

Sri Trang Agro-Industry Public Company Limited  
and its subsidiaries  
Report and consolidated financial statements  
31 December 2019

## **Independent Auditor's Report**

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

### **Opinion**

I have audited the accompanying consolidated financial statements of Sri Trang Agro-Industry Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the related consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Sri Trang Agro-Industry Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sri Trang Agro-Industry Public Company Limited and its subsidiaries and of Sri Trang Agro-Industry Public Company Limited as at 31 December 2019, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

## **Emphasis of matter**

I draw attention to Note 1.2 a) to the 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 opinion is not modified in respect of this matter.

## **Key Audit Matters**

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter are described below.

## **Goodwill**

As at 31 December 2019, the Group had goodwill amounting to Baht 3,175 million. I have focused on the consideration of the impairment of the goodwill because the assessment of impairment of goodwill is a significant accounting estimate requiring the management to exercise judgement in identifying the cash generating units, estimating the cash inflows that are expected to be generated from that group of assets in the future, and setting an appropriate discount rate.

I assessed the identified cash generating units by gaining an understanding of and testing the key assumptions applied by the management in preparing estimates of the cash flows expected to be realised from the group of assets and the discount rate applied, making enquiry of responsible executives and comparing details with sources of information about the Group and the industry, and comparing past cash flow projections to actual operating results in order to evaluate the exercise of management judgement in estimating the cash flow projections.

Moreover, I examined the disclosures made with respect to the impairment assessment for goodwill.

## **Financial instruments**

The Group has entered into financial instruments with numerous counterparties that are financial institutions, in order to mitigate its exposure to fluctuations in rubber prices, foreign exchange rates and interest rates. It has presented the fair value of such financial instruments in the statement of financial position, and recognises material gains or losses on financial instruments in profit or loss of the statement of comprehensive income. Management therefore relied on valuation techniques and models suggested by the counterparties, in which most of the inputs used were observable in the relevant market. Differences in the assumptions used in the calculation may therefore affect the fair value of such financial instruments presented in financial statements.

I gained an understanding of the transactions and the process of recording the fair value of financial instruments, and the accounting records related to financial instruments. Moreover, I recalculated the fair value of such financial instruments, sent confirmation requests to counterparties to determine the completeness of the recording of the transactions and verified supporting documents, on a sampling basis, for actual transactions occurring during the year. In addition, I tested the appropriateness of the fair values used by comparing them to available market inputs. Moreover, I examined the information disclosed in the notes to the financial statements for appropriateness and completeness.

## **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.

Supachai Phanyawattano  
Certified Public Accountant (Thailand) No. 3930

EY Office Limited  
Bangkok: 28 February 2020

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	7	2,381,822,723	4,259,163,167	190,156,195	381,814,522
Trade and other receivables	8	4,978,433,863	5,969,543,349	2,592,916,467	3,233,142,662
Amounts due from future brokers		729,665,751	976,274,751	30,384,003	31,299,805
Inventories	9	13,493,550,977	12,451,783,488	7,221,648,620	6,063,579,623
Current portion of long-term loans to subsidiaries	6	-	-	839,347,600	742,550,400
Derivative financial instruments	10	62,616,087	59,600,920	27,014,973	33,078,993
Other current assets		896,717,549	509,552,159	26,096,713	60,608,671
<b>Total current assets</b>		<b>22,542,806,950</b>	<b>24,225,917,834</b>	<b>10,927,564,571</b>	<b>10,546,074,676</b>
<b>Non-current assets</b>					
Fixed deposits pledged as collateral	11	701,500	27,427,758	-	-
Long-term loans to subsidiaries	6	-	-	599,534,000	1,775,664,000
Investments in subsidiaries	12	-	-	18,673,335,673	18,499,227,048
Investments in associates	13	499,600,353	394,919,332	157,568,800	157,568,800
Investment in joint venture	14	396,391,528	406,381,384	134,716,526	134,716,526
Long-term investments	15	109,898,445	136,498,052	109,726,337	136,182,449
Investment properties	16	190,331,553	201,527,752	75,663,125	75,663,125
Property, plant and equipment	17	27,801,517,575	26,381,941,743	8,530,038,383	9,093,221,983
Rubber and palm plantations	18	2,246,720,190	2,051,492,015	13,025,646	8,310,123
Intangible assets	19	385,901,094	425,916,589	356,550,652	395,579,708
Goodwill	20	3,174,667,132	3,174,667,132	-	-
Withholding tax deducted at source		660,045,134	701,722,319	462,202,209	457,692,522
Deferred tax assets	30	284,240,626	236,109,672	-	-
Other non-current assets		38,044,369	49,898,651	11,918,138	17,043,732
<b>Total non-current assets</b>		<b>35,788,059,499</b>	<b>34,188,502,399</b>	<b>29,124,279,489</b>	<b>30,750,870,016</b>
<b>Total assets</b>		<b>58,330,866,449</b>	<b>58,414,420,233</b>	<b>40,051,844,060</b>	<b>41,296,944,692</b>

