

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 2019

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 2019, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, 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 period. 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*.

Emphasis of matter

I draw attention to Note 1.2 a) to the interim financial statements regarding the accounting purpose, the amalgamation was considered to be a subsidiary restructuring under common control. Thus, the consolidated financial statements were restated to reflect the substance as if the amalgamation was carried out on 16 August 2018, even though the legal form of the subsidiary was formed by the amalgamation on 1 April 2019. My conclusion is not qualified in respect of this matter.

Supachai Phanyawattano
Certified Public Accountant (Thailand) No. 3930

EY Office Limited
Bangkok: 14 November 2019

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 30 September 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited/restated)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		2,512,983,622	4,259,163,167	243,368,766	381,814,522
Trade and other receivables	4	5,740,513,026	5,969,543,349	2,888,248,571	3,233,142,662
Amounts due from futures brokers		623,418,406	976,274,751	30,313,322	31,299,805
Inventories	5	9,965,412,922	12,451,783,488	4,658,981,509	6,063,579,623
Current portion of long-term loans to subsidiaries	3	-	-	851,692,800	742,550,400
Derivative financial instruments	6	176,973,277	59,600,920	71,432,767	33,078,993
Other current assets		<u>776,187,352</u>	<u>509,552,159</u>	<u>68,217,626</u>	<u>60,608,671</u>
Total current assets		<u>19,795,488,605</u>	<u>24,225,917,834</u>	<u>8,812,255,361</u>	<u>10,546,074,676</u>
Non-current assets					
Fixed deposits pledged as collateral		701,500	27,427,758	-	-
Long-term loans to subsidiaries	3	-	-	608,352,000	1,775,664,000
Investments in subsidiaries	7	-	-	18,653,335,673	18,499,227,048
Investments in associates	8	476,362,404	394,919,332	157,568,800	157,568,800
Investment in joint venture	9	382,905,447	406,381,384	134,716,526	134,716,526
Long-term investments		133,045,291	136,498,052	132,787,370	136,182,449
Investment properties		191,996,782	201,527,752	75,663,125	75,663,125
Property, plant and equipment	10	27,568,085,310	26,381,941,743	8,677,544,793	9,093,221,983
Rubber and palm plantations	11	2,213,796,432	2,051,492,015	9,017,212	8,310,123
Intangible assets	12	394,005,968	425,916,589	369,029,056	395,579,708
Goodwill		3,174,667,132	3,174,667,132	-	-
Withholding tax deducted at source		541,867,033	701,722,319	398,165,467	457,692,522
Deferred tax assets		253,943,851	236,109,672	-	-
Other non-current assets		<u>33,704,694</u>	<u>49,898,651</u>	<u>11,279,861</u>	<u>17,043,732</u>
Total non-current assets		<u>35,365,081,844</u>	<u>34,188,502,399</u>	<u>29,227,459,883</u>	<u>30,750,870,016</u>
Total assets		<u>55,160,570,449</u>	<u>58,414,420,233</u>	<u>38,039,715,244</u>	<u>41,296,944,692</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 financial position (continued)

As at 30 September 2019

(Unit: Baht)

	Note	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
		30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Unaudited but reviewed)	(Audited/restated)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	13	2,521,301,713	2,676,957,627	1,114,916,652	1,417,779,403
Short-term borrowings from financial institutions	14	13,861,060,565	15,766,907,288	11,091,340,000	11,320,258,000
Current portions of:					
- Long-term borrowings from financial institutions	14	2,468,892,046	1,464,225,965	1,661,450,800	965,000,000
- Debentures	14	-	810,000,000	-	810,000,000
- Finance lease liabilities	14	22,022,159	20,693,350	3,671,264	3,785,801
Short-term loans from subsidiaries	3	-	-	160,000,000	300,000,000
Income tax payable		98,069,914	186,693,776	-	-
Derivative financial instruments	6	84,018,881	171,403,131	25,215,918	111,332,231
Other current liabilities		42,823,228	39,482,319	12,158,502	17,505,972
Total current liabilities		<u>19,098,188,506</u>	<u>21,136,363,456</u>	<u>14,068,753,136</u>	<u>14,945,661,407</u>
Non-current liabilities					
Non-current portions of:					
- Long-term borrowings from financial institutions	14	7,990,239,344	8,237,974,750	2,261,672,000	3,989,386,000
- Debentures	14	1,455,000,000	1,455,000,000	1,455,000,000	1,455,000,000
- Finance lease liabilities	14	20,695,660	29,039,974	3,971,641	5,755,749
Deferred tax liabilities		714,146,591	774,253,967	86,627,024	80,088,388
Provision for retirement benefit obligations	15	450,719,567	335,441,277	161,197,937	118,115,622
Other non-current liabilities		33,220,871	35,067,391	-	-
Total non-current liabilities		<u>10,664,022,033</u>	<u>10,866,777,359</u>	<u>3,968,468,602</u>	<u>5,648,345,759</u>
Total liabilities		<u>29,762,210,539</u>	<u>32,003,140,815</u>	<u>18,037,221,738</u>	<u>20,594,007,166</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 financial position (continued)

As at 30 September 2019

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>		
	<u>Note</u>	<u>30 September 2019</u>	<u>31 December 2018</u>	<u>30 September 2019</u>	<u>31 December 2018</u>
		(Unaudited but reviewed)	(Audited/restated)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital					
Registered					
1,535,999,998 ordinary shares of Baht 1 each		<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>	<u>1,535,999,998</u>
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
Surplus (deficit) from the change in the ownership interests in subsidiaries					
		286,889,951	(173,134,488)	-	-
Retained earnings					
Appropriated - statutory reserve		153,600,000	153,600,000	153,600,000	153,600,000
Unappropriated		8,284,845,325	9,019,096,813	5,442,779,048	6,092,271,684
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax		3,998,351,783	4,102,659,313	2,009,674,819	2,057,910,140
Surplus on changes in value of available-for-sale investments - net of income tax					
		8,462,259	11,224,468	8,488,007	11,204,070
Exchange differences on translation of financial statements in foreign currency					
		<u>(1,055,033,115)</u>	<u>(796,207,126)</u>	-	-
Equity attributable to owners of the Company		24,065,067,835	24,705,190,612	20,002,493,506	20,702,937,526
Non-controlling interests of the subsidiaries		1,333,292,075	394,583,851	-	-
Former interests before restructuring of the subsidiary					
	1.2 a)	-	<u>1,311,504,955</u>	-	-
Total shareholders' equity		<u>25,398,359,910</u>	<u>26,411,279,418</u>	<u>20,002,493,506</u>	<u>20,702,937,526</u>
Total liabilities and shareholders' equity		<u>55,160,570,449</u>	<u>58,414,420,233</u>	<u>38,039,715,244</u>	<u>41,296,944,692</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 2019

		(Unit: Baht)			
		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>
Profit or loss:					
Revenues from sales of goods and services		15,383,738,168	18,754,963,581	8,296,652,037	9,914,836,904
Cost of sales and services		<u>(14,414,038,960)</u>	<u>(16,761,817,136)</u>	<u>(7,828,881,774)</u>	<u>(9,124,670,390)</u>
Gross profit		969,699,208	1,993,146,445	467,770,263	790,166,514
Other income		47,958,945	36,211,273	34,017,434	33,413,786
Dividend income		318,672	334,736	317,672	328,086
Selling expenses		(703,341,723)	(904,596,822)	(444,044,835)	(631,782,021)
Administrative expenses		(377,683,677)	(434,190,171)	(181,753,485)	(180,791,084)
Gain (loss) on exchange rates		106,862,353	(103,442,132)	63,660,496	46,505,467
Loss from disposal of investments in a subsidiary	7.4	-	-	(179,231,169)	-
Other gain		<u>308,471,742</u>	<u>256,607,046</u>	<u>169,250,777</u>	<u>116,166,577</u>
Operating profit (loss)		352,285,520	844,070,375	(70,012,847)	174,007,325
Share of profit from investments in associates and joint venture		<u>21,993,661</u>	<u>60,032,092</u>	<u>-</u>	<u>-</u>
Profit (loss) before finance income and finance cost and tax expense		374,279,181	904,102,467	(70,012,847)	174,007,325
Finance income		5,863,992	9,762,184	17,356,927	29,179,664
Finance cost		<u>(210,002,198)</u>	<u>(233,042,003)</u>	<u>(108,061,663)</u>	<u>(126,699,161)</u>
Profit (loss) before tax expense		170,140,975	680,822,648	(160,717,583)	76,487,828
Tax income (expense)	16	<u>(16,859,663)</u>	<u>(140,625,542)</u>	<u>7,210,197</u>	<u>(36,928,513)</u>
Profit (loss) for period		<u>153,281,312</u>	<u>540,197,106</u>	<u>(153,507,386)</u>	<u>39,559,315</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(48,796,019)	(175,378,102)	-	-
Gain on change in value of available-for-sale investments - net of income tax		<u>(4,146,208)</u>	<u>5,440,637</u>	<u>(4,105,160)</u>	<u>5,395,937</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(52,942,227)</u>	<u>(169,937,465)</u>	<u>(4,105,160)</u>	<u>5,395,937</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>(1,621,914)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(1,621,914)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other comprehensive income for the period		<u>(54,564,141)</u>	<u>(169,937,465)</u>	<u>(4,105,160)</u>	<u>5,395,937</u>
Total comprehensive income for the period		<u>98,717,171</u>	<u>370,259,641</u>	<u>(157,612,546)</u>	<u>44,955,252</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 2019

