

SRI TRANG AGRO-INDUSTRY PUBLIC COMPANY LIMITED
(Company Registration No. 0107536001656)
First Quarter Financial Statement Announcement

**PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),
HALF YEAR AND FULL YEAR RESULTS**

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED
31 Mar 2014 (UNAUDITED)**

	Group		
	For the financial quarter ended 31 Mar		
	2014	2013	Change
	Baht	Baht	%
Revenues from sales of goods and services	22,764,907,018	24,240,089,228	-6%
Costs of sales and services	(22,166,400,636)	(22,920,559,802)	-3%
Gross profit	598,506,382	1,319,529,426	-55%
Other income	36,926,947	52,732,085	
Selling expenses	(411,060,085)	(686,740,609)	
Administrative expenses	(348,825,640)	(303,801,115)	
Gain on exchange rate, net	123,267,083	454,514,095	
Other gains (losses), net	403,143,745	224,488,952	
Operating profit	401,958,432	1,060,722,834	-62%
Finance income	11,934,356	1,612,262	
Finance costs	(74,508,180)	(183,286,552)	
Finance costs - net	(62,573,824)	(181,674,290)	-66%
Share of profit from investments in associates and a joint venture	103,450,646	106,596,527	-3%
Profit before income tax	442,835,254	985,645,071	
Income tax	(34,269,820)	(133,075,609)	-74%
Profit for the periods	408,565,434	852,569,462	-52%
Other comprehensive income:			
Adjustment of differences from asset revaluation surplus, net of tax	9,684,158	(9,303,707)	
Change in fair value of available-for-sale investments, net of tax	5,017,328	3,506,398	
Currency differences on translating financial information	86,897,026	(153,930,667)	
Other comprehensive income (expense) for the periods, net of tax	101,598,512	(159,727,976)	-164%
Total comprehensive income for the periods	510,163,946	692,841,486	-26%
Profit attributable to:			
Owners of the parent	401,960,092	850,094,009	
Non-controlling interests	6,605,342	2,475,453	
	408,565,434	852,569,462	
Total comprehensive income attributable to:			
Owners of the parent	496,229,597	695,130,682	
Non-controlling interests	13,934,349	(2,289,196)	
Total comprehensive income for the periods	510,163,946	692,841,486	
Earnings per share			
Basic earnings per share	0.31	0.66	

The Group's profit before tax is arrived after charging/(crediting):

		Group		
		For the financial quarter ended 31 Mar		
		2014	2013	Change
		Baht'000	Baht'000	%
Depreciation and amortisation	(Note 1)	202,348	170,621	19%
Allowance for (reversal of) inventory cost in excess of net realisable value	(Note 2)	929,101	45,247	1953%
Allowance for (reversal of) impairment of trade accounts receivable	(Note 3)	7,408	(8,944)	-183%
Foreign exchange losses/(gains)	(Note 4)	(123,267)	(454,514)	-73%
(Gains) Losses on disposal of property, plant and equipment and intangible assets	(Note 5)	839	(994)	-184%
Interest income	(Note 6)	(11,934)	(1,612)	640%
Interest on borrowings	(Note 7)	192,260	172,132	11.7%
Other income	(Note 8)	(36,927)	(52,732)	-30%

Note 1 - The increase in depreciation and amortisation was in line with the higher fixed assets balance for the 3 months ended 31 March 2014 as compare to the same period ended 31 March 2013.

Note 2 - The Company usually stocks up raw materials and Natural Rubber Products prior to the wintering period in Thailand during February to May. Lower Natural Rubber price during Q1 2014 pressured by global NR supply surplus and stockpile together with problem of China's financial required us to record an inventory allowance.

Note 3 - The allowance for impairment of trade account receivables was made in Q1 2014 from doubtful debt of the customers who had financial problem while the reversal in Q1 2013 was from the payment received from doubtful debt.

Note 4 - The decrease in foreign exchange gain in Q1 2014 as compared to Q1 2013 was due mainly to the lower realised gain from a depreciation of Thai Baht against US dollar.

Note 5 - The loss on disposal of PPE in Q1 2014 was mainly attributable to the disposal of machinery and equipment in Thailand, whereas the gain in Q1 2013 was mainly as a result of disposal of machinery and equipment in Indonesia.

Note 6 - The increase of interest income was principally due to currency swap with a financial institution and the increase in cash & cash equivalents.

Note 7 - The increase in interest on borrowings was in line with higher average amount of loans to support our business expansion.

Note 8 - The decrease in other income resulted mainly from insurance claims from marine shipping accidents received in Q1 2013.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

STATEMENTS OF FINANCIAL POSITION AS AT 31 MAR 2014 (UNAUDITED)