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



Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Trade and other payables	21	2,528,644,697	2,676,957,627	987,831,101	1,417,779,403
Short-term borrowings from financial institutions	22	16,948,937,304	15,766,907,288	13,502,988,000	11,320,258,000
Current portions of:					
- Long-term borrowings from financial institutions	22	2,621,766,985	1,464,225,965	1,674,276,400	965,000,000
- Debentures	22	-	810,000,000	-	810,000,000
- Finance lease liabilities	22	20,727,960	20,693,350	3,496,674	3,785,801
Short-term loans from subsidiaries	6	-	-	160,000,000	300,000,000
Income tax payable		152,301,474	186,693,776	-	-
Derivative financial instruments	10	143,244,779	171,403,131	70,355,004	111,332,231
Other current liabilities		56,775,301	39,482,319	16,421,118	17,505,972
<b>Total current liabilities</b>		<b>22,472,398,500</b>	<b>21,136,363,456</b>	<b>16,415,368,297</b>	<b>14,945,661,407</b>
<b>Non-current liabilities</b>					
Non-current portions of:					
- Long-term borrowings from financial institutions	22	7,873,898,511	8,237,974,750	2,027,976,000	3,989,386,000
- Debentures	22	1,455,000,000	1,455,000,000	1,455,000,000	1,455,000,000
- Finance lease liabilities	22	16,320,705	29,039,974	3,190,780	5,755,749
Deferred tax liabilities	30	606,693,364	774,253,967	50,877,308	80,088,388
Provision for retirement benefit obligations	23	384,950,854	335,441,277	126,247,714	118,115,622
Other non-current liabilities		33,218,344	35,067,391	-	-
<b>Total non-current liabilities</b>		<b>10,370,081,778</b>	<b>10,866,777,359</b>	<b>3,663,291,802</b>	<b>5,648,345,759</b>
<b>Total liabilities</b>		<b>32,842,480,278</b>	<b>32,003,140,815</b>	<b>20,078,660,099</b>	<b>20,594,007,166</b>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018 (Restated)	2019	2018
<b>Shareholders' equity</b>					
Share capital	24				
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		288,463,490	(173,134,488)	-	-
Retained earnings					
Appropriated - statutory reserve	26	153,600,000	153,600,000	153,600,000	153,600,000
Unappropriated		8,413,145,159	9,019,096,813	5,429,641,988	6,092,271,684
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax	25	3,964,398,998	4,102,659,313	1,994,351,161	2,057,910,140
Surplus on changes in value of available-for-sale investments - net of income tax		7,544,783	11,224,468	7,639,180	11,204,070
Exchange differences on translation of financial statements in foreign currency		<u>(1,096,075,583)</u>	<u>(796,207,126)</u>	-	-
Equity attributable to owners of the Company		24,119,028,479	24,705,190,612	19,973,183,961	20,702,937,526
Non-controlling interests of the subsidiaries		1,369,357,692	394,583,851	-	-
Former interests before restructuring of the subsidiary	1.2 a)	-	1,311,504,955	-	-
<b>Total shareholders' equity</b>		<u>25,488,386,171</u>	<u>26,411,279,418</u>	<u>19,973,183,961</u>	<u>20,702,937,526</u>
<b>Total liabilities and shareholders' equity</b>		<u>58,330,866,449</u>	<u>58,414,420,233</u>	<u>40,051,844,060</u>	<u>41,296,944,692</u>
		-	-	-	-

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

Directors

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income

For the year ended 31 December 2019

(Unit: Baht)

