivables		2,107,559,649	(3,098,565,286)	(1,392,133,513)	(430,972,686)
- Amounts due from futures brokers		108,890,533	404,393,633	10,303,917	68,613,374
- Inventories		1,565,206,604	255,101,830	2,080,580,022	(111,541,896)
- Other current assets		(168,279,609)	53,293,878	(23,483,223)	(7,486,627)
- Other non-current assets		(189,266,380)	(5,617,204)	(5,515,576)	(217,392)
Increase (decrease) in operating liabilities					
- Trade accounts payable and other payables		(1,659,865,368)	(198,358,096)	156,336,391	97,390,137
- Other current liabilities		25,677,385	8,642,185	(9,461,491)	2,916,054
Cash flows generated from (used in) operating activities		1,950,486,684	(1,205,229,899)	(231,702,344)	85,745,146
Interest paid		(914,591,049)	(367,188,711)	(544,353,782)	(293,508,036)
Interest received		32,173,216	27,000,240	92,466,148	86,619,293
Income tax paid		(370,271,011)	(148,526,364)	(90,649,329)	(50,307,281)
Income tax refunded		9,757,648	109,299,788	-	5,147,789
Employee benefits paid		(2,347,985)	(187,500)	(1,263,485)	(31,500)
Net cash flow generated from (used in) operating activities		705,207,503	(1,584,832,446)	(775,502,792)	(166,334,589)

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

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

	Consolidated financial information		Separate financial information	
	Unaudited 2017 Baht	Unaudited 2016 Baht	Unaudited 2017 Baht	Unaudited 2016 Baht
Cash flows from investing activities				
Decrease in fixed deposits pledged as collateral	7,263,932	20,360,042	-	10,024,198
Dividends received	2,129,720,506	1,219,338	2,231,946,309	320,383,143
Cash received from repayment of long-term loans to a subsidiary	-	-	540,000,000	300,000,000
Cash paid for long-term loans to subsidiaries	-	-	(1,178,981,500)	(283,600,000)
Cash paid for investments in subsidiaries	(5,129,542,633)	-	(6,713,543,256)	(446,980,394)
Cash received from disposals of investment in associates and long-term investment	689,389,350	-	689,389,350	-
Cash paid for investments in a joint venture	-	(114,616,726)	-	(114,616,726)
Cash received from capital decrease of an associate	-	30,000,000	-	30,000,000
Proceeds from disposals of property, plant and equipment, rubber and palm plantations and intangible assets	71,905,916	24,196,230	18,327,526	1,085,776
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	(2,101,632,683)	(1,680,588,332)	(801,431,527)	(1,010,202,004)
Net cash flows used in investing activities	(4,432,895,612)	(1,719,429,448)	(5,314,293,098)	(1,193,906,007)
Cash flows from financing activities				
Increase in short-term borrowings from financial institutions	5,111,455,196	434,663,145	5,925,364,000	92,629,000
Cash received from short-term borrowings from a subsidiary	-	-	500,000,000	-
Repayments in short-term borrowings from a subsidiary	-	-	(500,000,000)	-
Proceeds from long-term borrowings	1,172,362,500	810,000,000	1,172,362,500	-
Repayments of long-term borrowings	(1,811,053,000)	(171,727,500)	(690,000,000)	(170,674,500)
Proceeds from debentures	-	2,265,000,000	-	2,265,000,000
Repayments of debenture	-	(300,000,000)	-	(300,000,000)
Cash paid for purchase non-controlling interests in a subsidiary	-	(393)	-	-
Payments on finance lease liabilities	(5,234,960)	(20,782,680)	(2,822,331)	(3,179,464)
Dividend paid	17 (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 financing activities	3,955,529,215	2,505,152,085	5,892,904,169	1,371,775,036
Net increase (decrease) in cash and cash equivalents	227,841,106	(799,109,809)	(196,891,721)	11,534,440
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 the end of the periods	1,902,459,913	1,398,131,450	145,105,701	313,776,631
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	(2,100,736,794)	(1,655,647,826)	(807,047,070)	(1,000,386,301)
Increase in land and buildings due to account receivables repayment	42,953,647	-	21,476,824	-
Increase in liabilities under finance lease contracts	10,687,222	2,932,455	10,687,222	2,841,749
Decrease in payable from purchases of assets	(54,536,758)	(27,872,961)	(26,548,503)	(12,657,452)
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets	(2,101,632,683)	(1,680,588,332)	(801,431,527)	(1,010,202,004)

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

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 10 November 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

2.2.1 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 16 (revised 2016)	Property, plant and equipment
TAS 19 (revised 2016)	Employee benefits
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 34 (revised 2016)	Interim financial reporting
TAS 38 (revised 2016)	Intangible assets
TFRS 5 (revised 2016)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities

The management has assessed and considered that the above revised standards do not have significant impact on the Group.