	Group		Company	
	31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
	Baht	Baht	Baht	Baht
Assets				
Current assets				
Cash and cash equivalents	2,025,578,482	1,892,728,704	421,002,790	558,713,673
Derivative financial instruments	254,437,109	75,974,417	149,755,563	60,511,268
Trade accounts receivable and other receivables, net	6,742,166,053	7,441,236,911	3,920,305,172	3,893,124,720
Amount due from futures brokers	387,593,497	320,815,698	96,125,523	152,662,325
Inventories, net	15,013,846,458	16,581,938,622	7,028,022,704	7,196,300,579
Current portion of long-term borrowings to an associate	64,610,000	-	64,610,000	-
Other current assets	329,591,966	285,719,524	83,508,200	51,450,218
Total current assets	24,817,823,565	26,598,413,876	11,763,329,952	11,912,762,783
Non-current assets				
Long-term borrowings to an associate and subsidiaries	-	65,355,600	977,294,118	1,053,927,701
Fixed deposits pledged as collateral	68,112,627	61,185,033	13,334,365	13,128,278
Investments in subsidiaries	-	-	8,971,640,514	8,744,640,514
Investments in associates	3,643,804,677	3,541,181,387	712,177,500	712,177,500
Investment in a joint venture	474,977,041	489,247,987	20,099,800	20,099,800
Available-for-sale investments	57,855,596	52,438,932	56,881,449	51,520,878
Property, plant and equipment, net	13,310,072,722	12,925,857,984	5,059,108,052	4,980,761,634
Intangible assets, net	26,017,516	27,046,829	13,177,898	14,032,131
Investment properties	174,578,093	176,254,186	27,769,750	27,769,750
Withholding tax deducted at source	241,167,378	240,009,472	171,483,080	171,483,080
Deferred income tax assets, net	140,528,213	121,784,907	-	-
Other non-current assets	31,388,205	21,326,641	11,849,025	11,749,609
Total non-current assets	18,168,502,068	17,721,688,958	16,034,815,551	15,801,290,875
Total assets	42,986,325,633	44,320,102,834	27,798,145,503	27,714,053,658
Liabilities				
Current liabilities				
Trade accounts payable and other payables	3,008,049,610	3,932,109,410	1,564,520,603	1,898,141,014
Short-term borrowings from financial institutions	13,307,354,931	14,223,084,711	6,088,513,000	5,985,183,000
Current portion of long-term borrowings from financial institutions	113,404,000	113,404,000	-	-
Current portion of debentures	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Current portion of finance lease liabilities	23,099,237	17,873,880	4,253,156	4,399,946
Derivative financial instruments	301,438,611	532,851,063	248,984,763	433,015,611
Current income tax liabilities	36,687,206	20,490,118	7,456,356	-
Other current liabilities	55,808,237	46,473,277	6,699,920	12,667,203
Total current liabilities	18,445,841,832	20,486,286,459	9,520,427,798	9,933,406,774
Non-current liabilities				
Long-term borrowings from financial institutions	2,312,375,000	2,113,726,000	2,247,000,000	2,020,000,000
Debentures	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Finance lease liabilities	36,774,158	28,665,810	5,707,044	5,150,373
Deferred income tax liabilities	50,346,448	68,256,032	16,569,613	21,097,006
Provision for retirement benefit obligations	114,522,870	106,867,154	45,792,133	44,583,916
Total non-current liabilities	3,964,018,476	3,767,514,996	3,765,068,790	3,540,831,295
Total liabilities	22,409,860,308	24,253,801,455	13,285,496,588	13,474,238,069

Shareholders' equity				
Share capital - ordinary shares				
Authorised share capital	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
Issued and paid-up share capital	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
Premium on share capital	8,550,989,821	8,550,989,821	8,550,989,821	8,550,989,821
Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests				
	(173,134,488)	(173,134,488)	-	-
Asset revaluation surplus, net of accumulated depreciation	1,208,368,951	1,206,286,840	764,257,278	769,785,087
Unrealised gains on available-for-sale investments	13,564,245	8,546,917	13,060,345	8,095,919
Cumulative currency differences on translating financial information				
	(373,827,052)	(453,395,072)	-	-
Retained earnings				
Appropriated - legal reserve	128,000,000	128,000,000	128,000,000	128,000,000
Unappropriated	9,840,296,188	9,430,734,049	3,776,341,471	3,502,944,762
Total parent's shareholders' equity	20,474,257,665	19,978,028,067	14,512,648,915	14,239,815,589
Non-controlling interests	102,207,660	88,273,312	-	-
Total shareholders' equity	20,576,465,325	20,066,301,379	14,512,648,915	14,239,815,589
Total liabilities and shareholders' equity	42,986,325,633	44,320,102,834	27,798,145,503	27,714,053,658

1(b)(ii) Aggregate amount of Group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 Mar 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
(Baht Million)	(Baht Million)	(Baht Million)	(Baht Million)
5,486	7,935	4,842	9,494

Amount repayable after one year

As at 31 Mar 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
(Baht Million)	(Baht Million)	(Baht Million)	(Baht Million)
65	3,697	94	3,470

Details of any collateral

As at 31 March 2014, the Group's borrowings were secured by personal guarantees from our Chairman and Managing Director, Dr. Viyavood Sincharoenkul and/or various members of his family and certain of our Directors and our subsidiaries, mortgage of land and buildings under construction, mortgage and pledge of machinery and pledge of accounts.

- 1(c) A cash flow statement, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL QUARTER ENDED 31 MAR 2014
(UNAUDITED)**

	Group	
	2014	2013
	Baht	Baht
	For the financial quarter ended 31 Mar	
Cash flow from operating activities		
Profit before income tax	442,835,254	985,645,071
Adjustments for:		
Cash provided by/(used in) operating activities:		
Unrealised (gains) losses on foreign currency translations	117,658,808	(54,529,524)
Unrealised (gains) losses from revaluation of derivative financial instruments	(409,875,144)	(534,624,774)
Allowance for (reversal of) impairment of trade accounts receivable	7,408,414	(8,944,296)
Allowance for (reversal of) inventory cost in excess of net realisable value	929,101,208	45,246,921
Provision for post-employment benefit obligations	7,755,716	5,308,906
Depreciation charges	199,959,955	168,369,703
Amortisation charges	2,388,371	2,251,434
Loss on asset revaluation	-	36,740,002
Finance costs	74,508,180	183,286,552
Dividend income	(3,067)	(29,552)
Share of profit of associates and a joint venture and a joint venture	(103,450,646)	(106,596,527)
(Gains) losses on disposal and write-off of property, plant and equipment and intangible assets	838,890	(994,363)
Profit before changes in operating assets and liabilities	1,269,125,939	721,129,553
Changes in operating assets and liabilities:		
Decrease/(Increase) in operating assets		
- Trade accounts receivable and other receivables	691,662,444	(1,225,995,588)
- Amounts due from futures brokers	(66,777,799)	249,745,555
- Inventories	638,990,956	(1,670,980,472)
- Other current assets	(18,076,712)	(25,877,950)
- Other non-current assets	(10,115,816)	(4,548,217)
Increase/(decrease) in operating liabilities		
- Trade accounts payable and other payables	(859,998,825)	71,316,288
- Other current liabilities	9,334,960	(14,039,374)
Cash provided by (used in) operating activities	1,654,145,147	(1,899,250,205)
Interest paid	(66,806,017)	(145,773,392)
Income tax paid	(78,838,979)	(59,080,082)
Employee benefits paid	(100,000)	-
Net cash provided by (used in) operating activities	1,508,400,151	(2,104,103,679)