	Consolidated financial statements		Separate financial statements		
	Note	2019	2018 (Restated)	2019	2018
<b>Profit or loss:</b>					
Revenues from sales of goods and services		60,286,372,366	73,135,935,119	32,645,630,698	41,127,898,853
Cost of sales and services		<u>(55,431,991,295)</u>	<u>(65,974,563,647)</u>	<u>(30,374,277,996)</u>	<u>(37,597,759,009)</u>
<b>Gross profit</b>		4,854,381,071	7,161,371,472	2,271,352,702	3,530,139,844
Other income	27	279,200,501	232,646,022	157,348,506	158,924,231
Dividend income		1,855,939	1,771,494	652,409,758	1,066,737,907
Selling and distribution expenses		(3,011,555,239)	(3,520,261,464)	(1,995,062,828)	(2,546,999,895)
Administrative expenses		(1,559,041,085)	(1,738,440,951)	(664,551,541)	(668,512,879)
Gain (loss) on exchange rates		568,951,625	(252,110,108)	286,679,664	(34,188,589)
Gain on change in fair value of investment properties		(2,366,652)	13,367,351	-	-
Loss from disposal of investments in a subsidiary	12.5	-	-	(179,231,169)	-
Other gain (loss)	28	<u>(475,778,747)</u>	<u>1,189,918,496</u>	<u>(318,198,192)</u>	<u>534,053,027</u>
<b>Operating profit (loss)</b>		655,647,413	3,088,262,312	210,746,900	2,040,153,646
Share of profit from investments in associates and joint venture		<u>132,348,965</u>	<u>223,703,413</u>	-	-
<b>Profit before finance income and finance cost and tax income (expense)</b>		787,996,378	3,311,965,725	210,746,900	2,040,153,646
Finance income		34,947,069	29,409,849	78,571,918	113,276,886
Finance cost		<u>(890,589,762)</u>	<u>(935,172,918)</u>	<u>(454,751,073)</u>	<u>(533,211,699)</u>
<b>Profit (loss) before tax income (expense)</b>		(67,646,315)	2,406,202,656	(165,432,255)	1,620,218,833
Tax income (expense)	30	<u>15,574,213</u>	<u>(244,702,445)</u>	<u>33,904,880</u>	<u>52,920,664</u>
<b>Profit (loss) for the year</b>		<u>(52,072,102)</u>	<u>2,161,500,211</u>	<u>(131,527,375)</u>	<u>1,673,139,497</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>					
Exchange differences on translation of financial statements in foreign currency		(302,678,100)	(137,175,355)	-	-
Gain (loss) on change in value of available-for-sale investments - net of income tax		<u>(3,679,685)</u>	<u>(5,208,440)</u>	<u>(3,564,890)</u>	<u>(4,638,429)</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		<u>(306,357,785)</u>	<u>(142,383,795)</u>	<u>(3,564,890)</u>	<u>(4,638,429)</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		(1,621,914)	240,462,061	-	202,806,157
Actuarial gain (loss) - net of income tax		<u>20,345,467</u>	<u>11,681,484</u>	<u>19,738,699</u>	<u>(12,591,646)</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax		<u>18,723,553</u>	<u>252,143,545</u>	<u>19,738,699</u>	<u>190,214,511</u>
<b>Other comprehensive income for the year</b>		<u>(287,634,232)</u>	<u>109,759,750</u>	<u>16,173,809</u>	<u>185,576,082</u>
<b>Total comprehensive income for the year</b>		<u>(339,706,334)</u>	<u>2,271,259,961</u>	<u>(115,353,566)</u>	<u>1,858,715,579</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

For the year ended 31 December 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)		
<b>Profit (loss) attributable to:</b>					
Owners of the Company		(148,535,523)	2,064,357,820	<u>(131,527,375)</u>	<u>1,673,139,497</u>
Non-controlling interests of the subsidiaries		92,132,024	81,616,040		
Former interests before restructuring of the subsidiary		<u>4,331,397</u>	<u>15,526,351</u>		
		<u>(52,072,102)</u>	<u>2,161,500,211</u>		
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		(433,008,002)	2,181,163,220	<u>(115,353,566)</u>	<u>1,858,715,579</u>
Non-controlling interests of the subsidiaries		88,970,271	74,570,390		
Former interests before restructuring of the subsidiary		<u>4,331,397</u>	<u>15,526,351</u>		
		<u>(339,706,334)</u>	<u>2,271,259,961</u>		
<b>Earnings per share</b>	32				
Basic earnings per share					
Profit (loss) attributable to owners of the Company		<u>(0.10)</u>	<u>1.34</u>	<u>(0.09)</u>	<u>1.09</u>