2.2.2 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018.

- (a) Revised financial reporting standards and interpretations with minor changes and do not have impact to the Group. The Group has not yet adopted these revised standards.

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

The management has assessed and considered that the above revised standards do not have significant impact on the Group.

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 and the separate 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 September 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	50,719	-	-	50,719
Financial assets at fair value through profit or loss - Financial instruments	226,032	60,240	-	286,272
Total assets	276,751	60,240	-	336,991
Liabilities				
Financial liabilities at fair value through profit or loss - Financial instruments	48,580	139,905	-	188,485
Total liabilities	48,580	139,905	-	188,485
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	49,544	-	-	49,544
Financial assets at fair value through profit or loss - Financial instruments	130,260	36,881	-	167,141
Total assets	179,804	36,881	-	216,685
Liabilities				
Financial liabilities at fair value through profit or loss - Financial instruments	37,362	102,244	-	139,606
Total liabilities	37,362	102,244	-	139,606

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 manufacturing, selling and trading of ribbed smoked sheets, concentrated latex and block rubbers including 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 advisory, and information system service providing.
- (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 September 2017, the Group operates in four business segments in seven main geographical areas (As at 30 September 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 September 2017

5 Segment information (Cont'd)

Reportable segments by geographical area of interim consolidated financial information for the nine-month period ended 30 September 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	56,803,156	9,136,847	20,844,809	2,007,592	708,230	-	290,751	653,618	1,999	883,833	91,330,835
Inter-segment revenues	(10,467,035)	(7,287,230)	(2,471,884)	194	-	-	(290,751)	(539,284)	(490)	(655,728)	(21,712,208)
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
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	29,626	1,424	283	-	463	-	-	152	39	186	32,173
Finance costs	(608,314)	(259,864)	(15,314)	(26,707)	-	-	(2,853)	(21,264)	-	(506)	(934,822)
Share of profit from investments in associates and joint ventures	83,279	-	-	-	-	-	-	-	-	-	83,279
Profit (loss) before income tax	(214,803)	352,985	686,567	(57,264)	(62,565)	(1,718)	8,752	21,250	(89,336)	(10,166)	633,702
Income tax income (expense)	(11,093)	(42,114)	(28,668)	26,965	8,053	-	1,509	274	74	(1,103)	(46,103)
Profit (loss) for the period	(225,896)	310,871	657,899	(30,299)	(54,512)	(1,718)	10,261	21,524	(89,262)	(11,269)	587,599
Intersegmental balances											(2,513,390)
Total loss for the period											(1,925,791)
Total assets	58,374,365	9,077,021	5,749,031	914,942	1,249,266	27,248	104,395	1,409,390	6,187,298	4,006,303	87,099,259
Intersegmental balances											(26,452,987)
Total assets											60,646,272

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

	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	36,869,443	5,947,769	16,585,842	1,376,701	851,276	-	112,647	2,044,996	267	1,126,184	64,915,125
Inter-segment revenues	(3,727,445)	(4,364,544)	(1,053,133)	-	-	-	(112,647)	(309,537)	-	(592,724)	(10,160,030)
Revenues from external customers	33,141,998	1,583,225	15,532,709	1,376,701	851,276	-	-	1,735,459	267	533,460	54,755,095
Depreciation and amortisation	(582,246)	(207,070)	(6,353)	(1,560)	(1,767)	(83)	(3,865)	(14,678)	(21,877)	(22,535)	(862,034)
Finance income	23,298	2,393	162	-	882	2	-	124	36	103	27,000
Finance costs	(332,317)	7,796	(3,507)	(22,143)	-	(5)	-	(27,613)	-	(1,157)	(378,946)
Share of profit from investments in associates and joint ventures	301,289	-	-	-	-	-	-	-	-	-	301,289
Profit (loss) before income tax	536,839	(304,736)	696,894	(91,744)	(21,404)	(1,651)	(9,986)	238,528	(98,193)	53,674	998,221
Income tax income (expense)	19,615	41,019	(72,185)	22,622	8,867	-	-	(46,870)	68	(10,983)	(37,847)
Profit (loss) for the period	556,454	(263,717)	624,709	(69,122)	(12,537)	(1,651)	(9,986)	191,658	(98,125)	42,691	960,374
Intersegmental balances											(434,802)
Total profit for the period											525,572
Total assets	35,993,293	7,006,846	4,887,681	1,049,161	418,492	30,283	54,306	2,334,004	5,967,933	2,083,092	59,825,091
Intersegmental balances											(13,302,937)
Total assets											46,522,154