		Group	
		2014	2013
		Baht	Baht
		For the financial quarter ended 31 Mar	
Cash flows from investing activities			
	Increase in fixed deposits pledged as collateral	(6,927,594)	(16,673,956)
	Dividends received	3,067	29,552
	Proceeds from disposal of property, plant and equipment and intangible assets	249,617	11,371,953
	Cash paid for purchases of property, plant and equipment and intangible assets	(523,515,098)	(828,014,258)
Net cash provided by (used in) investing activities		(530,190,008)	(833,286,709)
Cash flows from financing activities			
	Increase/(decrease) in short-term borrowings from financial institutions	(1,039,223,444)	1,439,011,696
	Proceeds from long-term borrowings	227,000,000	500,000,000
	Repayments of long-term borrowings	(28,351,000)	(30,000,000)
	Proceeds from issuance of debentures	-	900,000,000
	Payments on finance lease liabilities	(4,785,921)	(3,349,823)
Net cash provided by (used in) financing activities		(845,360,365)	2,805,661,873
	Net increase/(decrease) in cash and cash equivalents	132,849,778	(131,728,515)
	Cash and cash equivalents at beginning of the periods	1,892,728,704	1,534,031,967
Cash and cash equivalents at end of the periods		2,025,578,482	1,402,303,452
Supplementary information for cash flows			
Cash paid for purchases of property, plant and equipment and intangible assets:			
	Property, plant and equipment and intangible assets acquired	(469,871,586)	(825,114,002)
	Increase in liabilities under finance lease contracts	18,119,626	6,721,010
	Decrease in payable from purchases of assets	(71,763,138)	(9,621,266)
Cash paid for purchases of property, plant and equipment and intangible assets		(523,515,098)	(828,014,258)

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

STATEMENT OF CHANGES IN EQUITY (GROUP) FOR THE FINANCIAL QUARTER ENDED 31 MAR 2014 (UNAUDITED)

Group	Attributable to owners of the parent										Non-controlling interests	Total shareholders' equity
							Retained earnings					
	Issued and paid-up capital	Premium on share capital	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	Asset revaluation surplus, net of accumulated depreciation	Unrealised gain/(loss) on available-for-sale investments	Cumulative currency differences on translating financial information	Appropriated - legal reserve	Unappropriated	Total			
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
Opening amount as at 1 January 2014	1,280,000,000	8,550,989,821	(173,134,488)	1,206,286,840	8,546,917	(453,395,072)	128,000,000	9,430,734,049	19,978,028,067	88,273,312	20,066,301,379	
Profit for the period	-	-	-	-	-	-	-	401,960,092	401,960,092	6,605,342	408,565,434	
Other comprehensive income												
Adjustment of differences from asset revaluation surplus, net of tax	-	-	-	9,684,158	-	-	-	-	9,684,158	-	9,684,158	
Depreciation transfer on assets revaluation, net of tax	-	-	-	(7,602,047)	-	-	-	7,602,047	-	-	-	
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	5,017,328	-	-	-	5,017,328	-	5,017,328	
Currency differences on translating financial information	-	-	-	-	-	79,568,020	-	-	79,568,020	7,329,006	86,897,026	
Total other comprehensive income, net of tax	-	-	-	2,082,111	5,017,328	79,568,020	-	7,602,047	94,269,506	7,329,006	101,598,512	
Total comprehensive income	-	-	-	2,082,111	5,017,328	79,568,020	-	409,562,139	496,229,598	13,934,348	510,163,946	
Balance as at 31 March 2014	1,280,000,000	8,550,989,821	(173,134,488)	1,208,368,951	13,564,245	(373,827,052)	128,000,000	9,840,296,188	20,474,257,665	102,207,660	20,576,465,325	
Opening amount as at 1 January 2013	1,280,000,000	8,550,989,821	(173,134,488)	1,176,400,847	13,525,669	(347,927,852)	128,000,000	8,224,092,866	18,851,946,863	84,850,059	18,936,796,922	
Profit for the period	-	-	-	-	-	-	-	850,094,009	850,094,009	2,475,453	852,569,462	
Other comprehensive income												
Adjustment of differences from asset revaluation surplus, net of tax	-	-	-	(9,303,707)	-	-	-	-	(9,303,707)	-	(9,303,707)	
Depreciation transfer on assets revaluation, net of tax	-	-	-	(6,846,999)	-	-	-	6,846,999	-	-	-	
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	3,506,398	-	-	-	3,506,398	-	3,506,398	
Currency translation differences	-	-	-	-	-	(149,166,018)	-	-	(149,166,018)	(4,764,649)	(153,930,667)	
Total other comprehensive income, net of tax	-	-	-	(16,150,706)	3,506,398	(149,166,018)	-	6,846,999	(154,963,327)	(4,764,649)	(159,727,976)	
Total comprehensive income	-	-	-	(16,150,706)	3,506,398	(149,166,018)	-	856,941,008	695,130,682	(2,289,196)	692,841,486	
Balance as at 31 March 2013	1,280,000,000	8,550,989,821	(173,134,488)	1,160,250,141	17,032,067	(497,093,870)	128,000,000	9,081,033,874	19,547,077,545	82,560,863	19,629,638,408	

STATEMENT OF CHANGES IN EQUITY (COMPANY) FOR THE FINANCIAL QUARTER ENDED 31 MAR 2013 (UNAUDITED)