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

<b>Consolidated financial statements</b>															
Equity attributable to owners of the Company															
Other components of shareholders' equity															
Other comprehensive income															
	Issued and paid-up share capital	Premium on ordinary shares	Surplus (deficit) from the change in the ownership interests in subsidiaries		Surplus on revaluation of assets - net of income tax		Surplus on changes in 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
			Appropriated - statutory reserve	Unappropriated	Surplus on	in value of	differences on								
<b>Balance as at 1 January 2018</b>	1,535,999,998	10,851,951,634	(173,134,488)	128,000,000	7,165,408,573	4,049,446,188	16,432,908	(666,077,422)	3,399,801,674	22,908,027,391	368,864,048	-	-	23,276,891,439	
Profit for the year (restated)	-	-	-	-	2,064,357,820	-	-	-	-	2,064,357,820	81,616,040	15,526,351	-	2,161,500,211	
Other comprehensive income for the year	-	-	-	-	11,681,484	240,462,061	(5,208,440)	(130,129,704)	105,123,917	116,805,401	(7,045,650)	-	-	109,759,751	
Total comprehensive income for the year (restated)	-	-	-	-	2,076,039,304	240,462,061	(5,208,440)	(130,129,704)	105,123,917	2,181,163,221	74,570,390	15,526,351	-	2,271,259,962	
Amortisation on assets revaluation	-	-	-	-	187,248,936	(187,248,936)	-	-	(187,248,936)	-	-	-	-	-	
Dividend paid (Note 35)	-	-	-	-	(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	-	-	-	-	-	-	-	-	-	-	(48,850,587)	-	-	(48,850,587)	
Transferred unappropriated retained earnings to statutory reserve	-	-	-	25,600,000	(25,600,000)	-	-	-	-	-	-	-	-	-	
<b>Balance as at 31 December 2018 (restated)</b>	<b>1,535,999,998</b>	<b>10,851,951,634</b>	<b>(173,134,488)</b>	<b>153,600,000</b>	<b>9,019,096,813</b>	<b>4,102,659,313</b>	<b>11,224,468</b>	<b>(796,207,126)</b>	<b>3,317,676,655</b>	<b>24,705,190,612</b>	<b>394,583,851</b>	<b>1,311,504,955</b>	<b>-</b>	<b>26,411,279,418</b>	

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the year ended 31 December 2019

(Unit: Baht)

Consolidated financial statements														
Equity attributable to owners of the Company														
Other components of shareholders' equity														
Other comprehensive income														
	Issued and paid-up share capital	Premium on ordinary shares	Surplus (deficit) from the change in the ownership interests in subsidiaries		Retained earnings		Surplus on revaluation of assets - net of income tax	Surplus on changes in 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
			Appropriated - statutory reserve	Unappropriated	Surplus on	in value of								
<b>Balance as at 1 January 2019 - as previously reported</b>	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
<b>Balance as at 1 January 2019 - as restated</b>	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 the year	-	-	-	-	(148,535,523)	-	-	-	-	(148,535,523)	92,132,024	-	4,331,397	(52,072,102)
Other comprehensive income for the year	-	-	-	-	20,345,467	(1,621,914)	(3,679,685)	(299,516,346)	(304,817,945)	(284,472,478)	(3,161,753)	-	-	(287,634,231)
Total comprehensive income for the year	-	-	-	-	(128,190,056)	(1,621,914)	(3,679,685)	(299,516,346)	(304,817,945)	(433,008,001)	88,970,271	-	4,331,397	(339,706,333)
Amortisation on assets revaluation	-	-	-	-	136,638,401	(136,638,401)	-	-	(136,638,401)	-	-	-	-	-
Dividend paid (Note 35)	-	-	-	-	(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 investments in subsidiaries														
under common control (Note 1.2 b), c))	-	-	352,111	-	-	-	-	(352,111)	(352,111)	-	-	-	-	-
Increase in share capital of the subsidiary (Note 12.2)	-	-	-	-	-	-	-	-	-	-	31,216,275	-	-	31,216,275
<b>Balance as at 31 December 2019</b>	1,535,999,998	10,851,951,634	288,463,490	153,600,000	8,413,145,159	3,964,398,998	7,544,783	(1,096,075,583)	2,875,868,198	24,119,028,479	1,369,357,692	-	-	25,488,386,171

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

Sri Trang Agro-Industry Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the year ended 31 December 2019

(Unit: Baht)