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 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Thailand	26,051,749	15,807,820
Indonesia	2,302,994	2,003,222
Singapore	186,071	160,012
USA	1,496	2,588
China	20,799	23,040
Myanmar	26,084	31,371
Vietnam	140	209
Total	28,589,333	18,028,262

6 Derivative financial instruments

	Consolidated financial information			
	(Unaudited) 30 September 2017		(Audited) 31 December 2016	
	Assets Baht'000	Liabilities Baht'000	Assets Baht'000	Liabilities Baht'000
Foreign exchange swaps	17,716	(69,517)	-	(120,311)
Foreign exchange options	894	(24,422)	-	-
Rubber options	7,702	(4,533)	-	-
Forward foreign exchange contracts	33,928	(22,480)	60,359	(188,190)
Rubber futures	226,032	(48,580)	23,054	(280,758)
Physical forward contracts	-	(18,953)	81,567	(65,661)
Total derivative financial instruments	286,272	(188,485)	164,980	(654,920)

	Separate financial information			
	(Unaudited) 30 September 2017		(Audited) 31 December 2016	
	Assets Baht'000	Liabilities Baht'000	Assets Baht'000	Liabilities Baht'000
Foreign exchange swaps	17,716	(69,517)	-	(120,311)
Foreign exchange options	894	(18,129)	-	-
Rubber options	7,702	(4,533)	-	-
Forward foreign exchange contracts	10,569	(10,065)	4	(131,150)
Rubber futures	130,260	(37,362)	20,156	(209,385)
Total derivative financial instruments	167,141	(139,606)	20,160	(460,846)

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7 Trade accounts receivable and other receivables, net

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Trade accounts receivable - other companies	6,525,467	7,643,206	3,130,514	2,976,587
<u>Less</u> Allowance for impairment of trade accounts receivable	(43,205)	(42,359)	(27,636)	(27,636)
Total trade accounts receivable - other companies, net	6,482,262	7,600,847	3,102,878	2,948,951
Trade accounts receivable - related companies (Note 18.3)	3,425	98,594	763,404	333,977
Total trade accounts receivable, net	6,485,687	7,699,441	3,866,282	3,282,928
Advance payments for goods and others	289,602	129,536	887,999	65,395
Prepaid expenses	286,997	155,640	73,974	30,771
Accrued income and other receivables	85,957	108,639	64,677	146,976
Total trade accounts receivable and other receivables, net	7,148,243	8,093,256	4,892,932	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 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Within credit terms	5,799,286	6,982,754	3,380,219	2,812,632
Overdue 1 - 30 days	561,312	639,682	390,442	429,808
Overdue 31 - 60 days	59,043	31,411	36,921	25,271
Overdue 61 - 90 days	30,540	27,824	22,635	989
Overdue 91 - 120 days	14,599	2,566	14,599	-
Overdue 121 - 365 days	9,498	12,284	8,473	7,638
More than 365 days	54,614	45,279	40,629	34,226
	6,528,892	7,741,800	3,893,918	3,310,564
<u>Less</u> Allowance for impairment of trade accounts receivable	(43,205)	(42,359)	(27,636)	(27,636)
Total trade accounts receivable, net	6,485,687	7,699,441	3,866,282	3,282,928

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 September 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	Currencies	Consolidated financial information			
			(Unaudited) 30 September 2017		(Audited) 31 December 2016	
			Amount	(Equivalent) Baht Million	Amount	(Equivalent) Baht Million
Additional investment and reclassification						
Startex Rubber Co., Ltd.	Subsidiary	Baht Million	-	50	-	2,025
Sri Trang International Pte Ltd.	Indirect subsidiary	Baht Million	-	-	(61)	(2,014)
Sri Trang USA, Inc.	Subsidiary	USD Million	1	34	-	-
Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp., Ltd.)*	Subsidiary	Baht Million	-	6,448	-	-
Sri Trang Rubber & Plantation Co., Ltd.	Subsidiary	Baht Million	-	262	-	534
Shidong Shanghai Medical Equipment Co.,Ltd.**	Indirect subsidiary	USD Million	2	57	-	-
	Total			6,851		545

* In March 2017, Sri Trang Gloves (Thailand) Co., Ltd. ("Sri Trang Gloves") was changed its name and status from a joint venture to a direct subsidiary. The Group holds 90.23% of the shares in Sri Trang Gloves Related detail is shown in Note 20 Business acquisition.