Company	Retained earnings						
	Issued and paid-up capital	Premium on share capital	Asset revaluation surplus, net of accumulated depreciation	Unrealised gain/(loss) on available-for-sale investments	Appropriated - legal reserve	Unappropriated	Total shareholders' equity
					Baht	Baht	
Opening amount as at 1 January 2014	1,280,000,000	8,550,989,821	769,785,087	8,095,919	128,000,000	3,502,944,762	14,239,815,589
Profit for the period	-	-	-	-	-	267,868,900	267,868,900
Other comprehensive income	-	-	-	-	-	-	-
Depreciation transfer on assets revaluation, net of tax	-	-	(5,527,809)	-	-	5,527,809	-
Change in fair value of available-for-sale investments, net of tax	-	-	-	4,964,426	-	-	4,964,426
Total other comprehensive income, net of tax	-	-	(5,527,809)	4,964,426	-	5,527,809	4,964,426
Total comprehensive income	-	-	(5,527,809)	4,964,426	-	273,396,709	272,833,326
Balance as at 31 March 2014	1,280,000,000	8,550,989,821	764,257,278	13,060,345	128,000,000	3,776,341,471	14,512,648,915
Opening amount as at 1 January 2013	1,280,000,000	8,550,989,821	723,419,437	12,889,314	128,000,000	3,203,163,659	13,898,462,231
Profit for the period	-	-	-	-	-	403,519,957	403,519,957
Other comprehensive income	-	-	-	-	-	-	-
Depreciation transfer on assets revaluation, net of tax	-	-	(5,028,046)	-	-	5,028,046	-
Change in fair value of available-for-sale investments, net of tax	-	-	-	3,503,780	-	-	3,503,780
Total other comprehensive income, net of tax	-	-	(5,028,046)	3,503,780	-	5,028,046	3,503,780
Total comprehensive income	-	-	(5,028,046)	3,503,780	-	408,548,003	407,023,737
Balance as at 31 March 2013	1,280,000,000	8,550,989,821	718,391,391	16,393,094	128,000,000	3,611,711,662	14,305,485,968

1(d)(ii) Details of any changes in the company’s share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	Number of shares	
	As at 31 Mar 2014	As at 31 Dec 2013
Authorised number of ordinary shares		
Balance at beginning of period	1,280,000,000	1,280,000,000
Additional registered	-	-
Balance at end of period	1,280,000,000	1,280,000,000
Issued and fully paid ordinary shares		
Balance at beginning of period	1,280,000,000	1,280,000,000
Additional due to initial public offering of shares	-	-
Balance at end of period	1,280,000,000	1,280,000,000

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The Company did not hold any treasury shares as at 31 March 2014 and 31 December 2013. The Company’s total number of issued shares excluding treasury shares as at 31 March 2014 is 1,280,000,000 (31 December 2013: 1,280,000,000).

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The financial figures have been reviewed by the Group’s auditors in accordance with generally accepted auditing standards in Thailand which is applicable to review engagements.

3 Where the figures have been audited or reviewed, the auditor’s report (including any qualifications or emphasis of a matter).

Please refer to Section 2.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the preparation of the SFRS financial statements for the current reporting period compared with the audited financial statements as at 31 December 2013.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of, the change.

Please refer to Section 4.

6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	For the financial quarter ended 31 Mar	
	2014	2013
(a) Based on weighted average no. of shares (Baht)	0.31	0.66
(b) Based on fully diluted basis (Baht)	0.31	0.66
Weighted average no. of shares applicable to basic earnings per share (after adjusting for share split)	1,280,000,000	1,280,000,000
Weighted average no. of shares based on fully diluted basis	1,280,000,000	1,280,000,000

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	As at		As at	
	31-Mar-14	31-Dec-13	31-Mar-14	31-Dec-13
Net asset value per ordinary share based on issued share capital as at end of the period / year (Baht)	16.08	15.68	11.34	11.12

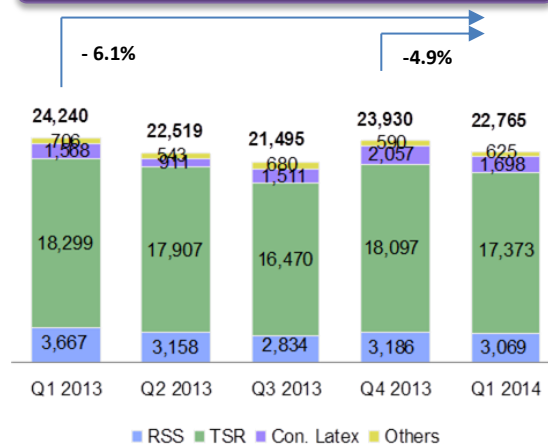
- 8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

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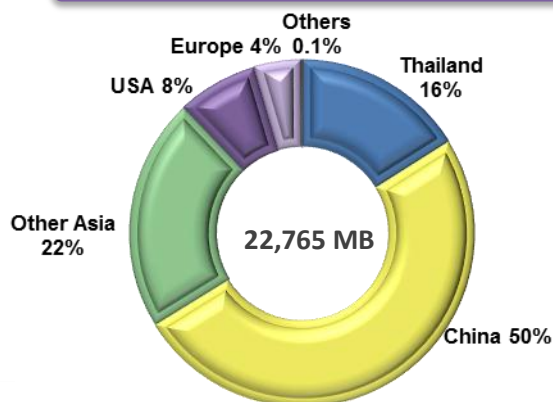
Financial result overview

The first three months of 2014 (Q1 2014) has been another challenging quarter for Natural Rubber (NR) industry evidenced by a soften demand from global economy in particular Chinese market and a continuous downward trend of NR price resulted from excess NR supply. STA, nevertheless, has been able to maintain its customer base with a slight decrease in sales volume QoQ but an increase YoY. The low closing NR price at the end of Q1 2014, however, required us to recognise a significant amount of inventory allowances which negatively impacted our bottom line. Excluding inventory allowances, our adjusted net profit and adjusted net profit margin increased YoY and QoQ. The increase in adjusted net profit margin mainly contributed by a decrease in selling expenses from cess exemption during Sep-Dec 2013 of raw materials which were exported during this quarter, gains from financial derivative instruments for rubber trading and a reduction in financial costs.