	Separate financial statements							Total shareholders' equity
			Other components of shareholders' equity					
			Retained earnings		Other comprehensive income			
			Appropriated - statutory reserve	Unappropriated	Surplus on revaluation of assets - net of income tax	Surplus on changes in value of available-for-sale investments - net of income tax	Total other components of shareholders' equity	
Issued and paid-up share capital	Premium on ordinary shares							
<b>Balance as at 1 January 2018</b>	1,535,999,998	10,851,951,634	128,000,000	4,751,554,758	1,944,873,058	15,842,499	1,960,715,557	19,228,221,947
Profit for the year	-	-	-	1,673,139,497	-	-	-	1,673,139,497
Other comprehensive income for the year	-	-	-	(12,591,646)	202,806,157	(4,638,429)	198,167,728	185,576,082
Total comprehensive income for the year	-	-	-	1,660,547,851	202,806,157	(4,638,429)	198,167,728	1,858,715,579
Amortisation on assets revaluation	-	-	-	89,769,075	(89,769,075)	-	(89,769,075)	-
Dividend paid (Note 35)	-	-	-	(384,000,000)	-	-	-	(384,000,000)
Transferred unappropriated retained earnings to statutory reserve	-	-	25,600,000	(25,600,000)	-	-	-	-
<b>Balance as at 31 December 2018</b>	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>153,600,000</u>	<u>6,092,271,684</u>	<u>2,057,910,140</u>	<u>11,204,070</u>	<u>2,069,114,210</u>	<u>20,702,937,526</u>
<b>Balance as at 1 January 2019</b>	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
Profit for the year	-	-	-	(131,527,375)	-	-	-	(131,527,375)
Other comprehensive income for the year	-	-	-	19,738,699	-	(3,564,890)	(3,564,890)	16,173,809
Total comprehensive income for the year	-	-	-	(111,788,676)	-	(3,564,890)	(3,564,890)	(115,353,566)
Amortisation on assets revaluation	-	-	-	63,558,979	(63,558,979)	-	(63,558,979)	-
Dividend paid (Note 35)	-	-	-	(614,399,999)	-	-	-	(614,399,999)
<b>Balance as at 31 December 2019</b>	<u>1,535,999,998</u>	<u>10,851,951,634</u>	<u>153,600,000</u>	<u>5,429,641,988</u>	<u>1,994,351,161</u>	<u>7,639,180</u>	<u>2,001,990,341</u>	<u>19,973,183,961</u>

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

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

**Cash flow statement**

**For the year ended 31 December 2019**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>
<b>Cash flows from operating activities</b>				
Profit (loss) before income tax	(67,646,315)	2,406,202,656	(165,432,255)	1,620,218,833
Adjustments to reconcile profit (loss) before tax to net cash provided by (paid from) operating activities:				
Unrealised loss (gain) on exchange rates	(128,250,642)	39,840,692	(10,998,134)	51,619,415
Unrealised loss (gain) on revaluation of derivative financial instruments	(31,173,519)	288,498,140	(34,913,207)	136,643,248
Reversal of allowance for doubtful account	(8,324,705)	(7,614,187)	-	(5,784,853)
Reversal of inventory cost to net realisable value	(133,379,310)	(173,681,704)	(74,061,551)	(160,654,815)
Expenses for retirement benefit obligations	111,695,156	47,463,373	42,492,645	11,392,018
Depreciation	2,405,643,654	2,369,568,588	832,262,806	836,196,669
Amortisation - rubber and palm plantations	6,440,800	4,000,214	426,803	281,189
Amortisation - intangible assets	74,193,925	72,235,305	60,741,704	58,436,839
Impairment loss from assets revaluation (reversal)	-	13,208,270	-	(175,950)
Impairment loss on long-term investments	22,000,000	10,000,000	22,000,000	10,000,000
Write-off withholding tax deducted at source	42,615,112	516,187	42,615,112	516,187
Finance cost	890,589,762	935,172,918	454,751,073	533,211,699
Finance income	(34,947,069)	(29,409,849)	(78,571,918)	(113,276,886)
Loss from disposal of investments in a subsidiary	-	-	179,231,169	-
Dividend income	(1,855,939)	(1,771,494)	(652,409,758)	(1,066,737,907)
Share of profit from investments in associates and a joint venture	(132,348,965)	(223,703,413)	-	-
Loss on disposal and write-off of machinery, equipment and intangible assets	25,689,317	12,876,030	6,330,863	4,066,295
Loss (gain) on change in fair value of investment properties	2,366,652	(13,367,351)	-	-
Profit (loss) from operating activities before changes in operating assets and liabilities	3,043,307,914	5,750,034,375	624,465,352	1,915,951,981
Operating assets (increase) decrease				
Trade and other receivables	1,019,572,306	1,500,004,477	650,439,700	870,441,298
Amounts due from future brokers	246,609,000	(165,735,100)	915,802	(15,122,617)
Inventories	(908,388,179)	4,997,620,371	(1,084,007,446)	1,776,807,578
Other current assets	(388,007,820)	59,218,011	34,511,959	109,964,633
Other non-current assets	11,199,461	16,063,185	4,470,774	3,577,623
Operating liabilities increase (decrease)				
Trade and other payables	(262,245,097)	84,446,264	(425,205,543)	(281,743,885)
Other current liabilities	17,292,982	(101,084,421)	(1,084,854)	(638,684)
Provision for retirement benefit obligations	(37,164,793)	(4,636,768)	(2,421,060)	(2,062,400)
Cash flows provided by operating activities	2,742,175,774	12,135,930,394	(197,915,316)	4,377,175,527
Cash paid for interest expenses	(947,877,998)	(952,720,320)	(458,987,321)	(537,971,014)
Cash received for interest income	35,953,184	39,651,016	81,615,120	131,137,292
Cash paid for income tax	(380,309,019)	(574,666,743)	(64,347,895)	(78,773,040)
Cash received from income tax	126,024,746	73,908,415	17,873,443	71,753,763
<b>Net cash flows provided by operating activities</b>	<b>1,575,966,687</b>	<b>10,722,102,762</b>	<b>(621,761,969)</b>	<b>3,963,322,528</b>