** In May 2017, The Company established its new indirect subsidiary being named as Shidong Shanghai Medical Equipment Co., Ltd. ("SDME") in China. The Company has invested in SDME through its subsidiary, Startex Rubber Co., Ltd. ("STC"), 99.99% in which STC holds 100% of shares in SDME.

8 Investments in subsidiaries, associates and joint ventures

8.2 Investments in associates

Significant investments in associates are as follows:

	Activities	Countries of incorporation	Consolidated financial information	
			% Ownership interest	
			(Unaudited) 30 September 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	Consolidated financial information	
		(Unaudited) 30 September 2017 Baht Million	(Audited) 31 December 2016 Baht Million
Disposal of :			
Sempermed USA, Inc.***	Direct associate	(333)	-
Semperflex Shanghai Co., Ltd.***	Direct associate	(295)	-
Sempermed Singapore Pte Ltd.***	Indirect associate	(25)	-
Sempermed Brazil Comercio Exterior LTDA. (held by Sempermed Singapore Pte Ltd.)***	Indirect associate	-	-
Formtech Engineering (M) Sdn. Bhd. (held by Sempermed Singapore Pte Ltd.)***	Indirect associate	(16)	-
		<u>(669)</u>	<u>-</u>

*** 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 20 Business acquisition.

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

8.3 Investments in joint ventures

Significant investments in joint ventures are as follows:

	Consolidated financial information			
	Activities	Countries of incorporation	% Ownership interest	
			(Unaudited) 30 September 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:

	Consolidated financial information		
	Relationship	(Unaudited)	(Audited)
		30 September Baht Million	31 December Baht Million
Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp., Ltd.)	Joint venture	(1,764)	-

**** In March 2017, Sri Trang Gloves (Thailand) Co., Ltd (formerly Siam Sempermed Corp. Ltd.) disposed all of investment in Shanghai Sempermed Gloves Co., Ltd. to Semperit Technische Produkte Gesellschaft m.b.H.

9 Property, plant and equipment, net

	Consolidated financial information	Separate financial information
	(Unaudited) Baht'000	(Unaudited) Baht'000
For the nine-month period ended 30 September 2017		
Opening net book value	15,765,514	6,804,704
Property, plant and equipment from business acquisition (Note 20)	4,134,827	-
Additions	1,937,293	780,096
Disposals and write-offs, net	(63,562)	(14,539)
Additions of assets revaluation	2,830,764	1,850,373
Reductions of assets revaluation	(86,998)	(55,377)
Depreciation charges	(1,253,786)	(504,418)
Depreciation capitalised to assets	(53,478)	-
Cumulative currency differences on translation	(153,117)	-
Closing net book value	23,057,457	8,860,839

According to the Group's accounting policy in asset valuation determine to assess the value of land, land improvements, buildings and structures by an independent appraiser for every 5 years, which become due in 2017. The Group has engaged an independent property appraiser approved by the The Securities and Exchange Commission.

Due to the revaluation of land, land improvements, buildings and structures following the accounting policy of the Group at 31 August 2017, this results in changes of increases in assets revaluation surplus, net of tax totalling amount to Baht 2,190,324,916 for the nine-month period ended 30 September 2017.

9 Property, plant and equipment, net (Cont'd)

Under the cost model, land, land improvement, buildings and structures would have been net carried at Baht 11,095,194,699 at 30 September 2017 and Baht 9,375,011,012 at 30 September 2016, respectively. The revaluation surplus net of tax was Baht 3,459,992,039 at 30 September 2017 and Baht 1,413,324,940 at 30 September 2016, respectively. There are no restrictions on the distribution of the surplus to shareholders.

The fair value measurement information in accordance with TFRS 13 are given below.

	Fair value measurements at 30 September 2017		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	Thousand Baht	Thousand Baht	Thousand Baht
	Baht	Baht	Baht
Recurring fair value measurements			
Lands and land improvements	-	9,574,279	-
Buildings	-	6,032,405	-

Valuation techniques used to derive Level 2 fair values

Level 2 fair value of land and land improvements has been generally derived using the sales comparison approach by an independent appraiser. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as spaces, location, environment and highest best and use. The most significant input into this valuation approach is price per Rai (local space unit) and size of land.

Level 2 fair values of buildings and structures have been generally derived using the replacement cost approach by an independent appraiser. Replacement value is calculated from construction prices in the market to build the similar characteristics of properties in close proximity and adjusted for depreciation which calculated from utilized period and remaining expected useful life. The most significant input into this valuation approach is construction price per square meter, utility spaces and useful life of buildings.