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Profit (loss) attributable to:				
Owners of the Company	135,098,293	501,554,910	<u>(153,507,386)</u>	<u>39,559,315</u>
Non-controlling interests of the subsidiaries	18,183,019	24,035,781		
Former interests before restructuring of the subsidiary	<u>-</u>	<u>14,606,415</u>		
	<u>153,281,312</u>	<u>540,197,106</u>		
Total comprehensive income attributable to:				
Owners of the Company	81,734,485	336,809,346	<u>(157,612,546)</u>	<u>44,955,252</u>
Non-controlling interests of the subsidiaries	16,982,686	18,843,880		
Former interests before restructuring of the subsidiary	<u>-</u>	<u>14,606,415</u>		
	<u>98,717,171</u>	<u>370,259,641</u>		
Earnings per share				
Basic earnings per share				
Profit (loss) attributable to owners of the Company	<u>0.09</u>	<u>0.33</u>	<u>(0.10)</u>	<u>0.03</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 2019

		Consolidated financial statements		Separate financial statements	
	Note	2019	2018 (Restated)	2019	2018
Profit or loss:					
Revenues from sales of goods and services		45,405,548,288	56,198,788,922	24,004,091,595	31,494,407,595
Cost of sales and services		<u>(41,929,896,021)</u>	<u>(50,434,610,166)</u>	<u>(22,514,655,022)</u>	<u>(28,790,603,050)</u>
Gross profit		3,475,652,267	5,764,178,756	1,489,436,573	2,703,804,545
Other income		184,030,152	175,043,329	132,946,498	105,276,303
Dividend income		1,611,618	1,601,738	652,165,624	932,093,151
Selling expenses		(2,195,360,007)	(2,643,691,206)	(1,453,051,243)	(1,868,029,481)
Administrative expenses		(1,170,649,209)	(1,260,480,302)	(503,556,570)	(487,950,945)
Gain (loss) on exchange rates		395,447,171	(292,526,849)	231,696,264	(3,981,687)
Loss from disposal of investments in a subsidiary	7.4	-	-	(179,231,169)	-
Other gain (loss)		<u>(220,443,062)</u>	<u>1,047,241,812</u>	<u>(165,691,465)</u>	<u>471,322,473</u>
Operating profit (loss)		470,288,930	2,791,367,278	204,714,512	1,852,534,359
Share of profit from investments in associates and joint ventures		<u>95,624,936</u>	<u>197,200,556</u>	<u>-</u>	<u>-</u>
Profit (loss) before finance income and finance cost and tax expense		565,913,866	2,988,567,834	204,714,512	1,852,534,359
Finance income		28,008,720	14,615,350	61,332,031	83,608,439
Finance cost		<u>(695,178,871)</u>	<u>(697,186,643)</u>	<u>(343,118,350)</u>	<u>(409,803,047)</u>
Profit (loss) before tax expense		(101,256,285)	2,305,996,541	(77,071,807)	1,526,339,751
Tax expense	16	<u>(60,363,150)</u>	<u>(296,488,066)</u>	<u>(6,256,151)</u>	<u>(35,035,034)</u>
Profit (loss) for period		<u>(161,619,435)</u>	<u>2,009,508,475</u>	<u>(83,327,958)</u>	<u>1,491,304,717</u>
Other comprehensive income:					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(263,729,036)	(178,080,826)	-	-
Loss on change in value of available-for-sale investments - net of income tax		<u>(2,762,209)</u>	<u>(1,702,145)</u>	<u>(2,716,063)</u>	<u>(1,184,533)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(266,491,245)</u>	<u>(179,782,971)</u>	<u>(2,716,063)</u>	<u>(1,184,533)</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>(1,621,914)</u>	<u>231,472,239</u>	<u>-</u>	<u>202,806,158</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(1,621,914)</u>	<u>231,472,239</u>	<u>-</u>	<u>202,806,158</u>
Other comprehensive income for the period		<u>(268,113,159)</u>	<u>51,689,268</u>	<u>(2,716,063)</u>	<u>201,621,625</u>
Total comprehensive income for the period		<u>(429,732,594)</u>	<u>2,061,197,743</u>	<u>(86,044,021)</u>	<u>1,692,926,342</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 2019

(Unit: Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
<u>Note</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Profit (loss) attributable to:				
Owners of the Company	(222,537,105)	1,925,300,953	<u>(83,327,958)</u>	<u>1,491,304,717</u>
Non-controlling interests of the subsidiaries	56,586,273	69,601,107		
Former interests before restructuring of the subsidiary	<u>4,331,397</u>	<u>14,606,415</u>		
	<u>(161,619,435)</u>	<u>2,009,508,475</u>		
Total comprehensive income attributable to:				
Owners of the Company	(486,968,645)	1,986,523,018	<u>(86,044,021)</u>	<u>1,692,926,342</u>
Non-controlling interests of the subsidiaries	52,904,654	60,068,310		
Former interests before restructuring of the subsidiary	<u>4,331,397</u>	<u>14,606,415</u>		
	<u>(429,732,594)</u>	<u>2,061,197,743</u>		
Earnings per share				
		17		
Basic earnings per share				
Profit (loss) attributable to owners of the Company	<u>(0.14)</u>	<u>1.25</u>	<u>(0.05)</u>	<u>0.97</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**Cash flow statement****For the nine-month period ended 30 September 2019**

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
(Unit: Baht)				
Cash flows from operating activities				
Profit (loss) before income tax	(101,256,285)	2,305,996,541	(77,071,807)	1,526,339,751
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange rates	(105,261,934)	64,230,372	(12,454,487)	48,529,528
Unrealised loss (gain) on revaluation of derivative financial instruments	(204,756,607)	198,567,697	(124,470,088)	101,939,934
Reversal of allowance for doubtful accounts	(8,212,810)	(1,730,371)	-	-
Reversal of reduction of inventory cost to net realisable value	(5,662,861)	(266,861,328)	(4,236,177)	(148,890,778)
Expenses for retirement benefit obligations	120,325,070	28,819,045	44,079,295	8,544,005
Depreciation	1,790,150,905	1,662,415,575	623,582,134	625,638,099
Amortisation - rubber and palm plantations	4,852,131	2,629,424	321,540	193,966
Amortisation - intangible assets	55,943,752	51,423,927	45,609,945	43,698,891
Impairment loss from assets revaluation (reversal)	-	10,799,066	-	(175,950)
Write-off withholding tax deducted at source	42,615,112	516,187	42,615,112	516,187
Finance cost	695,178,871	697,186,643	343,118,350	409,803,047
Finance income	(28,008,720)	(14,615,350)	(61,332,031)	(83,608,439)
Loss from disposal of investments in a subsidiary	-	-	179,231,169	-
Dividend income	(1,611,618)	(1,601,738)	(652,165,624)	(932,093,151)
Share of profit from investments in associates and joint ventures	(95,624,936)	(197,200,556)	-	-
Loss (gain) on disposal and write-off of machinery, equipment and intangible assets	22,528,455	7,024,361	6,322,767	3,687,031
Loss on change in fair value of investment properties	2,366,652	-	-	-
Profit from operating activities before changes in operating assets and liabilities	2,183,565,177	4,547,599,495	353,150,098	1,604,122,121
Operating assets (increase) decrease				
Trade and other receivables	263,505,663	1,156,526,784	356,123,034	923,092,911
Amounts due from future brokers	352,856,345	(10,281,891)	986,483	(12,571,068)
Inventories	2,492,033,427	5,784,464,804	1,408,834,291	1,983,295,600
Other current assets	(172,551,969)	77,471,249	38,099,584	158,629,923
Other non-current assets	15,539,136	13,474,919	5,109,052	(67,779,816)
Operating liabilities increase (decrease)				
Trade and other payables	(271,952,215)	451,145,975	(300,383,362)	(391,073,990)
Other current liabilities	3,340,909	(71,733,394)	(5,347,470)	32,602,561
Provision for retirement benefit obligations	(5,046,780)	(894,520)	(996,980)	(552,000)
Cash flows provided by operating activities	4,861,289,693	11,947,773,421	1,855,574,730	4,229,766,242
Cash paid for interest expenses	(693,275,697)	(692,694,491)	(338,672,687)	(394,809,920)
Cash received for interest income	28,930,631	23,551,898	64,556,091	96,972,229
Cash paid for income tax	(334,912,944)	(499,685,669)	(45,708,539)	(60,443,760)
Cash received from income tax	115,823,259	72,401,161	17,873,443	71,753,763
Net cash flows provided by operating activities	3,977,854,942	10,851,346,320	1,553,623,038	3,943,238,554