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



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

**Cash flow statement (continued)**

**For the year ended 31 December 2019**

(Unit: Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>
<b>Cash flows from investing activities</b>				
Decrease in fixed deposits pledged as collateral	26,726,258	9,711,244	-	-
Dividends received	39,513,739	154,176,494	652,409,758	1,066,737,907
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 investment in a subsidiary	-	-	(353,339,825)	(345,838,500)
Cash received from disposal of investments in a subsidiary	-	-	31	-
Cash received from disposal of machinery and equipment	15,507,402	50,153,403	3,231,450	5,905,425
Cash paid for purchases of property, plant and equipment, rubber and palm plantations and intangible assets	(4,003,668,056)	(2,964,408,895)	(312,789,562)	(767,045,545)
Cash received from business acquisition before restructuring	-	240,165,452	-	-
<b>Net cash flows from (used in) investing activities</b>	<b>(3,921,920,657)</b>	<b>(2,510,202,302)</b>	<b>958,055,852</b>	<b>(49,844,313)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term borrowings from financial institutions	1,293,115,341	(5,767,561,067)	2,182,730,000	(3,434,271,000)
Increase in short-term loan from a subsidiary	-	-	160,000,000	600,000,000
Repayment of short-term loan from a subsidiary	-	-	(300,000,000)	(300,000,000)
Proceeds from long-term borrowings	3,068,000,000	2,279,400,000	-	629,400,000
Repayments of long-term borrowings	(2,162,525,600)	(1,487,965,649)	(1,142,525,600)	(300,000,000)
Repayments of debentures	(810,000,000)	(600,000,000)	(810,000,000)	(600,000,000)
Repayments of finance lease liabilities	(21,469,756)	(11,144,692)	(3,788,275)	(4,092,253)
Dividend paid	(614,368,335)	(391,719,308)	(614,368,335)	(391,719,308)
Dividend paid by the subsidiaries	(3,190)	(48,850,588)	-	-
Cash received from increase in share capital of the subsidiary	31,216,275	-	-	-
<b>Net cash flows provided by (used in) financing activities</b>	<b>783,964,735</b>	<b>(6,027,841,304)</b>	<b>(527,952,210)</b>	<b>(3,800,682,561)</b>
<b>Decrease in translation adjustments</b>	<b>(315,351,209)</b>	<b>(166,795,662)</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,877,340,444)</b>	<b>2,017,263,494</b>	<b>(191,658,327)</b>	<b>112,795,654</b>
Cash and cash equivalents at beginning of the year	4,259,163,167	2,241,899,673	381,814,522	269,018,868
<b>Cash and cash equivalents at end of the year</b>	<b>2,381,822,723</b>	<b>4,259,163,167</b>	<b>190,156,195</b>	<b>381,814,522</b>
	-	-	-	-
<b>Supplemental cash flows information</b>				
Non-cash transactions:				
Increase in payables from purchases of assets	89,526,109	-	-	-
Increase in retention	23,169,751	-	-	-
Purchases of assets by entering into financial lease agreements	9,794,526	-	1,589,000	-

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

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

### **Notes to consolidated financial statements**

**For the year ended 31 December 2019**

#### **1. General information**

##### **1.1 Company information**

Sri Trang Agro-Industry Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of natural rubber products such as ribbed smoked sheets, concentrated latex, block rubber, gloves and other products. In addition, the Group provides engineering and logistics services. The registered office of the Company is at 10 Soi 10, Phetkasem Road, Hat Yai, Songkhla, Thailand.