10 Rubber and palm plantations, net

	Consolidated financial information	Separate financial information
	(Unaudited) Baht'000	(Unaudited) Baht'000
For the nine-month period ended 30 September 2017		
Opening net book value	1,573,404	2,551
Additions	137,424	2,045
Disposals, net	(1,068)	-
Amortisation charges	(873)	(212)
Depreciation capitalised to assets	53,478	-
Closing net book value	<u>1,762,365</u>	<u>4,384</u>

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11 Intangible assets, net

	Consolidated financial information	Separate financial information
	(Unaudited)	(Unaudited)
	Baht'000	Baht'000
For the nine-month period ended 30 September 2017		
Opening net book value	480,805	469,981
Intangible assets from business acquisition (Note 20)	6,701	-
Additions	26,020	24,905
Disposals and write-offs, net	(171)	(134)
Amortisation charges	(47,685)	(41,711)
Cumulative currency differences on translation	(643)	-
Closing net book value	<u>465,027</u>	<u>453,041</u>

12 Goodwill

	Consolidated financial information
	(Unaudited)
	Baht'000
Opening balance as at 1 January 2017	-
Business acquisition (Note 20)	<u>2,866,473</u>
Closing balance as at 30 September 2017	<u>2,866,473</u>

13 Trade accounts payable and other payables

	Consolidated financial information		Separate financial information	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	30 September	31 December	30 September	31 December
	2017	2016	2017	2016
	Baht'000	Baht'000	Baht'000	Baht'000
Trade accounts payable				
- other companies	1,258,281	974,197	449,351	430,670
Trade accounts payable				
- related companies (Note 18.3)	87,102	633,460	874,968	522,822
Accrued expenses	618,554	800,857	245,593	333,387
Advance received for goods and others	293,385	339,054	216,429	248,263
Deposits and retentions received from customers	163,888	107,213	22,747	16,976
Other trade accounts payable				
- other companies	125,206	307,052	47,869	124,724
Other trade accounts payable				
- related companies (Note 18.3)	-	5,677	19,677	63,158
Others	1,091	325	666	185
Total trade accounts payable and other payables	<u>2,547,507</u>	<u>3,167,835</u>	<u>1,877,300</u>	<u>1,740,185</u>

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14 Borrowings

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Current				
Short-term borrowings from financial institutions	28,745,042	23,086,867	20,263,594	14,338,230
Notes payable	335,127	346,948	-	-
Total short-term borrowings from financial institutions	29,080,169	23,433,815	20,263,594	14,338,230
Current portion				
- Long-term borrowings from financial institutions	301,005	5,397,792	300,000	4,276,388
- Debenture	600,000	-	600,000	-
- Finance lease liabilities	4,296	8,334	4,224	2,466
Total current borrowings	29,985,470	28,839,941	21,167,818	18,617,084
Non-current				
Long-term borrowings from financial institutions	4,422,970	654	4,422,970	-
Debentures	2,265,000	2,865,000	2,265,000	2,865,000
Finance lease liabilities	14,618	5,127	10,532	4,425
Total non-current borrowings	6,702,588	2,870,781	6,698,502	2,869,425
Total borrowings	36,688,058	31,710,722	27,866,320	21,486,509

Movement in borrowings are analysed as follows:

	Consolidated financial information (Unaudited) Baht'000	Separate financial information (Unaudited) Baht'000
For the nine-month period ended 30 September 2017		
Opening balance as at 1 January 2017	31,710,722	21,486,509
Borrowing of a subsidiary from business acquisition (Note 20)	500,000	-
Increases of short-term borrowings from financial institutions	5,111,455	5,925,364
Additions of long-term borrowings from financial institutions	1,172,362	1,172,362
Repayments of long-term borrowings from financial institutions	(1,811,053)	(690,000)
Additions of finance lease liabilities	10,687	10,687
Repayments of finance lease liabilities	(5,235)	(2,822)
Cumulative currency differences on translation	(880)	(35,780)
Closing balance as at 30 September 2017	36,688,058	27,866,320

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.

14 Borrowings (Cont'd)

In March 2017, Company additionally borrowed Baht 4,500 million for business acquisition (as described in Note 20 Business acquisition). The borrowings are made in Thai Baht with interest rate at MLR minus 2.25% and will mature by 29 December 2017

On 28 September 2017, the Company had received the waiver document in order to ignore the full compliance with certain terms under the underlying borrowings agreement. Long-term borrowings from a financial institution a balance of Baht 3,386 million (2016: Baht 3,536 million), which were previously reclassified as a current portion of long-term borrowings from a financial institution in the financial statements for the year ended 31 December 2016, were then classified as long-term borrowings from a financial institution in the financial statements for the nine-month period ended 30 September 2017.