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 2019

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
(Unit: Baht)				
Cash flows from investing activities				
Decrease in fixed deposits pledged as collateral	26,726,258	9,806,109	-	-
Dividends received	39,269,418	1,601,738	652,165,624	932,093,151
Cash received from repayment of long-term loan to a subsidiary	-	-	968,544,000	883,600,000
Increase in long-term loan to a subsidiary	-	-	-	(893,203,600)
Cash paid for investments in a subsidiaries	-	-	(333,339,825)	(127,500,000)
Cash received from disposal of investments in a subsidiary	-	-	31	-
Cash received from disposal of machinery and equipment	14,881,493	42,573,865	3,212,906	5,799,510
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets	(3,172,333,426)	(2,222,069,652)	(244,016,140)	(616,198,010)
Cash received from business acquisition before restructuring	-	240,165,453	-	-
Net cash flows provided by (used in) investing activities	(3,091,456,257)	(1,927,922,487)	1,046,566,596	184,591,051
Cash flows from financing activities				
Decrease in short-term borrowings from financial institutions	(1,797,990,195)	(6,623,178,841)	(228,918,000)	(3,603,865,000)
Increase in short-term loan from a subsidiary	-	-	160,000,000	300,000,000
Repayment of short-term loan from a subsidiary	-	-	(300,000,000)	(300,000,000)
Proceeds from long-term borrowings	2,150,000,000	2,079,400,000	-	629,400,000
Repayments of long-term borrowings	(1,301,525,600)	(1,215,654,000)	(942,525,600)	(225,000,000)
Repayments of debentures	(810,000,000)	(600,000,000)	(810,000,000)	(600,000,000)
Repayments of finance lease liabilities	(16,976,169)	(10,629,708)	(2,832,824)	(3,102,112)
Dividend paid	(614,358,966)	(355,478,492)	(614,358,966)	(355,478,492)
Dividend paid by the subsidiaries	(3,190)	(48,850,588)	-	-
Cash received from increase in share capital of the subsidiary	31,216,275	-	-	-
Net cash flows used in financing activities	(2,359,637,845)	(6,774,391,629)	(2,738,635,390)	(4,158,045,604)
Decrease in translation adjustments	(272,940,385)	(189,680,914)	-	-
Net increase (decrease) in cash and cash equivalents	(1,746,179,545)	1,959,351,290	(138,445,756)	(30,215,999)
Cash and cash equivalents at beginning of period	4,259,163,167	2,241,899,673	381,814,522	269,018,868
Cash and cash equivalents at end of period	2,512,983,622	4,201,250,963	243,368,766	238,802,869
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	76,362,438	-	-	-
Increase in payables from finance lease	10,258,296	4,944,486	934,180	-

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 2019

(Unit: Baht)

Consolidated financial statements													
Equity attributable to owners of the Company													
					Other components of shareholders' equity								
					Other comprehensive income								
		Surplus (deficit) from			Surplus on		Exchange		Total other	Total equity	Equity attributable		Total
		the change in	Retained earnings		changes in	differences on	Total other	Total equity	Equity attributable	to non-controlling	Former interests	Total	
Issued and		Premium	the ownership	Appropriated	value of	translation of	components	attributable to	to non-controlling	before restructuring	shareholders'	Total	
paid-up		on ordinary	interests in	- statutory	revaluation of assets	investments	financial statements	of shareholders'	owners of	interests of the	of the subsidiary	shareholders'	
share capital		shares	subsidiaries	reserve	Unappropriated	- net of income tax	- net of income tax	in foreign currency	equity	the Company	subsidiaries	of the subsidiary	equity
Balance as at 1 January 2018	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	-	-	-	-	1,925,300,953	-	-	-	-	1,925,300,953	69,601,107	14,606,415	2,009,508,475
Other comprehensive income for the period	-	-	-	-	-	231,472,239	(1,702,145)	(168,548,029)	61,222,065	61,222,065	(9,532,797)	-	51,689,268
Total comprehensive income for the period	-	-	-	-	1,925,300,953	231,472,239	(1,702,145)	(168,548,029)	61,222,065	1,986,523,018	60,068,310	14,606,415	2,061,197,743
Amortisation on assets revaluation	-	-	-	-	108,099,540	(108,099,540)	-	-	(108,099,540)	-	-	-	-
Dividend paid	-	-	-	-	(384,000,000)	-	-	-	-	(384,000,000)	-	-	(384,000,000)
Business acquisition before restructuring (Note 1.2 a))	-	-	-	-	-	-	-	-	-	-	-	1,295,978,604	1,295,978,604
Dividend paid by the subsidiaries	-	-	-	-	-	-	-	-	-	-	(48,850,588)	-	(48,850,588)
Transferred unappropriated retained earnings	-	-	-	-	-	-	-	-	-	-	-	-	-
to statutory reserve	-	-	-	25,600,000	(25,600,000)	-	-	-	-	-	-	-	-
Balance as at 30 September 2018	1,535,999,998	10,851,951,634	(173,134,488)	153,600,000	8,789,209,066	4,172,818,887	14,730,763	(834,625,451)	3,352,924,199	24,510,550,409	380,081,770	1,310,585,019	26,201,217,198

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 2019

(Unit: Baht)

Consolidated financial statements																
Equity attributable to owners of the Company																
			Surplus (deficit) from the change in the ownership interests in subsidiaries		Retained earnings		Other components of shareholders' equity									
							Other comprehensive income		Surplus on revaluation of assets - net of income tax	Surplus on value of available-for-sale investments - net of income tax	Exchange differences on translation of financial statements in foreign currency	Total other components of shareholders' equity	Total equity attributable to owners of the Company	Equity attributable to non-controlling interests of the subsidiaries	Former interests before restructuring of the subsidiary	Total shareholders' equity
							Surplus on changes in									
							Appropriated - statutory reserve	Unappropriated								
Balance as at 1 January 2019 - as previously reported	1,535,999,998	10,851,951,634	(173,134,488)	153,600,000	9,019,096,813	4,102,659,313	11,224,468	(796,207,126)	3,317,676,655	24,705,190,612	394,583,851	-	25,099,774,463			
Effect of restructuring of the subsidiary (Note 1.2 a))	-	-	-	-	-	-	-	-	-	-	-	1,311,504,955	1,311,504,955			
Balance as at 1 January 2019 - as restated	1,535,999,998	10,851,951,634	(173,134,488)	153,600,000	9,019,096,813	4,102,659,313	11,224,468	(796,207,126)	3,317,676,655	24,705,190,612	394,583,851	1,311,504,955	26,411,279,418			
Profit (loss) for period	-	-	-	-	(222,537,105)	-	-	-	-	(222,537,105)	56,586,273	4,331,397	(161,619,435)			
Other comprehensive income for the period	-	-	-	-	-	(1,621,914)	(2,762,209)	(260,047,417)	(264,431,540)	(264,431,540)	(3,681,619)	-	(268,113,159)			
Total comprehensive income for the period	-	-	-	-	(222,537,105)	(1,621,914)	(2,762,209)	(260,047,417)	(264,431,540)	(486,968,645)	52,904,654	4,331,397	(429,732,594)			
Amortisation on assets revaluation	-	-	-	-	102,685,616	(102,685,616)	-	-	(102,685,616)	-	-	-	-			
Dividend paid (Note 18)	-	-	-	-	(614,399,999)	-	-	-	-	(614,399,999)	-	-	(614,399,999)			
Dividend paid by the subsidiaries	-	-	-	-	-	-	-	-	-	-	(3,190)	-	(3,190)			
Effect of restructuring of the subsidiary (Note 1.2 a))	-	-	461,245,867	-	-	-	-	-	-	461,245,867	854,590,485	(1,315,836,352)	-			
Purchase of investment in subsidiary under common control (Note 1.2 b), c))	-	-	(1,221,428)	-	-	-	-	1,221,428	1,221,428	-	-	-	-			
Increase in share capital of the subsidiary (Note 7.1)	-	-	-	-	-	-	-	-	-	-	31,216,275	-	31,216,275			
Balance as at 30 September 2019	1,535,999,998	10,851,951,634	286,889,951	153,600,000	8,284,845,325	3,998,351,783	8,462,259	(1,055,033,115)	2,951,780,927	24,065,067,835	1,333,292,075	-	25,398,359,910			

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 2019

(Unit: Baht)

	Separate financial statements							Total shareholders' equity
	Issued and paid-up share capital	Premium on ordinary shares	Retained earnings		Surplus on revaluation of assets - net of income tax	Other components of shareholders' equity		
			Appropriated - statutory reserve	Unappropriated		Other comprehensive income		
						Surplus on changes in value of available-for-sale investments - net of income tax	Total other components of shareholders' equity	
Balance as at 1 January 2018	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
Amortisation on assets revaluation	-	-	-	72,006,093	(72,006,093)	-	(72,006,093)	-
Dividend paid	-	-	-	(384,000,000)	-	-	-	(384,000,000)
Transferred unappropriated retained earnings to statutory reserve	-	-	25,600,000	(25,600,000)	-	-	-	-
Balance as at 30 September 2018	<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>
Balance as at 1 January 2019	1,535,999,998	10,851,951,634	153,600,000	6,092,271,684	2,057,910,140	11,204,070	2,069,114,210	20,702,937,526
Loss for period	-	-	-	(83,327,958)	-	-	-	(83,327,958)
Other comprehensive income for the period	-	-	-	-	-	(2,716,063)	(2,716,063)	(2,716,063)
Total comprehensive income for the period	-	-	-	(83,327,958)	-	(2,716,063)	(2,716,063)	(86,044,021)
Amortisation on assets revaluation	-	-	-	48,235,321	(48,235,321)	-	(48,235,321)	-
Dividend paid (Note 18)	-	-	-	(614,399,999)	-	-	-	(614,399,999)
Balance as at 30 September 2019	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>153,600,000</u>	<u>5,442,779,048</u>	<u>2,009,674,819</u>	<u>8,488,007</u>	<u>2,018,162,826</u>	<u>20,002,493,506</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 2019

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

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

These consolidated interim 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 2018. However, during the period, there were changes in the composition of the Group, as follows:

- a) As described in Note 7.1 to the financial statements, the restructuring of the subsidiary. On 1 April 2019, Sri Trang Gloves (Thailand) Public Company Limited (“STGT”) was established as the result of the amalgamation in accordance with the Public Limited Companies Act B.E. 2535. The amalgamating companies were as follows:
 - 1) Sri Trang Gloves (Thailand) Company Limited (“Sri Trang Gloves”)
 - 2) Thaikong Public Company Limited (“TK”)

(Unaudited but reviewed)

As a result of the amalgamation, all of their assets, liabilities, rights, duties and responsibilities were transferred to STGT by law. Therefore, as at 1 April 2019, the registered, issued and fully paid-up capital of STGT was Baht 825 million (8,250,000 ordinary shares with a par value Baht 100 per share)

After the amalgamation, the Company and Rubberland Products Company Limited collectively hold 81.08 percent of all shares of STGT (73.24 percent held by the Company).