##### **1.2 The restructuring of the subsidiary**

a) As described in Note 12.2 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”)

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)	
	Consolidated financial statements	
	1 April 2019	16 August 2018
<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
<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)
<b>Total net assets acquired</b>	<b>1,315,836</b>	<b>1,295,979</b>
<u>Less: Increase in non-controlling interests of the subsidiary</u>	<u>(854,590)</u>	
<b>Surplus from the change in the ownership interests in subsidiary</b>	<b>461,246</b>	

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 year ended 31 December 2019.

The consolidated statement of financial position as at 31 December 2018, the related consolidated statements of comprehensive income, and the related consolidated statements of cash flows for the year then ended were adjusted to reflect the above transactions. The amounts of the adjustments affecting the restated consolidated financial statements are summarised below:

(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
<b>Total assets</b>	<b>2,739,041</b>	<b>(72,726)</b>	<b>2,666,315</b>
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
<b>Total liabilities</b>	<b>1,427,536</b>	<b>(72,726)</b>	<b>1,354,810</b>
Former interests before restructuring of the subsidiary	1,311,505	-	1,311,505
<b>Total shareholders' equity</b>	<b>1,311,505</b>	<b>-</b>	<b>1,311,505</b>
<b>Total liabilities and shareholders' equity</b>	<b>2,739,041</b>	<b>(72,726)</b>	<b>2,666,315</b>

(Unit: Thousand Baht)

**Consolidated statement of  
comprehensive income**

For the year ended 31 December 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	540,567	(897,433)	(356,866)
Gross profit	59,114	8,153	67,267
Tax expense	3,714	-	3,714
<b>Profit for period</b>	<b>15,526</b>	<b>-</b>	<b>15,526</b>
Other comprehensive income for the period	-	-	-
<b>Total comprehensive income for the period</b>	<b>15,526</b>	<b>-</b>	<b>15,526</b>

**Profit attributable to:**

Former interests before restructuring

of the subsidiary

15,526

-

15,526

**Total comprehensive income attributable to:**

Former interests before restructuring

of the subsidiary

15,526

-

15,526

(Unit: Thousand Baht)

**Consolidated statement of  
cash flows**

For the year ended 31 December 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	(6,207)	-	(6,207)
Net cash flows provided by investing activities	61,159	-	61,159
Net cash flows provided by financing activities	6,911	-	6,911
<b>Net increase in cash and cash equivalents</b>	<b>61,863</b>	<b>-</b>	<b>61,863</b>

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 2 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 year ended 31 December 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 year ended 31 December 2019.

## **2. Basis of preparation**

2.1 The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development dated 11 October 2016, issued under the Accounting Act B.E. 2543.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

### **2.2 Basis of consolidation**

a) The consolidated financial statements include the financial statements of Sri Trang Agro-Industry Public Company Limited (“the Company”) and the following subsidiary companies (“the subsidiaries”):

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			2019 (%)	2018 (%)
<b><u>Subsidiaries directly owned by the Company</u></b>				
PT Sri Trang Lingga Indonesia	Manufacture of block rubber products	Indonesia	90.00	90.00
Anvar Parawood Co., Ltd.	Manufacture of parawood	Thailand	99.94	99.94
Rubberland Products Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Namhua Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Sadao P.S. Rubber Co., Ltd.	Manufacture of rubber products	Thailand	99.99	99.99
Startex Rubber Co., Ltd.	Investment holding	Thailand	99.99	99.99
Premier System Engineering Co., Ltd.	Providing engineering services	Thailand	99.99	99.99
Starlight Express Transport Co., Ltd.	Providing of logistics services	Thailand	99.99	99.99
Sri Trang Rubber & Plantation Co., Ltd.	Rubber plantation	Thailand	99.99	99.99
Shi Dong Shanghai Rubber Co., Ltd.	Distribution of rubber products	China	100.00	100.00
Sri Trang Gloves (Thailand) Co., Ltd. (Note 1.2 a))	Manufacture of medical gloves	Thailand	-	90.23
Sri Trang Gloves (Thailand) Plc. (Note 1.2 a))	Manufacture of medical gloves	Thailand	81.08	-
Sri Trang IBC Co., Ltd. (incorporation of a subsidiary during the current year)	Providing of IT Services	Thailand	99.99	-
<b><u>Subsidiaries indirectly owned by the Company</u></b>				
<b>Held by Startex Rubber Co., Ltd.</b>				
Sri Trang International Pte Ltd.	Distribution of rubber products	Singapore	99.99	99.99
<b>Held by Sri Trang International Pte Ltd.</b>				
Shi Dong Investments Pte Ltd.	Investment holding	Singapore	99.99	99.99
Sri Trang Indochina (Vietnam) Co., Ltd.	Distribution of rubber products	Vietnam	99.99	99.99
Sri Trang Ayeyar Rubber Industry Co., Ltd.	Manufacture of block rubber products	Myanmar	58.99	58.99
<b>Held by Shi Dong Investments Pte Ltd.</b>				
PT Star Rubber	Manufacture of block rubber products	Indonesia	98.99	98.99
<b>Held by Sri Trang Gloves (Thailand) Plc.</b>				
Shidong Shanghai Medical Equipment Co., Ltd. (2018: 99.99% held by Startex Rubber Co., Ltd.)	Distribution of gloves	China	81.08	-
Sri Trang USA, Inc. (2018: 100% held by the Company)	Distribution of gloves	USA	81.08	-