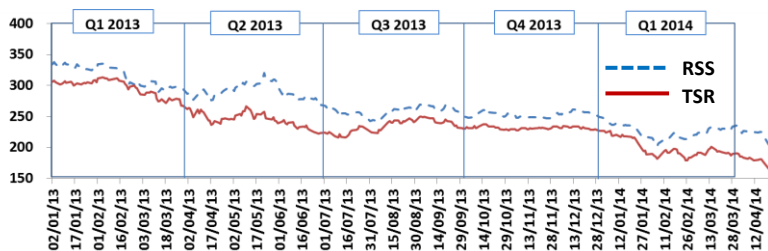
Revenues by product (THB million)



Revenues by country (Q1 2014)



TSR20 and RSS3 Price movement (US cent : Kg.)



Exchange rate of Thai Baht against US dollar



Key financial ratios

Key Financial Ratios	Q1 2014	FY 2013	FY 2012
Gross profit margin	2.6%	5.6%	4.8%
Adjusted gross profit margin**	6.4%	6.3%	4.3%
EBITDA margin	3.1%	4.1%	2.9%
Net profit margin	1.8%	2.0%	1.4%
ROA	3.7%*	4.5%	3.6%
ROE	7.9%*	9.3%	7.5%
Current ratio (times)	1.35	1.30	1.47
D/E ratio (times)	1.09	1.21	0.94
Net D/E ratio (times)	0.99	1.11	0.86
Fixed asset turnover (times)	6.94*	8.03	11.38
Inventory Turnover (days)	64.14*	61.52	57.85
Collection Period (days)	26.87*	26.06	24.55
Payment Period (days)	10.12*	9.47	7.18

Note:

* Annualised

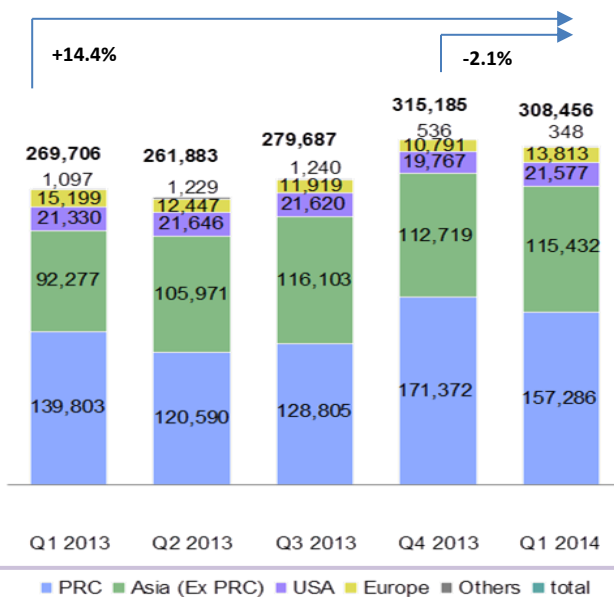
** Adjusting for (reversal) allowance of inventory cost and realised foreign exchange gains / losses

Statements of Comprehensive Income

(Unit : THB million)	Q1 2014	Q1 2013	% YoY	Q4 2013	%QoQ
Revenue from sale of goods and services	22,764.9	24,240.1	-6.1%	23,930.4	-4.9%
Cost of sales and services (net)	(22,166.4)	(22,920.6)	-3.3%	(22,467.5)	-1.3%
Gross profit	598.5	1,319.5	-54.6%	1,462.9	-59.1%
SG&A	(759.9)	(990.5)	-23.3%	(844.2)	-10.0%
Other income	36.9	52.7	-30.0%	88.1	-58.1%
Gain/Loss on foreign exchange	123.3	454.5	-72.9%	(222.7)	155.4%
Other gain/loss (net)	403.1	224.5	79.6%	44.2	811.9%
Operating profit	402.0	1,060.7	-62.1%	528.3	-23.9%
Profit sharing from associate companies and a joint venture	103.5	106.6	-3.0%	152.5	-32.2%
EBITDA	707.8	1,337.9	-47.1%	875.8	-19.2%
EBIT	505.4	1,167.3	-56.7%	680.8	-25.8%
Finance costs (net)	(62.6)	(181.7)	-65.6%	(253.0)	-75.3%
Income tax (expense) income	(34.3)	(133.1)	-74.2%	(0.8)	4328.8%
Net Profit for the period	408.6	852.6	-52.1%	427.0	-4.3%
Attributed to Owners of the parent	402.0	850.1	-52.7%	425.8	-5.6%
Attributed to non-controlling interests	6.6	2.5	166.8%	1.2	434.6%

Total sales of goods and services of Q1 2014 was Baht 22,764.9 million, down 6.1% YoY and 4.9% QoQ. NR price in Q1 2014 was negatively affected by the persistence of NR global glut and problem of China's financial system. Therefore, the decline of sales YoY was mainly driven by the decrease in average selling price of 17.7% despite being offset by the sale volume growth of 14.4%. For quarterly comparison, the decrease in total revenue was mainly attributed to a decrease of average selling price by 3.1% and a decrease in sale volume of 2.1%.

Sales volume (Tons)



Sale volume increased by 14.4% YoY to 308,456 tons. With our extensive experience and strong sales & distribution networks, our sale volume to China increased by 12.5% YoY amid softening market sentiment. India, Korea, Malaysia, Singapore, Vietnam and local market also contributed an impressive growth of 98.6%, 93.9%, 125.6%, 15.9%, 42.5% and 24.4% YoY, respectively. However, such increase in sale volume was partly offset by 9.1% YoY decrease in sale volume to Europe and 7.3% YoY decrease in sale volume to Japan reflecting its economic contraction.

In comparison with the previous quarter, sale volume slightly declined by 2.1%. Such decrease was mainly driven by 8.2% fall of Chinese market on account of its high NR inventory and financial system worriment despite being offset by an increase in sale volume of 40.5%, 63.6%, 9.2%, 28.0% and 9.5% from India, Malaysia, USA, Europe, and local market, respectively.