Even though the legal form of STGT was registered and formed by the amalgamation on 1 April 2019, since Dr. Viyavood Sincharoenkul (“Dr. Viyavood”), who is the major shareholder and Director of the Company, has invested in TK through the acquisition of shares held by Thaikong Group Co., Ltd. since 16 August 2018. For the accounting purpose after the amalgamation, the Group adopts Thai Accounting Guidance for business combination under common control to apply for the consolidated financial statements which are accounted for by using similar to pooling of interests method. Thus, the consolidated financial statements were restated to reflect the substance as if Dr. Viyavood had invested in TK by applying purchase method, and the amalgamation of TK and Sri Trang Gloves was carried out on 16 August 2018.

As at 1 April 2019 and 16 August 2018, the fair value of net assets acquired with purchase method and the effect on the consolidated financial statements were as follows.

	(Unit: Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>1 April 2019</u>	<u>16 August 2018</u>
<u>Assets</u>		
Cash and cash equivalents	167,989	240,165
Trade and other receivables	345,719	489,037
Inventories	146,704	152,743
Other current assets	26,941	14,549
Fixed deposits pledged as collateral	25,284	25,000
Property, plant and equipment	2,383,034	1,807,536
Intangible assets	5,982	7,166
Goodwill	220,885	220,885

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements

	<u>1 April 2019</u>	<u>16 August 2018</u>
<u>Liabilities</u>		
Short-term borrowings from financial institutions	(105,950)	(92,711)
Trade and other payables	(223,296)	(219,168)
Income tax payable	(25,529)	-
Derivative financial instruments	(12,991)	-
Other current liabilities	(14,554)	(104,220)
Long-term borrowings from financial institutions	(1,544,180)	(1,147,459)
Finance lease liabilities	(13,093)	(9,235)
Deferred tax liabilities	(60,259)	(87,653)
Provision for retirement benefit obligations	(6,850)	(656)
Total net assets acquired	1,315,836	1,295,979
<u>Less: Increase in non-controlling interests of the subsidiary</u>	<u>(854,590)</u>	
Surplus from the change in the ownership interests in subsidiary	461,246	

The Group recorded the effect of the restructuring of STGT of Baht 461 million under the caption of “Surplus from the change in the ownership interests in subsidiaries” in the shareholder’s equity of the consolidated financial statements for the nine-month period ended 30 September 2019.

The consolidated statement of financial position as at 31 December 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 cash flows for the nine-month period ended 30 September 2018 were adjusted to reflect the above transactions. The amounts of the adjustments affecting the restated consolidated financial statements are summarised below:

(Unaudited but reviewed)

(Unit: Thousand Baht)

**Consolidated statement of
financial position**

As at 31 December 2018

	Effect from the amalgamation	Eliminate transactions in the consolidated financial statements	Total adjustments affecting the restated consolidated financial statements increase (decrease)
Cash and cash equivalents	61,863	-	61,863
Trade and other receivables	350,256	(72,726)	277,530
Inventories	140,363	-	140,363
Other current assets	9,273	-	9,273
Fixed deposits pledged as collateral	25,284	-	25,284
Property, plant and equipment	1,925,888	-	1,925,888
Intangible assets	5,229	-	5,229
Goodwill	220,885	-	220,885
Total assets	2,739,041	(72,726)	2,666,315
Short-term borrowings from financial institutions	150,521	-	150,521
Trade and other payables	75,644	(72,726)	2,918
Current portions of:			
- Long-term borrowings from financial institutions	204,226	-	204,226
- Finance lease liabilities	4,445	-	4,445
Other current liabilities	2,275	-	2,275
Non-current portions of:			
- Long-term borrowings from financial institutions	893,589	-	893,589
- Finance lease liabilities	3,891	-	3,891
Deferred tax liabilities	86,519	-	86,519
Provision for retirement benefit obligations	6,426	-	6,426
Total liabilities	1,427,536	(72,726)	1,354,810
Former interests before restructuring of the subsidiary	1,311,505	-	1,311,505
Total shareholders' equity	1,311,505	-	1,311,505
Total liabilities and shareholders' equity	2,739,041	(72,726)	2,666,315

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated statement of comprehensive income	For the three-month and nine-month periods ended 30 September 2018		
	Effect from the amalgamation	Effect from elimination of transactions in the consolidated financial statements	Total adjustments affecting the restated consolidated financial statements increase (decrease)
Revenues from sales of goods	182,634	(287,068)	(104,434)
Gross profit	23,336	-	23,336
Tax expense	437	-	437
Profit for period	14,606	-	14,606
Other comprehensive income for the period	-	-	-
Total comprehensive income for the period	14,606		14,606
Profit attributable to:			
Former interests before restructuring of the subsidiary	14,606	-	14,606
Total comprehensive income attributable to:			
Former interests before restructuring of the subsidiary	14,606	-	14,606

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated statement of

cash flows

For the nine-month period ended 30 September 2018

	Effect from the amalgamation	Effect from elimination of transactions in the consolidated financial statements	Total adjustments affecting the restated consolidated financial statements increase (decrease)
Net cash flows used in operating activities	(68,143)	-	(68,143)
Net cash flows provided by investing activities	222,442	-	222,442
Net cash flows provided by financing activities	51,892	-	51,892
Net decrease in cash and cash equivalents	206,191	-	206,191

b) On 28 June 2019, STGT acquired ordinary shares of Shi Dong Shanghai Medical Equipment Co., Ltd. (“SDME”) with 100 percent of shareholding from Startex Rubber Co., Ltd. (“STC”), the Company’s subsidiary, at a price of Baht 163 million. This acquisition of SDME is under common control of the Company before and after the acquisition of investment. Following the acquisition, the shareholding of the Group in SDME was changed from 100 percent to 81.08 percent (calculation the shareholding through STGT).

The Group recorded the effect of the change in shareholding of SDME, amounting to Baht 4 million, under the caption of “Deficit from the change in the ownership interests in subsidiaries” in shareholders’ equity in the consolidated financial statements for the nine-month period ended 30 September 2019.

c) On 30 September 2019, STGT acquired ordinary shares of Sri Trang USA, Inc. (“STU”) with 100 percent of shareholding from the Company, at a price of USD 1, or approximately Baht 31. This acquisition of STU is under common control of the Company before and after the acquisition of investment. Following the acquisition, the shareholding of the Group in STU was changed from 100 percent to 81.08 percent (calculation the shareholding through STGT).

The Group recorded the effect of the change in shareholding of STU, amounting to Baht 3 million, under the caption of “Surplus from the change in the ownership interests in subsidiaries” in shareholders’ equity in the consolidated financial statements for the nine-month period ended 30 September 2019.

- d) As described in Note 7.3 to the interim financial statements, on 18 June 2019, the Company established Sri Trang IBC Company Limited, with a registered share capital of Baht 10 million, to operate in the provision of technical, innovation, information, and advisory services, with the Company to have a 99.99 percent shareholding.

1.3 New financial reporting standards

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

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which were effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

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.

This standard does not have any significant impact on the Group’s financial statements.

(b) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

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

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

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when it is 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 2018, except for the change in the accounting policies due to the adoption of TFRS 15, *Revenue from Contracts with Customers*, as follow:

Revenue recognition

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Revenue is measured at the amount of the consideration received or receivable, excluding value added tax, of goods supplied after deducting returns, and discounts.

Rendering of services

Service revenue is recognised over time when services have been rendered taking into account the stage of completion, measuring based on information provided by the Group's engineers or project managers.

The recognised revenue which is not yet due per the contracts has been presented under the caption of "Unbilled receivables" in the statement of financial position. The amounts recognised as unbilled receivables are reclassified to trade receivables when the Group's right to consideration is unconditional such as upon completion of services and acceptance by the customer.

The obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer is presented under the caption of "Advance received from customers" in the statement of financial position. Advance received from customers are recognised as revenue when the Group perform under the contract.