Debentures are unsubordinated, unsecured and denominated in Thai Baht, which are due for redemption from 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 nine-month period ended 30 September 2017 was 2.45% (the average effective tax rate for the year ended 31 December 2016 was 26.40%), and for the interim company financial information, it was 17.16% (the average effective tax rate for the year ended 31 December 2016 was 22.35%).

16 Earnings (losses) per share

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

For the calculation of the diluted earnings(losses) per share, the net profit adjusted for weighted average number of ordinary shares are assumed for conversion of call option of common stock (Note 22).

The basic earnings (losses) per share and the diluted earnings (losses) per share are as follows:

	For the three-month periods ended 30 September			
	Consolidated financial information (Unaudited)		Separate financial information (Unaudited)	
	2017	2016	2017	2016
Weighted average number of shares (Shares'000)	1,280,000	1,280,000	1,280,000	1,280,000
Effect of dilutive potential shares (Shares'000)	56,000	-	56,000	-
Weighted average number of shares for diluted earnings (Shares'000)	<u>1,336,000</u>	<u>1,280,000</u>	<u>1,336,000</u>	<u>1,280,000</u>
Net profit (loss) for the period attributable to ordinary shareholders (Baht'000)	166,655	(90,778)	(260,492)	(360,415)
Basic earnings (losses) per share (Baht)	0.13	(0.07)	(0.20)	(0.28)
Diluted earnings (losses) per share (Baht)	0.12	-	(0.19)	-

16 Earnings (losses) per share (Cont'd)

The basic earnings (losses) per share and the diluted earnings (losses) per share are as follows: (Cont'd)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial information		financial information	
	(Unaudited)		(Unaudited)	
	2017	2016	2017	2016
Weighted average number of shares (Shares'000)	1,280,000	1,280,000	1,280,000	1,280,000
Effect of dilutive potential shares (Shares'000)	56,000	-	56,000	-
Weighted average number of shares for diluted earnings (Shares'000)	<u>1,336,000</u>	<u>1,280,000</u>	<u>1,336,000</u>	<u>1,280,000</u>
Net profit (loss) for the period attributable to ordinary shareholders (Baht'000)	(1,905,830)	545,134	244,150	(71,531)
Basic earnings (losses) per share (Baht)	(1.49)	0.43	0.19	(0.06)
Diluted earnings (losses) per share (Baht)	(1.43)	-	0.18	-

17 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.

18 Significant related party transactions

The following significant transactions were carried out with related companies:

18.1 Revenues from sales and services and other income

For the three-month periods ended	Consolidated financial information (Unaudited)		Separate financial information (Unaudited)	
	30 September 2017 Baht'000	30 September 2016 Baht'000	30 September 2017 Baht'000	30 September 2016 Baht'000
Revenues from sales to:				
Subsidiaries	-	-	1,437,328	896,460
An associate	6,560	6,903	-	-
A joint venture	192	752,249	-	282,169
	<u>6,752</u>	<u>759,152</u>	<u>1,437,328</u>	<u>1,178,629</u>
Service income from:				
Subsidiaries	-	-	52,310	12,868
An associate	5,068	5,277	2,324	1,040
Joint ventures	2,916	70,970	2,295	5,664
	<u>7,984</u>	<u>76,247</u>	<u>56,929</u>	<u>19,572</u>
Rental income:				
A Subsidiary	-	-	61	256
An associate	100	100	-	-
A joint venture	-	8,470	-	1,920
	<u>100</u>	<u>8,570</u>	<u>61</u>	<u>2,176</u>
Interest income:				
Subsidiaries	-	-	22,773	9,444

18 Significant related party transactions (Cont'd)

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

For the nine-month periods ended	Consolidated financial information (Unaudited)		Separate financial information (Unaudited)	
	30 September 2017 Baht'000	30 September 2016 Baht'000	30 September 2017 Baht'000	30 September 2016 Baht'000
Revenues from sales to:				
Subsidiaries	-	-	4,412,206	2,409,730
An associate	19,423	20,108	-	-
A joint venture	1,152	2,105,203	293,032	816,549
	<u>20,575</u>	<u>2,125,311</u>	<u>4,705,238</u>	<u>3,226,279</u>
Service income from:				
Subsidiaries	-	-	145,401	35,853
An associate	14,481	15,841	6,923	2,389
Joint ventures	46,607	214,001	19,375	13,772
	<u>61,088</u>	<u>229,842</u>	<u>171,699</u>	<u>52,014</u>
Dividend income:				
Subsidiaries	-	-	519,166	319,166
An associate	451,486	-	398,370	-
Joint ventures	1,676,582	-	1,312,760	-
	<u>2,128,068</u>	<u>-</u>	<u>2,230,296</u>	<u>319,166</u>
Rental income:				
Subsidiaries	-	-	183	767
An associate	300	300	-	-
A joint venture	5,458	25,383	-	5,760
	<u>5,758</u>	<u>25,683</u>	<u>183</u>	<u>6,527</u>
Interest income:				
Subsidiaries	-	-	56,940	30,609