Gross profit margin for Q1 2014 was registered at Baht 598.5 million, down 54.6% YoY and 59.1% QoQ. Our gross profit margin of Q1 2014 was recorded at 2.6%, fell from 5.4% in the same period last year and from 6.1% in the last quarter. Global NR supply surplus and stockpile together with problem of China's financial system had negative influence on NR price. This low NR price in Q1 2014 required us to recognise allowances for inventory of Baht 929.1 million which brought about softer gross profit margin in comparison with the previous quarter and the same period of last year. Assuming the inventory allowance was not made in Q1 2014 but including the realised foreign exchange gains from our hedging policy, our adjusted gross profit margin would have been at 6.4%, which was higher than the adjusted gross profit margin in Q4 2013 at 5.4% but lower than that of Q1 2013 at 6.6%.

Operating profit for Q1 2014 amounted to Baht 402.0 million, down 62.1% YoY and 23.9% QoQ. Operating profit margin for Q1 2014 was 1.8%, decreased from 4.4% in Q1 2013 and 2.2% in Q4 2013. The decrease in operating profit mainly resulted from lowered gross profit margin due to the recognition of inventory allowances. Excluding inventory allowance, adjusted operating profit increased 20.4% YoY and 185.8% QoQ. Adjusted operating profit margin was 5.8% increased from 4.6% in Q1 2013 and 1.9% in Q4 2013. The increase in adjusted operating profit margin YoY was mainly contributed from 1) a reduction in selling expenses from cess exemption of raw materials in the previous quarter which were exported during this quarter although partially offset by an increase of logistic expenses from expansions of export volume and an increase in administrative expenses from personal expenses 2) Realised gains from financial derivative instruments from rubber trading despite being offset by realised loss on foreign exchange. The increase in adjusted operating profit margin QoQ was due primarily to gain on foreign exchange and gains from financial derivative instruments for rubber trading.

Revenues by product (THB million)

	Q1 2014	Q1 2013	% YoY	Q4 2013	% QoQ
TSR*	17,373.2	18,317.1	-5.2%	18,097.2	-4.0%
%	76.3%	75.6%		75.6%	
RSS*	3,068.7	3,667.2	-16.3%	3,185.7	-3.7%
%	13.5%	15.1%		13.3%	
LTX	1,698.1	1,567.9	8.3%	2,057.5	-17.5%
%	7.5%	6.5%		8.6%	
Others**	624.8	687.9	-9.2%	589.9	5.9%
%	2.7%	2.8%		2.5%	
Total	22,764.9	24,240.1	-6.1%	23,930.4	-4.9%

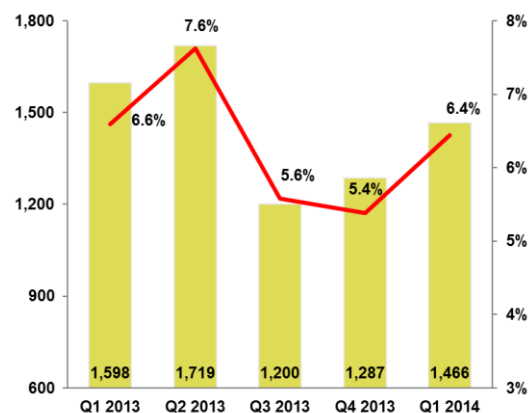
Note:

* Includes processing fee for Thai Government commencing to record from Q3 2012 – Q3 2013.

** Comprises revenue from (i) the sale of dried rubber wood and wood packing product and (ii) the provision of certain services (such as logistics, research and development and information technology services) to our associates and a joint venture entity as well as other external third parties

Net profit for Q1 2014 was Baht 402.0 million decreased by 52.7% YoY and 5.6% QoQ. Net profit margin was 1.8%, decreased from 3.5% in Q1 2013 and equaled to 1.8% in Q4 2013. Excluding inventory allowances, adjusted net profit margin was 5.8% increased from 3.7% in Q1 2013 and 1.5% in Q4 2013. The increase in adjusted net profit margin YoY was contributed from lower financial costs and a decrease in income tax. In comparison to the last quarter, the increase in net profit margin was mainly due to a decrease in financial costs although marginally offset by a reduction in share of profit of investments in associates from a one-time provision for liquidating the operations of glove distribution in Brazil (Sempermed Brazil).

Adjusted GP and GPM* (THB million)



Note: * GP and GPM after adjusting for (reversal) allowance of inventory cost and realised forex gains / losses

Business Segmentation Analysis



Technically Specified Rubber (TSR)

Revenue from the sale of TSR declined by 5.2% YoY and 4.0% QoQ. In comparison to the same period last year, the decrease of revenue was mainly driven by 17.5% decrease in average selling price, despite the increase of sale volume by 15.1%. For quarterly comparison, a decline in revenue was due to 1.0% decrease of sale volume and 3.0% decrease of average selling price.

The increase in sale volume YoY of TSR products was mainly driven by growth in Chinese market while the decrease in sale volume QoQ was mainly resulted from delayed shipment from our Chinese customers due to uncertainty of NR price and high level of NR inventory in Qingdao.

Gross profit of TSR decreased by 72.9% YoY and 77.5% QoQ. Gross profit margin lowered YoY and QoQ mainly due to the recognition of inventory allowances. Excluding inventory allowances, the adjusted gross margin improved YoY and QoQ.



Ribbed Smoked Sheet (RSS)

Revenue from the sale of RSS declined by 16.3% YoY and 3.7% QoQ. Such decline in comparison with the same period last year was driven by a decrease of average selling price by 17.4%, despite an increase of sale volume of 1.3%. In comparison with the previous quarter, the decrease in revenue was due to a decrease in average selling price of 5.6% whereas a sale volume increased by 2.0%.

The decline in average selling price of RSS has made it competitive in use as compare to TSR, therefore, the volume increased YoY and QoQ albeit marginally.

Our gross profit from the sale of RSS decreased 59.9% YoY and 33.3% QoQ. Gross profit margin lowered YoY and QoQ mainly due to the recognition of inventory allowances. Excluding inventory allowances, the adjusted gross margin marginally decreased YoY but improved QoQ.



Concentrated Latex

Revenue from the sale of Concentrated Latex was up 8.3% YoY but down 17.5% QoQ. The increase of revenue compared with the same period last year was mainly driven from an increase in sale volume of 28.2%, despite a decline in average selling price of 15.5%. Comparing with the previous quarter, the decline in revenue mainly resulted from a decrease of 13.0% of sale volume growth and a decrease in average selling price of 5.2%.