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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Transactions with subsidiaries*</u>				
Sales of goods	-	-	1,348,408	1,392,537
Purchases of goods	-	-	982,681	987,128
Service income	-	-	43,813	41,883
Rental income	-	-	58	61
Interest income	-	-	17,358	29,177
Service expenses	-	-	124,994	162,367
Rental expenses	-	-	1,198	1,198
Interest expenses	-	-	403	2,106
<u>Transactions with associates</u>				
Sales of goods	4,463	3,298	-	-
Purchases of goods	30	31	3	-
Service income	7,837	9,157	2,504	2,437
Rental income	100	100	-	-
Service expenses	-	9	-	-
<u>Transactions with joint venture</u>				
Purchases of goods	301,760	451,688	-	-
Service income	2,365	2,313	2,352	2,295

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month periods ended 30 September

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<u>Transactions with subsidiaries*</u>				
Sales of goods	-	-	4,042,280	3,568,334
Purchases of goods	-	-	2,878,372	3,996,702
Service income	-	-	129,331	119,089
Dividend income	-	-	614,330	930,499
Rental income	-	-	186	183
Interest income	-	-	58,685	83,156
Service expenses	-	-	379,125	462,960
Rental expenses	-	-	3,671	3,261
Interest expenses	-	-	1,230	2,251
<u>Transactions with associates</u>				
Sales of goods	15,118	15,705	-	-
Purchases of goods	110	170	11	15
Service income	24,413	25,812	7,481	7,166
Dividend income	12,155	-	10,725	-
Rental income	300	300	-	-
Service expenses	26	9	-	-
<u>Transactions with joint ventures</u>				
Purchases of goods	1,016,648	1,566,774	-	64,008
Service income	11,993	8,433	11,969	8,415
Dividend income	25,503	-	25,503	-

* Transactions with subsidiaries in 2018 included transactions between the Group and TK as from 16 August 2018 to 30 September 2018

The pricing policies of the Group are as follows.

- (1) Sales/ purchases of good 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

(Unaudited but reviewed)

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

As at 30 September 2019 and 31 December 2018, the balances of the accounts between the Group and those related parties were as follows.

	Consolidated		(Unit: Thousand Baht) Separate	
	financial statements	financial statements	financial statements	financial statements
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited/ restated)		(Audited)
<u>Trade accounts receivable</u> (Note 4)				
Subsidiaries	-	-	357,627	962,370
Associates	2,752	3,796	776	784
	<u>2,752</u>	<u>3,796</u>	<u>358,403</u>	<u>963,154</u>
<u>Advance payment for goods</u> (Note 4)				
Subsidiaries	-	-	-	45,375
	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,375</u>
<u>Other receivables</u> (Note 4)				
Subsidiaries	-	-	17,754	18,546
Associates	621	1,291	-	2
Joint venture	-	818	-	818
	<u>621</u>	<u>2,109</u>	<u>17,754</u>	<u>19,366</u>
<u>Trade accounts payables</u> (Note 13)				
Subsidiaries	-	-	363,719	383,080
Associates	8	-	8	-
Joint venture	12,732	17,917	-	-
	<u>12,740</u>	<u>17,917</u>	<u>363,727</u>	<u>383,080</u>
<u>Accrued expenses</u> (Note 13)				
Subsidiaries	-	-	2,039	35,890
	<u>-</u>	<u>-</u>	<u>2,039</u>	<u>35,890</u>
<u>Other payables</u> (Note 13)				
Subsidiaries	-	-	4,491	17,892
	<u>-</u>	<u>-</u>	<u>4,491</u>	<u>17,892</u>

(Unaudited but reviewed)

Outstanding balances arising from loans to subsidiaries

As at 30 September 2019 and 31 December 2018, the balances of loans between the Company and subsidiaries were as follows.

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
Accrued interest income (Note 4)				
Subsidiaries	-	-	186	2,621
Long-term loans to				
Subsidiaries	-	-	1,460,045	2,518,214

As at 30 September 2019 and 31 December 2018, long-term loans to subsidiaries were unsecured and could be summarised as below.

		Separate financial statements			
		As at 30 September 2019			
		Principle		Interest rates %	Borrowing periods
Relationship		USD million	Baht million		
PT Sri Trang Lingga Indonesia	A direct subsidiary	23	700	4.18 - 4.30	3 years
PT Star Rubber	An indirect subsidiary	25	760	4.18 - 5.05	3 years
	Total	48	1,460		

		Separate financial statements			
		As at 31 December 2018			
		Principle		Interest rates %	Borrowing periods
Relationship		USD million	Baht million		
			(Audited)		
PT Sri Trang Lingga Indonesia	A direct subsidiary	45	1,453	4.18 - 4.30	3 years
PT Star Rubber	An indirect subsidiary	33	1,065	4.18 - 5.05	1 - 3 years
	Total	78	2,518		

(Unaudited but reviewed)

Movements in the balance of long-term loans to subsidiaries during the nine-month period ended 30 September 2019 were as follows.

(Unit: Thousand Baht)

Long-term loans	Separate financial statements				Balance as at 30 September 2019
	Balance as at 31 December 2018	Increase during the period	Decrease during the period	Unrealised loss on exchange rate	
	(Audited)				
Subsidiaries	2,518,214	-	(968,544)	(89,625)	1,460,045

Movements in the balance of a short-term loan from subsidiaries during the nine-month period ended 30 September 2019 were as follows.

(Unit: Thousand Baht)

Short-term loan	Separate financial statements			Balance as at 30 September 2019
	Balance as at 31 December 2018	Increase during the period	Decrease during the period	
	(Audited)			
Subsidiaries	300,000	160,000	(300,000)	160,000

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2019 and 2018, 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>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Short-term employee benefits	63,487	63,036	11,850	12,686
Post-employment benefits	2,620	1,554	667	370
Total	66,107	64,590	12,517	13,056

(Unaudited but reviewed)

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Short-term employee benefits	185,881	182,067	37,899	38,058
Post-employment benefits	27,222	4,642	7,256	1,113
Total	<u>213,103</u>	<u>186,709</u>	<u>45,155</u>	<u>39,171</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 June	31 December
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Audited/ restated)		(Audited)
<u>Trade accounts receivable - related parties</u> (Note 3)				
Aged on the basis of due dates				
Not yet due	2,752	3,792	358,403	876,843
Past due				
Up to 30 days	-	4	-	83,311
31 - 60 days	-	-	-	876
61 - 90 days	-	-	-	519
91 - 120 days	-	-	-	-
121 - 365 days	-	-	-	1,605
Total trade accounts receivable - related parties	<u>2,752</u>	<u>3,796</u>	<u>358,403</u>	<u>963,154</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 June	31 December
	2019	2018	2019	2018
		(Audited/ restated)		(Audited)
<u>Trade accounts receivable - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	4,516,278	4,647,254	2,232,979	1,851,651
Past due				
Up to 30 days	624,265	445,066	204,759	191,475
31 - 60 days	27,976	22,505	3,969	14,385
61 - 90 days	4,294	25,926	-	4,122
91 - 120 days	1,150	-	-	-
121 - 365 days	13,935	35,083	1,096	34,513
Over 365 days	59,043	54,044	39,391	47,553
Total	5,246,941	5,229,878	2,482,194	2,143,699
Less: Allowance for doubtful debts	(33,229)	(41,442)	(27,636)	(27,636)
Total trade accounts receivable - unrelated parties, net	5,213,712	5,188,436	2,454,558	2,116,063
Total trade accounts receivable, net	5,216,464	5,192,232	2,812,961	3,079,217
<u>Other receivables</u>				
Advance payment for goods - related parties (Note 3)	-	-	-	45,375
Advance payment for goods - unrelated parties	143,104	256,820	2,273	11,459
Prepaid expenses	134,368	126,099	38,492	39,663
Accrued interest income - related parties (Note 3)	-	-	186	2,621
Receivables from insurance companies and estimated accrued insurance claims *	161,517	289,835	-	-
Other receivables - related parties (Note 3)	621	2,109	17,754	19,366
Other receivables - unrelated parties	84,439	102,448	16,583	35,442
Total other receivables	524,049	777,311	75,288	153,926
Total trade and other receivables, net	5,740,513	5,969,543	2,888,249	3,233,143

* From the fire incident of TK before the restructuring of the subsidiary.

(Unaudited but reviewed)

5. Inventories

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited/restated)		(Audited)
Inventories - at cost	10,210,135	12,702,167	4,734,060	6,142,895
Less: Reduction of cost to net realisable value	(244,722)	(250,384)	(75,078)	(79,315)
Inventories, net	9,965,413	12,451,783	4,658,982	6,063,580

Additional information

Information on inventory balances of the Group, for only ribbed smoked sheets, concentrated latex and block rubber, as at 30 September 2019 and 31 December 2018 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Inventories at net realisable value (NRV)*	7,869,931	10,411,061	4,458,777	5,886,610
Inventories at lower of cost or net realisable value (NRV) - as measured and included in the financial statements	7,783,502	10,201,733	4,449,500	5,793,784
Difference	86,429	209,328	9,277	92,826

* For reporting purposes, inventories are stated at the lower of cost or net realisable value, while for inventory management purposes the Group uses net realisable value (NRV) which is the estimated selling price in the ordinary course of business less the necessary costs of completion and cost to make the sale. The use of different valuation methods for these two purposes resulted in a difference at the reporting date.

Under Thai Financial Reporting Standards, such differences are not allowed to be recognised in the profit and loss until the inventories are actually sold. The amount of such difference changes over time depending on the actual price at the time of sale.