18 Significant related party transactions (Cont'd)

18.2 Purchases of goods and services

For the three-month periods ended	Consolidated financial information (Unaudited)		Separate financial information (Unaudited)	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	Baht'000	Baht'000	Baht'000	Baht'000
Purchases of goods from:				
Subsidiaries	-	-	2,770,479	434,147
An associate	39	16	9	-
Joint ventures	322,479	1,430,945	-	248,408
	<u>322,518</u>	<u>1,430,961</u>	<u>2,770,488</u>	<u>682,555</u>
Service expenses from:				
Subsidiaries	-	-	149,024	261,851
A joint venture	-	296	-	-
	<u>-</u>	<u>296</u>	<u>149,024</u>	<u>261,851</u>
Rental expense:				
A subsidiary	-	-	199	307
	<u>-</u>	<u>-</u>	<u>199</u>	<u>307</u>
For the nine-month periods ended	Consolidated financial information (Unaudited)		Separate financial information (Unaudited)	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
	Baht'000	Baht'000	Baht'000	Baht'000
Purchases of goods from:				
Subsidiaries	-	-	7,473,324	1,073,766
An associate	63	39	9	-
Joint ventures	2,959,257	4,300,671	237,114	786,099
	<u>2,959,320</u>	<u>4,300,710</u>	<u>7,710,447</u>	<u>1,859,865</u>
Service expenses from:				
Subsidiaries	-	-	652,996	849,015
An associate	6	-	-	-
A joint venture	-	460	-	7
	<u>6</u>	<u>460</u>	<u>652,996</u>	<u>849,022</u>
Rental expense:				
A subsidiary	-	-	599	922
	<u>-</u>	<u>-</u>	<u>599</u>	<u>922</u>

18 Significant related party transactions (Cont'd)

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

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Trade accounts receivable: (Note 7)				
Subsidiaries	-	-	762,693	326,207
An associate	3,212	7,759	711	809
A joint venture	213	90,835	-	6,961
	<u>3,425</u>	<u>98,594</u>	<u>763,404</u>	<u>333,977</u>
Deposit with future brokers:				
An associate	-	22,981	-	22,981
Other receivables:				
Subsidiaries	-	-	45,493	81,018
An associate	1,136	311	-	-
A joint venture	-	3,610	-	-
	<u>1,136</u>	<u>3,921</u>	<u>45,493</u>	<u>81,018</u>
Trade accounts payable: (Note 13)				
Subsidiaries	-	-	874,964	405,466
An associate	54	24	4	-
Joint ventures	87,048	633,436	-	117,356
	<u>87,102</u>	<u>633,460</u>	<u>874,968</u>	<u>522,822</u>
Other payables: (Note 13)				
Subsidiaries	-	-	19,677	63,141
A joint venture	-	5,677	-	17
	<u>-</u>	<u>5,677</u>	<u>19,677</u>	<u>63,158</u>

18 Significant related party transactions (Cont'd)

18.4 Outstanding balances arising from long term loans to subsidiaries

	Consolidated financial information		Separate financial information	
	(Unaudited) 30 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000	(Unaudited) 30 September 2017 Baht'000	(Audited) 31 December 2016 Baht'000
Accrued interest income:				
Subsidiaries	-	-	6,085	10,389
Long-term loans to:				
Subsidiaries	-	-	2,595,516	2,074,203

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

Consolidated financial information (Unaudited)					
		Principal		Interest rate %	Borrowing period
Relationships	USD Million	(Equivalent) Baht Million			
PT Sri Trang Lingga Indonesia	Overseas subsidiary	5	167	3.33	5 years
PT Sri Trang Lingga Indonesia	Overseas subsidiary	15	498	4.20	3 years
PT Sri Trang Lingga Indonesia	Overseas subsidiary	10	332	4.18	3 years
PT Sri Trang Lingga Indonesia	Overseas subsidiary	20	664	4.30	3 years
PT Star Rubber	Indirect overseas subsidiary	15	502	3.33	5 years
PT Star Rubber	Indirect overseas subsidiary	8	266	2.65	2 years
PT Star Rubber	Indirect overseas subsidiary	5	166	4.18	3 years
		78	2,595		