The increase in sale volume YoY of Concentrated Latex was mainly contributed from a continuous increase in demand of NR as a raw material for glove manufacturers.

Gross profit from the sale of Concentrated Latex increased by 614.2% YoY and 96.5% QoQ. Gross profit margin was higher YoY and QoQ. Excluding inventory allowances, the adjusted gross margin still increased YoY and QoQ.

Statements of Financial Position

(Unit : THB million)	31-Mar-14	31-Dec-13	% change
Cash and cash equivalents	2,025.6	1,892.7	7.0%
Trade AR and other receivables, net	6,742.2	7,441.2	-9.4%
Inventories, net	15,013.8	16,581.9	-9.5%
Other current assets	1,036.2	682.5	51.8%
Total current assets	24,817.8	26,598.4	-6.7%
Investments in associates	3,643.8	3,541.2	2.9%
Property, plant and equipment, net	13,310.1	12,925.9	3.0%
Other non-current assets	1,214.6	1,254.6	-3.2%
Total non-current assets	18,168.5	17,721.7	2.5%
Total assets	42,986.3	44,320.1	-3.0%
Short-term loans from financial institutions	13,307.4	14,223.1	-6.4%
Trade accounts payable and other payables	3,008.0	3,932.1	-23.5%
Current portion of debenture	1,600.0	1,600.0	0.0%
Other current liabilities	530.4	731.1	-27.4%
Total current liabilities	18,445.8	20,486.3	-10.0%
Long-term loans from financial institutions	2,312.4	2,113.7	9.4%
Debentures	1,450.0	1,450.0	0.0%
Other non-current liabilities	201.6	203.8	-1.1%
Total non-current liabilities	3,964.0	3,767.5	5.2%
Total liabilities	22,409.9	24,253.8	-7.6%
Issued and paid up share	1,280.0	1,280.0	0.0%
Premium on share capital	8,551.0	8,551.0	0.0%
Retained earnings	9,968.3	9,558.7	4.3%
Non-controlling interests	102.2	88.3	15.8%
Other items	675.0	588.3	14.7%
Total shareholders' equity	20,576.5	20,066.3	2.5%
Total liabilities and shareholders' equity	42,986.3	44,320.1	-3.0%

Current assets decreased by Baht 1,780.6 million, or 6.7%, from Baht 26,598.4 million for the year end 2013 to Baht 24,817.8 million for the period end of Q1 2014 which due primarily to a decrease in inventories of Baht 1,568.1 million owing to the recognition of inventory allowance cost and a decrease in trade receivables of Baht 699.1 million due to lower average selling price. Such decrease was partially offset by an increase in cash and cash equivalents of Baht 132.8 million and an increase in derivative financial instruments of Baht 178.5 million which mainly consisted of higher unrealised gain from the mark-to-market of rubber futures.

Non-current assets increased by Baht 446.8 million, or 2.5%, from Baht 17,721.7 million for the year end 2013 to Baht 18,168.5 million period end of Q1 2014 which primarily consisted of an increase in property, plants and equipment of Baht 384.2 million (net of depreciation and write-off) for the construction of our new factories and capacity expansion in Thailand and Indonesia as well as for acquisition of landbank for rubber plantation and an increase in investment in associates of Baht 102.6 million from an increase in their operating results.

Current liabilities decreased by Baht 2,040.4 million, or 10.0%, from Baht 20,486.3 million for the year end 2013 to Baht 18,445.8 million for the year end of Q1 2014 which was mainly on account of a decrease in trade accounts payable and other payables of Baht 924.1 million, a decrease in short-term loans of Baht 915.7 million and a decrease in derivative financial instruments of Baht 231.4 million. The decrease of short-term loans and trade accounts payable and other payables was due to lower level of NR price.

Non-current liabilities increased by Baht 196.5 million, or 5.2%, from Baht 3,767.5 million for the year ended 2013 to Baht 3,964.0 million for the period end of Q1 2014 which was primarily due to an increase in long-term loans of Baht 198.6 million (net of current portion) to support our business expansion.

Equity increased by Baht 510.2 million, or 2.5%, from Baht 20,066.3 million for the year end 2013 to Baht 20,576.5 million for the period end of Q1 2014 due mainly to net profit during the period.

Statements of Cash Flows

(Unit : THB million)	3 mo. 2014	3 mo. 2013
CFO	1,508.4	(2,104.1)
CFI	(530.2)	(833.3)
CFF	(845.4)	2,805.7
Net increase in cash	132.8	(131.7)
Beginning cash	1,892.7	1,534.0
Ending cash	2,025.6	1,402.3

For the first three months of 2014, cash flow from operation before net change in operating assets and liabilities was Baht 1,269.1 million. We generated cash amounted Baht 385.0 million from change in our operating assets and liabilities. We spent Baht 468.5 million of CAPEX, principally comprised Baht 285.7 million for expansion of TSR production capacity and Baht 163.2 million for the investment in rubber plantation business. Our CAPEX is basically financed by long-term loan facilities from financial institutions and proceeds from IPO in Singapore.

- 9** Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

- 10** A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

(Please see next page.)

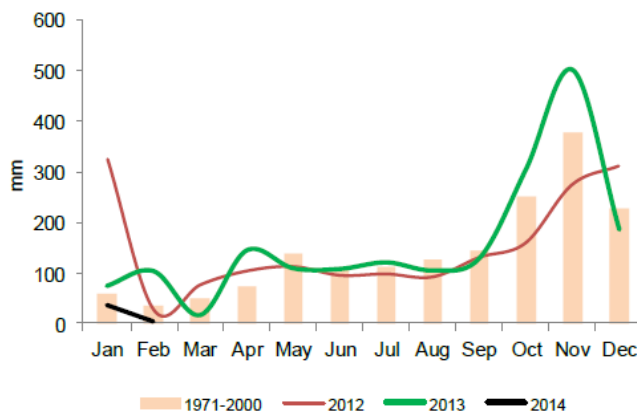
Outlook

Industry in general

Gradual economic recovery of major advanced economies and emerging markets has reflected modest growth of global NR consumption (Table 1 and Figure 1). However, a high level of NR surplus and NR inventory in China (Figure 2) have posted concerns on the price of NR in short and medium term.