(Unaudited but reviewed)

6. Derivative financial instruments

(Unit: Thousand Baht)

	Consolidated financial statements			
	30 September 2019		31 December 2018	
	Assets	Liabilities	Assets	Liabilities
				(Audited)
Cross currency swap	-	-	-	(4,479)
Interest rate swap	-	(19,401)	-	-
Foreign exchange options	21,844	(41,643)	641	(14,483)
Rubber options	13,826	(359)	127	(157)
Forward foreign exchange contracts	43,655	(13,671)	10,642	(45,743)
Rubber futures	96,507	(8,945)	45,413	(106,524)
Physical forward contracts	1,141	-	2,778	(17)
Total derivative financial instruments	<u>176,973</u>	<u>(84,019)</u>	<u>59,601</u>	<u>(171,403)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	30 September 2019		31 December 2018	
	Assets	Liabilities	Assets	Liabilities
				(Audited)
Cross currency swap	-	-	-	(4,479)
Foreign exchange options	7,936	(21,724)	641	(11,394)
Rubber options	13,484	(17)	127	(157)
Forward foreign exchange contracts	15,822	(5)	1,569	-
Rubber futures	34,191	(3,470)	30,742	(95,302)
Total derivative financial instruments	<u>71,433</u>	<u>(25,216)</u>	<u>33,079</u>	<u>(111,332)</u>

7. Investments in subsidiaries

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

The restructuring of the subsidiary through the amalgamation

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. (“Thaikong”), which is in the rubber glove 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 Thaikong as well as to study the investment structure in details. Dr. Viyavood requested the Company to issue a written confirmation of the Company’s investment in Thaikong as well as the structure of the investment within 31 December 2018. This granted an exclusive right to the Company to invest in Thaikong, whether directly or indirectly, in order to incorporate Thaikong into the Group, at the cost at which Thaikong shares were acquired by Dr. Viyavood (including finance costs). Dr. Viyavood also allowed the Company to determine an appropriate structure for the investment.

Subsequently, on 30 August 2018, the Board of Directors resolved to approve the Company’s investment in Thaikong, through the amalgamation of Thaikong and Sri Trang Gloves (the Company and Rubberland Products Company Limited (“RBL”) collectively hold 90.23 percent of all shares of Sri Trang Gloves). In addition, Thaikong 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” (“TK”) with the Ministry of Commerce on 19 September 2018.

On 29 March 2019, the Joint Shareholders Meeting between the shareholders of Sri Trang Gloves and the shareholders of TK approved the amalgamation of those companies in accordance with legally prescribed principles and methods. The amalgamation of the companies was registered with the Ministry of Commerce on 1 April 2019, the new company is named “**Sri Trang Gloves (Thailand) Public Company Limited**”. As a result, the corporate status of Sri Trang Gloves and TK was terminated on that day and all of its assets, liabilities, rights, duties and responsibilities were transferred to the new company by law, as described in Note 1.2 a) to the interim financial statements.

After the amalgamation, the Company and RBL collectively hold 81.08 percent of all shares of STGT (73.24 percent held by the Company).

Increase in registered share capital of STGT

On 7 June 2019, the Extraordinary General Meeting of Shareholders of STGT passed a resolution to increase its registered share capital from Baht 825 million (8,250,000 ordinary shares with a par value of Baht 100 each) to Baht 990 million (9,900,000 ordinary shares with a par value of Baht 100 each) by issuing 1,650,000 new ordinary shares with a par value of Baht 100 each to the existing shareholders with a ratio of 5 existing shares to 1 newly share, at a price of Baht 100 per share. The subsidiary registered the increase of its capital with the Ministry of Commerce on 14 June 2019.

During the second quarter of 2019, the Company and RBL paid Baht 121 million and Baht 13 million, respectively for the additional capital. The Company and RBL maintain the shareholding in this subsidiary at 73.24 percent and 7.84 percent, respectively. Therefore, the Company has investments in this subsidiary of Baht 6,551 million presented in the separate financial statements as at 30 September 2019.

Plan for initial public offering (IPO) of STGT

On 8 July 2019, the Board of Directors of the Company passed resolutions to approve the plan for STGT's IPO, and the listing of STGT on the Stock Exchange of Thailand and/or other stock exchanges, with the percentage of shares to be offered through the IPO to not exceed 31 percent of the total paid-up capital of STGT after the IPO.

A change in a par value of STGT

On 26 August 2019, the Extraordinary General Meeting of Shareholders of STGT passed resolutions to approve to change in a par value of STGT's shares from Baht 100 to Baht 1 per share. Therefore, STGT's registered and paid-up capital increased from 9,900,000 shares to 990,000,000 shares. As a result, STGT's registered and paid-up capital of Baht 990 million comprising 990 million shares with a par value of Baht 1 per share. STGT registered the change in a par value with the Ministry of Commerce on 27 August 2019.

Events after the reporting period

Issuance and offering of newly-issued ordinary shares of STGT to the directors, executives, and/or employees of STGT and STGT's subsidiaries

On 6 November 2019, the Extraordinary General Meeting of Shareholders of the Company passed resolutions to approve the issuance and offering of newly-issued ordinary shares of STGT to the directors, executives, and/or employees of STGT and STGT's subsidiaries ("STGT ESOP"), consisting of 10,000,000 shares with a par value of Baht 1 per share, with the following details:

Type of securities	Newly-issued ordinary shares of STGT to be offered to the directors, executives, and/or employees of STGT and STGT's subsidiaries.									
Term	Two years from the date on which the ordinary shares of STGT are listed on the SET.									
Number of newly-issued ordinary shares to be issued and offered	No more than 10,000,000 shares with a par value of Baht 1 per share									
Offering price per share	<p>At the date of IPO: 90 percent of the IPO price</p> <p>The first to second year after the IPO: 90 percent of the market price *</p> <p>* As specified under the notification of the Office of the Securities and Exchange Commission regarding the calculation of offer price of securities and determination of market price for consideration of offer for sale of newly-issued shares with discount.</p>									
Offering period	<p>STGT will offer the newly-issued ordinary shares through the STGT ESOP's scheme, as follows.</p> <table border="0"> <tr> <td>The first time</td> <td>The date of the IPO:</td> <td>Not more than 40 percent or 4,000,000 shares</td> </tr> <tr> <td>The second time</td> <td>The first year after the IPO:</td> <td>Not more than 30 percent, or 3,000,000 shares</td> </tr> <tr> <td>The third time</td> <td>The second year after the IPO:</td> <td>Not more than 30 percent, or 3,000,000 shares</td> </tr> </table>	The first time	The date of the IPO:	Not more than 40 percent or 4,000,000 shares	The second time	The first year after the IPO:	Not more than 30 percent, or 3,000,000 shares	The third time	The second year after the IPO:	Not more than 30 percent, or 3,000,000 shares
The first time	The date of the IPO:	Not more than 40 percent or 4,000,000 shares								
The second time	The first year after the IPO:	Not more than 30 percent, or 3,000,000 shares								
The third time	The second year after the IPO:	Not more than 30 percent, or 3,000,000 shares								

Increase in registered share capital and allocation of newly-issued ordinary shares of STGT

On 7 November 2019, the Board of Directors of STGT passed resolutions to approve the following matters:

- a) Approval of an increase in STGT's registered share capital, from Baht 990,000,000 (990,000,000 ordinary shares with a par value of Baht 1 each) to Baht 1,434,780,000 (1,434,780,000 ordinary shares with a par value of Baht 1 each) through the issuance of 444,780,000 new ordinary shares with a par value of Baht 1 each and allocation of the newly-issued ordinary shares as follows:
1. Allocation of no more than 432,780,000 new shares with a par value of Baht 1 each for the initial public offering (IPO) of STGT.
 2. Allocation of no more than 2,000,000 new shares with a par value of Baht 1 each to be offered to the directors, executives, and/or employees of the Company and the Company's subsidiaries.
 3. Allocation of no more than 10,000,000 shares with a par value of Baht 1 each to be offered under the STGT ESOP.
- b) Approval of the listing of STGT's shares on the Stock Exchange of Thailand.

In addition, the above resolution will be proposed to the Extraordinary General Meeting of Shareholders of STGT for further consideration and approval.

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

During the current period, the Company paid Baht 60 million for the additional capital of SRP that was called up in 2017.

In addition, on 3 April 2019, the Extraordinary Shareholder's Meeting of SRP passed a resolution to increase its registered share capital from Baht 6,555 million (65,550,000 ordinary shares with a par value of Baht 100 each) to Baht 6,755 million (67,550,000 ordinary shares with a par value of Baht 100 each) by issuing newly 2,000,000 ordinary shares with a par value of Baht 100 each. During the nine-month period ended 30 September 2019, the Company paid Baht 150 million for the additional capital. Therefore, the separate financial statements as at 30 September 2019, the Company has investments in this subsidiary of Baht 6,705 million.

Subsequently, on 19 September 2019, the Board of Directors of the Company passed resolutions to approve to increase SRP's registered share capital amounting to Baht 250 million for operation in 2020.

7.3 Sri Trang IBC Co., Ltd.

On 14 May 2019, the Board of Directors of the Company passed resolutions to approve to establish of a new subsidiary in Thailand with a registered share capital of Baht 10 million (100,000 ordinary shares with a par value of Baht 100 each) to operate in the provision of technical, innovation, information, and advisory services, with the Company to have a 99.99 percent shareholding. The Company completely register its establishment with Ministry of Commerce on 18 June 2019.

During the current period, the Company paid Baht 2.5 million for the paid-up capital.

7.4 Sri Trang USA, Inc. (“STU”)

On 19 September 2019, the Board of Directors of the Company passed resolutions to approve a restructuring of the shareholding of STU by selling all STU's shares of 3,000 shares with 100 percent to STGT at a price of USD 1, or approximately Baht 31, as described in Note 1.2 c) to the interim financial statements. During the current period, the Company reflected the loss from disposal of investments in the subsidiary amounting to Baht 179 million in profit or loss in the separate financial statements.

Moreover, on 19 September 2019, the Board of Directors of STGT passed resolutions to approve that STGT purchases STU's capital-increased shares with amount of not exceeding USD 8.5 million, for STU to repay the loans secured from financial institutions.