18.5 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:

	Consolidated financial statement (Unaudited)		Separate financial statement (Unaudited)	
	30 September 2017 Baht'000	30 September 2016 Baht'000	30 September 2017 Baht'000	30 September 2016 Baht'000
For the three-month periods ended				
Salaries and other short-term key management benefits	56,497	35,975	11,744	8,693
Post-employment benefits	864	787	316	247
Total	57,361	36,762	12,060	8,940
For the nine-month periods ended				
Salaries and other short-term key management benefits	152,079	112,031	34,041	29,115
Post-employment benefits	2,652	2,502	924	850
Total	154,731	114,533	34,965	29,965

19 Contingent liabilities and commitments

19.1 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) 30 September 2017 Baht'000	Separate financial information (Unaudited) 30 September 2017 Baht'000
Purchases made from:		
A joint venture	441,281	-
Third parties	1,740,014	7,038
	<u>2,181,295</u>	<u>7,038</u>
Sales made to:		
Subsidiaries	-	664,946
Third parties	11,742,138	6,894,485
	<u>11,742,138</u>	<u>7,559,431</u>

19.2 Capital commitments

The Group and the Company have capital commitments as follows:

	Consolidated financial information (Unaudited) 30 September 2017 Baht'000	Separate Financial information (Unaudited) 30 September 2017 Baht'000
Capital commitments - purchase of fixed assets	577,764	315,596

19.3 Commitments from guarantees on borrowings of subsidiaries and contingent liabilities

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

	Consolidated financial information (Unaudited)			
	Relationships	Currencies	30 September 2017	
Amount			(Equivalent) Baht Million	
Sri Trang USA, Inc.	An overseas subsidiary	USD Million	28	928
PT Sri Trang Lingga Indonesia	An overseas subsidiary	USD Million Rupiah Billion	48 609	1,629 1,519
PT Star Rubber	An indirect overseas subsidiary	USD Million Rupiah Billion	12 240	397 599

19.3.2 The Group has contingent liabilities for bank guarantees issued in favor of government agencies totalling Baht 153 million mainly for electricity usage and has pledged its fixed deposits as collateral for these bank guarantees for Baht 1 million.

19 Contingent liabilities and commitments (Cont'd)

19.4 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 September 2017 Baht'000	Separate financial information (Unaudited) 30 September 2017 Baht'000
Not later than 1 year	133,084	70,138
Later than 1 year but not later than 5 years	166,433	73,246
Later than 5 years	5	-
Total	299,522	143,384

20 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 2,866.47 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 (formerly Siam Sempermed Corp. Ltd.) 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
Total consideration paid and transferred	6,319,534
Fair value of previously held investment in Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp. Ltd.) Prior to the acquisition date	1,987,632
Total consideration	8,307,166

20 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)	4,134,827
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	333,021
Provision for retirement benefit obligations	76,962
Total identifiable net assets	6,028,593
Non-controlling interests	(587,900)
Goodwill (Note 12)	2,866,473
Total consideration transferred	8,307,166
Fair value of previously held investment in Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp. Ltd.) prior to the acquisition date	1,987,632
<u>Less</u> book value of investment under equity method in Sri Trang Gloves (Thailand) Co., Ltd. (formerly Siam Sempermed Corp. Ltd.) at the acquisition date	(1,764,006)
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.	252,152
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. (formerly Siam Sempermed Corp. Ltd.) at acquisition date	(509,092)
Gains from disposals of investments in associates and general investment	132,700

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 at the exercise price of USD 51 million, 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 4,134.83 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.

20 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 September 2017 contributed by acquiree was Baht 4,607.74 million and also the contributed loss of Baht 472.26 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 September 2017 would show the revenues of Baht 6,551.22 million and net profit of Baht 63.54 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 nine-month period then ended 30 September 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 2,866.47 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. (formerly Siam Sempermed Corp. 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.

21 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.

22 Events after the reporting period

Capital increase of Sri Trang Agro-Industry Public Company Limited

The Extraordinary Shareholders' meeting No.2/2017 on 31 August 2017 approved the increase of the Company's registered share capital at 255,999,998 ordinary shares with a par value of Baht 1 per share, totalling Baht 256 million. As a result, registered shares increased to Baht 1,536 million from Baht 1,280 million. The increase of share capital are offered to existing shareholders in ratio of 5 existing ordinary shares to one new issued ordinary share at Baht 10 per share, totalling Baht 2,560 million. The offered shares were fully paid up on 6 October 2017. The Company registered the increase of issued and paid-up share capital with the Ministry of Commerce on 16 October 2017.