NR market outlook is affected by prolonged global glut as the output from higher planting during 2006-2008 (Figure 4) has been growing at the faster rate than demand. Further pressure on NR prices will be aggravated if the Thai government decides to release NR stockpiles of approximately 200,000 tons. In addition, current lower NR price together with the expiration at the end of March 2014 of financial support to rubber farmers will prompt rubber farmers, especially who solely rely on rubber as their income, to overtap when normal tapping season starts at the end of May.

Figure 5: Rainfall – Southern Thailand, east coast



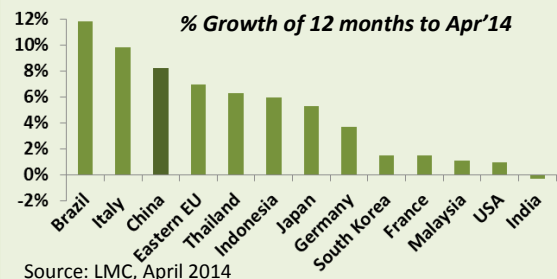
Source: IRSG, Monthly Rubber Bulletin - April 2014

Table 1: World Economic Indicators, GDP%

Annual GDP Growth	2012	2013	2014f
World	3.2	3.0	3.6
Advanced Economies	1.4	1.3	2.2
Emerging Economies	5.0	4.7	4.9

Source: IMF, WEO April 2014

Figure 1: NR Consumption Growth (%)



Source: LMC, April 2014

Figure 2: NR Inventory at Qingdao (Ton)

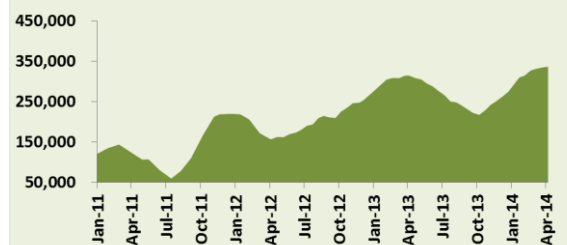
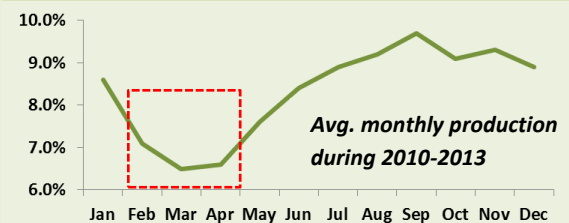
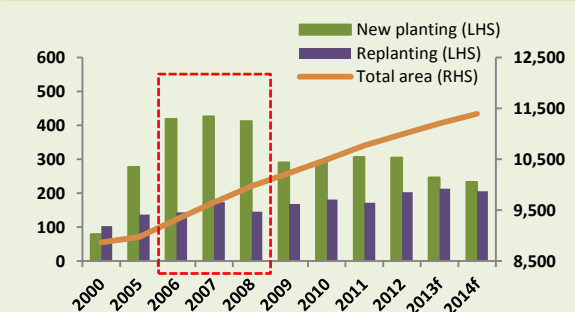


Figure 3: Seasonality in NR Production



Source: ANRPC, February 2014

Figure 4: NR Planting Area (000' HA)



Source: IRSG, WRIO December 2013

Progress of our business growth plan in value chain



Our strategic plan to aggressively expand and penetrate across Natural Rubber supply chain remains on track.

Upstream Business – to achieve 8,000 hectares in 2014

As at 31 March 2014 the Company had approximately 37,020 rai (5,923 hectares). Most of our lands are in the North of Thailand where approximately 460 rai (74 hectares) are under tapping, 23,000 rai (3,680 hectares) have been planted and will be mature for tapping from 2016 onwards, and 13,560 rai (2,170 hectares) are land under development prepared for planting during raining season in 2014.

Midstream Business – to expand production capacity to reach 1.5 million by the end of 2015

As at 31 March 2014, our optimum annual capacity was registered at industry record at 1.35 million tons per annum. Total additional capacity from year ended 2013 came from new TSR plants in Phitsanulok. The Company aims to reach capacity of 1.5 million tons per annum by the end of 2015. Production capacity in Myanmar will contribute a new source of supply to the Group by the end of 2014 while our 3rd plant in Indonesia in Muara Bungo province and SraKaew in Thailand are also under construction and also expected to be completed within 2014. The additional capacity from new plants and expanded plants in Thailand will be completed in different timeline. The continuance of capacity expansion does not only allow us to create a strong foothold in many top producing countries but also enable us to maintain our leading position as the world's largest Natural Rubber producer.

Raw Material Procurement - to enhance the procurement stronghold

The Company continues to create a new effective communication strategy with the suppliers to ensure that the quality of the supplied raw materials will always meet our factories' requirement in order to save production cost and enhance production efficiency. Moreover, the Company has developed its own process and integrated system to create excellent interface with suppliers for long-term business partnership.

Customer Coverage – to expand into high potential markets

Our strategic plan to continuously expand in high potential markets, especially in China, was successfully accomplished. Amid concerns of easing demand from high inventory level in China, we can still maintain proportion of our sale volume to total China import of Q1 2014 at the same level of year 2013 at 15%. Our newly established sales & distribution platform in Vietnam is expected to be commenced in second half of 2014. Though customer expansion in Chinese market is still our focus, the Company also reserves no spare efforts to penetrate into other high potential markets to ensure that all demands from customers throughout the world will be captured.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Not applicable

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) Date payable

Not applicable.

(e) Book closure date

Not applicable.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

13 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements with comparative information for the immediately preceding year.

Not applicable

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Not applicable

15 A breakdown of sales.

Not applicable

16 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Not applicable

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the first quarter ended 31 March 2014 to be false or misleading in any material aspects.

On behalf of the Board of Directors



Kitichai Sincharoenkul
Executive Director
12 May 2014