8. Investments in associates

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	Carrying amounts based on equity method		Cost	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
		(Audited)		(Audited)
Semperflex Asia Co., Ltd.	468,213	386,798	142,500	142,500
Pattana Agro Futures Co., Ltd.	8,149	8,121	15,069	15,069
Total investments in associates	<u>476,362</u>	<u>394,919</u>	<u>157,569</u>	<u>157,569</u>

(Unaudited but reviewed)

9. Investment in joint venture

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	Carrying amounts based on equity method		Cost	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited)		(Audited)
Thaitech Rubber Corp., Ltd.	382,905	406,381	134,717	134,717

10. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Net book value as at 1 January 2019 (Restated)	26,381,942		9,093,222	
Acquisitions	3,129,911		217,428	
Capitalised interest	26,554		-	
Transfers to intangible assets (Note 12)	(1,251)		-	
Disposals and write-offs, net	(37,349)		(9,523)	
Reduction of revaluation	(2,163)		-	
Depreciation	(1,790,151)		(623,582)	
Depreciation capitalised to assets (Note 11)	(57,227)		-	
Translation adjustment	(82,181)		-	
Net book value as at 30 September 2019	27,568,085		8,677,545	

As at 30 September 2019, net book value of property, plant and equipment of a subsidiary with collateral against credit facilities, short-term and long-term borrowings received from a commercial bank is approximately Baht 164 million as described in Note 14 to the interim financial statements.

Moreover, the result of the amalgamation between Sri Trang Gloves and TK and the adjustments affecting the restated consolidated financial statements as described in Note 1.2 a) to the interim financial statements, net book value of property, plant and equipment of the subsidiary amounting to Baht 1,562 million were pledged as collateral against credit facilities, short-term and long-term borrowings received from financial institutions. However, during the current period, the subsidiary redeems all the collaterals pledged with financial institutions 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 2019	2,051,492	8,310
Additions	109,929	1,029
Amortisation	(4,852)	(322)
Depreciation capitalised to assets (Note 10)	57,227	-
Net book value as at 30 September 2019	<u>2,213,796</u>	<u>9,017</u>

12. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2019 (Restated)	425,917	395,580
Additions	23,256	19,071
Transfers from equipment (Note 10)	1,251	-
Disposals and write-offs, net	(61)	(12)
Amortisation	(55,944)	(45,610)
Translation adjustment	(413)	-
Net book value as at 30 September 2019	<u>394,006</u>	<u>369,029</u>

13. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited/ restated)		(Audited)
Trade payables - related parties (Note 3)	12,740	17,917	363,727	383,080
Trade payables - unrelated parties	1,112,841	1,320,048	309,469	491,518
Accrued expenses - related parties (Note 3)	-	-	2,039	35,890
Accrued expenses - unrelated parties	607,168	664,187	229,721	248,476
Deferred income for goods and others	546,637	491,248	160,398	184,081

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2019	2018	2019	2018
		(Audited/ restated)		(Audited)
Deposits and retentions received from customers	64,849	53,582	25,018	25,424
Other payables - related parties (Note 3)	-	-	4,491	17,892
Other payables - unrelated parties	176,966	129,453	19,953	31,315
Others	101	523	101	103
Total trade and other payables	2,521,302	2,676,958	1,114,917	1,417,779

14. Borrowings

Movements in the borrowing account during the nine-month period ended 30 September 2019 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019 (Restated)	27,783,841	18,549,186
Decrease in short-term borrowings from financial institutions	(1,797,990)	(228,918)
Additions of long-term borrowing from financial institutions	2,150,000	-
Repayments of long-term borrowings from financial institutions	(1,301,526)	(942,526)
Additions of finance lease liabilities	10,258	934
Repayments of finance lease liabilities	(16,976)	(2,833)
Repayments of debentures	(810,000)	(810,000)
Unrealised gain on exchange rates	(88,097)	(88,737)
Additions of deferred financial service fee	(4,057)	-
Amortisation of deferred financial service fee	1,251	-
Translation adjustments	(108,794)	-
Balance as at 30 September 2019	25,817,910	16,477,106

Short-term and long-term borrowings from financial institutions

As at 30 September 2019, certain of short-term borrowings of local subsidiary totaling Baht 31 million (31 December 2018: Baht 31 million) were guaranteed by land, land improvements, buildings and structures thereon, and machinery and equipment of a subsidiary as described in Note 10 to the interim financial statements. 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.

During the current period, a local subsidiary drew down Baht 850 million of loans. The subsidiary had entered into a long-term loan agreement with a local commercial bank granting credit facilities of Baht 1,445 million, with a term of 6 years. The loan is subject to interest at MLR less a fixed rate per annum, is unsecured and loan principal is payable on a quarterly basis, with the first payment due in March 2020 and interest is payable on a quarterly basis.

Moreover, as described in Note 10 to the interim financial statements, on 31 December 2018, property, plant and equipment and fixed deposits of a subsidiary were pledged as collateral against credit facilities, short-term and long-term borrowings received from a financial institution. However, during the current period, the collateral and conditions of borrowings agreements were changed. The subsidiary redeems all the collaterals pledged with financial institutions. And, the financial institution assigned that the subsidiary had not led its assets to obligation (Negative pledge).

As at 30 September 2019, an overseas subsidiary has a credit facility with a financial institution totaling USD 15 million or approximately Baht 459 million (31 December 2018: USD 19 million or approximately Baht 616 million). The subsidiary's short-term borrowings of USD 8.8 million or approximately Baht 268 million (31 December 2018: USD 10.5 million or approximately Baht 341 million) were guaranteed by the Company and the standby-letters of credit of a commercial bank as referred in Note 20.3 to the interim financial statements.

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

Debentures

In May 2019, the Company repaid Baht 810 million of debentures, consisting of 810,000 units with a face value of Baht 1,000 each.

Debentures are unsubordinated, unsecured and denominated in Thai Baht, which are due for redemption from 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 3 - 5 years.

15. Provision for retirement benefit obligations

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment and the Group has additional provision for retirement benefit obligations of Baht 81 million (The Company only: Baht 30 million) as a result. The Group reflect the effect of the change by recognising expenses in profit or loss in the second quarter of 2019.

16. 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 was 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 was calculated in accordance with the accounting standards and/or tax law of that company's country of domicile.

(Unaudited but reviewed)

Tax expenses (income) for the three-month and nine-month periods ended 30 September 2019 and 2018 are made up as follows.

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Current income tax:				
Interim corporate income tax charge	49,099	81,229	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(32,239)	59,397	(7,210)	36,929
Tax expense (income) reported in the profit or loss	<u>16,860</u>	<u>140,626</u>	<u>(7,210)</u>	<u>36,929</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Current income tax:				
Interim corporate income tax charge	167,574	346,487	-	-
Adjustment in respect of income tax of previous year	(17,580)	-	(961)	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(89,631)	(49,999)	7,217	35,035
Tax expense (income) reported in the profit or loss	<u>60,363</u>	<u>296,488</u>	<u>6,256</u>	<u>35,035</u>

(Unaudited but reviewed)

17. Earnings per share

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Basic earnings per share				
Profit (loss) attributable to owners of the Company (Thousand Baht)	135,098	501,555	(153,507)	39,559
Weighted average number of ordinary shares (Thousand shares)	1,536,000	1,536,000	1,536,000	1,536,000
Earnings (loss) per share (Baht per share)	0.09	0.33	(0.10)	0.03

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Basic earnings per share				
Profit (loss) attributable to owners of the Company (Thousand Baht)	(222,537)	1,925,300	(83,328)	1,491,305
Weighted average number of ordinary shares (Thousand shares)	1,536,000	1,536,000	1,536,000	1,536,000
Earnings (loss) per share (Baht per share)	(0.14)	1.25	(0.05)	0.97

18. Dividends

(Unit: Million Baht)			
<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u>	<u>Dividend per share</u>
Final dividends for 2018	Annual General Meeting of the shareholders on 30 April 2019	<u>614</u>	<u>0.40</u>

19. Segment information

The Group operated across 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 2019 and 2018 has been presented as follows:

(Unaudited but reviewed)

For the three-month period ended 30 September 2019

(Unit: Thousand Baht)

	Natural rubber and gloves							Engineering	Plantation	Others	Elimination	Consolidation
	United states of							Thailand	Thailand	Thailand		
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar					
Revenues												
Revenues from external customers	10,038,350	626,441	4,028,910	103,790	573,202	1,622	-	4,510	93	6,820	-	15,383,738
Inter-segment revenues	3,496,133	2,234,633	74,508	-	-	-	73,608	669,929	6,527	304,040	(6,859,378)	-
Total revenues	13,534,483	2,861,074	4,103,418	103,790	573,202	1,622	73,608	674,439	6,620	310,860	(6,859,378)	15,383,738
Unallocated income and expenses												
Depreciation and amortisation	(511,892)	(89,370)	(2,395)	(67)	(563)	-	(1,260)	(5,762)	(7,931)	(4,168)	-	(623,408)
Finance income	18,065	363	8,605	-	298	-	-	-	-	478	(21,945)	5,864
Finance cost	(158,076)	(71,606)	(49)	(3,442)	-	-	(1,062)	-	(52)	(384)	24,669	(210,002)
Share of profit from investments in associates and joint venture	21,994	-	-	-	-	-	-	-	-	-	-	21,994
Profit (loss) before income tax expense	(57,620)	(76,309)	176,774	(22,349)	(22,149)	(800)	2,954	12,666	(31,879)	8,392	180,461	170,141
Tax income (expense)	(13,017)	4,564	(11,897)	3,265	5,203	-	-	(2,522)	24	(2,480)	-	(16,860)
Profit (loss) for the period	(70,637)	(71,745)	164,877	(19,084)	(16,946)	(800)	2,954	10,144	(31,855)	5,912	180,461	153,281
Total assets	56,343,389	4,562,146	5,449,886	243,955	873,878	24,999	119,704	1,070,343	6,802,591	4,177,129	(24,507,450)	55,160,570

(Unaudited but reviewed)

For the three-month period ended 30 September 2018 (Restated)

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of							Thailand	Thailand	Thailand		
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		
Revenues												
Revenues from external customers	12,743,787	898,495	4,201,767	53,245	806,574	-	-	39,900	764	10,432	-	18,754,964
Inter-segment revenues	3,206,042	2,205,647	150,257	-	-	-	100,589	360,380	2,686	260,447	(6,286,048)	-
Total revenues	15,949,829	3,104,142	4,352,024	53,245	806,574	-	100,589	400,280	3,450	270,879	(6,286,048)	18,754,964
Unallocated income and expenses												
Depreciation and amortisation	(487,038)	(77,115)	(2,034)	(105)	(460)	-	(1,258)	(5,887)	(7,895)	(6,868)	-	(588,660)
Finance income	29,401	1,607	7,789	-	118	-	-	2,106	-	24	(31,283)	9,762
Finance cost	(175,682)	(82,810)	(1,878)	(4,415)	-	-	(2,518)	-	-	(462)	34,723	(233,042)
Share of profit from investments in associates and joint venture	60,032	-	-	-	-	-	-	-	-	-	-	60,032
Profit (loss) before income tax expense	632,421	(46,030)	177,556	(28,226)	(12,386)	966	(5,202)	16,479	(26,787)	2,824	(30,792)	680,823
Tax income (expense)	(129,582)	10,656	(27,548)	6,593	3,301	-	-	(3,567)	58	(537)	-	(140,626)
Profit (loss) for the period	502,839	(35,374)	150,008	(21,633)	(9,085)	966	(5,202)	12,912	(26,729)	2,287	(30,792)	540,197
Total assets	54,368,342	6,492,782	5,436,659	235,833	1,480,726	26,006	157,504	1,329,515	6,632,744	4,124,519	(22,333,680)	57,950,950

(Unaudited but reviewed)

For the nine-month period ended 30 September 2019

(Unit: Thousand Baht)

	Natural rubber and gloves							Engineering	Plantation	Others	Elimination	Consolidation
	United states of							Thailand	Thailand	Thailand		
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar	Thailand	Thailand	Thailand		
Revenues												
Revenues from external customers	29,429,025	2,023,704	11,253,488	249,548	2,414,374	4,214	-	12,088	305	18,802	-	45,405,548
Inter-segment revenues	9,987,970	5,537,155	237,541	-	-	-	247,918	1,802,452	11,939	832,964	(18,657,939)	-
Total revenues	39,416,995	7,560,859	11,491,029	249,548	2,414,374	4,214	247,918	1,814,540	12,244	851,766	(18,657,939)	45,405,548
Unallocated income and expenses												
Depreciation and amortisation	(1,510,347)	(270,717)	(7,358)	(215)	(1,508)	-	(3,734)	(17,331)	(24,095)	(15,642)	-	(1,850,947)
Finance income	63,891	4,765	20,994	-	645	1	-	1,167	29	827	(64,310)	28,009
Finance cost	(506,897)	(245,007)	(154)	(11,926)	-	-	(5,066)	-	(169)	(1,152)	75,192	(695,179)
Share of profit from investments in associates and joint venture	95,625	-	-	-	-	-	-	-	-	-	-	95,625
Profit (loss) before income tax expense	505,111	(313,103)	293,929	(54,649)	(21,280)	(1,381)	19,531	33,461	(73,930)	35,487	(524,432)	(101,256)
Tax income (expense)	(54,216)	11,457	(16,927)	11,537	2,323	-	-	(7,131)	238	(7,644)	-	(60,363)
Profit (loss) for the period	450,895	(301,646)	277,002	(43,112)	(18,957)	(1,381)	19,531	26,330	(73,692)	27,843	(524,432)	(161,619)
Total assets	56,343,389	4,562,146	5,449,886	243,955	873,878	24,999	119,704	1,070,343	6,802,591	4,177,129	(24,507,450)	55,160,570

(Unaudited but reviewed)

For the nine-month period ended 30 September 2018 (Restated)

(Unit: Thousand Baht)

	Natural rubber							Engineering	Plantation	Others	Elimination	Consolidation
	United states of											
	Thailand	Indonesia	Singapore	America	China	Vietnam	Myanmar					
Revenues												
Revenues from external customers	38,575,707	1,967,082	13,457,249	253,842	1,806,561	-	-	113,077	1,680	23,591	-	56,198,789
Inter-segment revenues	9,639,673	6,242,122	343,668	-	28,478	-	279,265	940,862	3,941	726,237	(18,204,246)	-
Total revenues	48,215,380	8,209,204	13,800,917	253,842	1,835,039	-	279,265	1,053,939	5,621	749,828	(18,204,246)	56,198,789
Unallocated income and expenses												
Depreciation and amortisation	(1,409,241)	(228,694)	(5,932)	(454)	(1,441)	-	(3,795)	(17,675)	(24,226)	(25,011)	-	(1,716,469)
Finance income	84,594	2,507	8,158	-	652	-	-	3,818	73	220	(85,407)	14,615
Finance cost	(544,407)	(223,789)	(3,488)	(13,273)	-	-	(6,846)	-	-	(1,455)	96,071	(697,187)
Share of profit from investments in associates and joint venture	197,201	-	-	-	-	-	-	-	-	-	-	197,201
Profit (loss) before income tax expense	2,944,256	(181,169)	479,264	(116,387)	287,639	715	(6,442)	33,110	(92,686)	8,268	(1,050,572)	2,305,996
Tax income (expense)	(193,496)	2,386	(62,486)	27,307	(64,986)	-	-	(6,616)	2,305	(901)	-	(296,488)
Profit (loss) for the period	2,750,759	(178,783)	416,778	(89,080)	222,653	715	(6,442)	26,494	(90,381)	7,367	(1,050,572)	2,009,508
Total assets	54,368,342	6,492,782	5,436,659	235,833	1,480,726	26,006	157,504	1,329,515	6,632,744	4,124,519	(22,333,680)	57,950,950

(Unaudited but reviewed)

20. Commitments and contingent liabilities

20.1 Sales and purchases commitments

The Group is 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 is not determined at the contract date as follows.

(Unit: Thousand Baht)

	As at 30 September 2019	
	Consolidated	Separate
	financial statements	financial statements
Purchases from:		
Joint venture	522,198	-
Third parties	93,096	-
	<u>615,294</u>	<u>-</u>
Sales to:		
Subsidiaries	-	1,185,165
Third parties	10,309,492	7,038,347
	<u>10,309,492</u>	<u>8,223,512</u>

20.2 Capital commitments

The Group had capital commitments as follows.

(Unit: Thousand Baht)

	As at 30 September 2019	
	Consolidated	Separate
	financial statements	financial statements
Capital commitments - purchase of fixed assets	<u>407,074</u>	<u>33,603</u>

(Unaudited but reviewed)

20.3 Commitments from guarantees on borrowings of subsidiaries and contingent liabilities

20.3.1 The Company had outstanding balance of commitments from guarantees on the borrowings of subsidiaries as follows.

Currencies	As at 30 September 2019	
	Consolidated financial statements / Separate financial statements	(Equivalent) Million Baht
Million USD	5	153
Billion Rupiah	591	1,282
Total		1,435

20.3.2 As at 30 September 2019, there were outstanding bank guarantees of Baht 153 million issued by banks on behalf of the Group primarily to guarantee electricity usage. The subsidiary had pledged its fixed deposits of Baht 1 million to guarantee electricity usage.

20.3.3 As at 30 September 2019, the Group had a credit facility of standby-letters of credit totaling USD 10 million, or approximately Baht 306 million.

20.4 Operating lease commitments - where the Group are 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 2019	
	Consolidated financial statements	Separate financial statements
Not later than 1 year	142,404	80,579
Later than 1 year but not later than 5 years	136,888	74,628
Total	279,292	155,207

(Unaudited but reviewed)

21. Fair value measurements

As at 30 September 2019 and 31 December 2018, 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 2019			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	43,045	-	-	43,045
Derivative financial instruments (Note 6)	96,507	80,466	-	176,973
Liabilities				
Derivative financial instruments (Note 6)	8,945	75,074	-	84,019

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2018 (Audited)			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	46,498	-	-	46,498
Derivative financial instruments (Note 6)	45,413	14,188	-	59,601
Liabilities				
Derivative financial instruments (Note 6)	106,524	64,879	-	171,403

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	As at 30 September 2019			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	42,787	-	-	42,787
Derivative financial instruments (Note 6)	34,191	37,242	-	71,433
Liabilities				
Derivative financial instruments (Note 6)	3,470	21,746	-	25,216

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2018 (Audited)			
	Level 1	Level 2	Level 3	Total
Assets				
Available-for-sale financial assets				
- equity securities	46,182	-	-	46,182
Derivative financial instruments (Note 6)	30,742	2,337	-	33,079
Liabilities				
Derivative financial instruments (Note 6)	95,302	16,030	-	111,332

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 2019.