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

- b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- e) The assets and liabilities in the financial statements of overseas subsidiary companies are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in shareholders’ equity.
- f) Material balances and transactions between the Group has been eliminated from the consolidated financial statements.
- g) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.
- h) Former interests before restructuring of the subsidiary represent the portion of profit or loss and net assets of former shareholders before the restructuring and are presented separately in consolidated profit or loss and within equity in the consolidated statement of financial position.
- i) A change in the ownership interest of subsidiaries of the Group, without a loss of control, are recorded as “Surplus (deficit) from the changes in the ownership interests in subsidiaries” in shareholders’ equity.

2.3 The separate financial statements present investments in subsidiaries, a joint venture and associates under the cost method net of allowance for impairment loss (if any).



### **3. New financial reporting standards**

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

During the year, the Group adopted the revised (revised 2018) financial reporting standards and interpretations which were effective for fiscal years 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 did not have any significant impact on the Group's financial statements. However, the new standard involved changes to key principles, which were summarised below:

#### **TFRS 15 Revenue from Contracts with Customers**

TFRS 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 statement.

#### **(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 revised and new 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 change 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 expects the adoption of these accounting standards to result in the following adjustments.

- Classification and measurement of investments in equity instruments of non-listed companies - The Group is to measure investments in equity instruments of non-listed companies at fair value and to classify the investments as financial assets at fair value, through either profit or loss or through other comprehensive income. If the Group elects to present subsequent changes in the fair value of the investment through other comprehensive income, the election is irrevocable.
- Recognition of credit losses - The Group is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Group applies the simplified approach to consider impairment of trade receivables.

The management of the Group is currently evaluating the impact of these standards on 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 Group plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020, and the comparative information was not restated.

The management of the Group is currently evaluating the impact of this standard on the financial statements in the year when they are adopted.

## **4. Significant accounting policies**

### **4.1 Revenue recognition**

The Group recognises revenue when the revenue and related costs can be reliably measured; it is probable that future economic benefits will flow to the entity, which relates to these transactions as follows.

#### *Sales 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 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.

#### *Interest income*

Interest income is recognised on an accrual basis based on the effective interest rate.

#### *Dividends*

Dividends are recognised when the right to receive the dividends is established.

#### *Rental income*

Rental income is recognised on an accrual basis based on a straight-line basis over the lease term.

### **4.2 Cash and cash equivalents**

Cash and cash equivalents consist of cash in hand and cash at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

### **4.3 Trade accounts receivable**

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

### **4.4 Inventories**

Inventories are valued at the lower of cost or net realisable value. Cost is determined by weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charges, less all attributable discounts, or rebates.

The cost of finished goods and work in process are measured using the standard cost method, which approximates actual cost and includes all production costs and attributable factory overheads based on the normal operating capacity, but excluding borrowing costs. Raw materials, chemicals, spare parts and factory supplies are charged to production costs whenever consumed.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Allowance is made for obsolete, slow-moving and defective inventories.

## 4.5 Investments

- a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.
- c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- d) Investments in non-marketable equity securities, which the Group classifies as other investments, are stated at cost net of allowance for impairment loss (if any).
- e) Investments in a joint venture and associates are accounted for in the consolidated financial statements using the equity method.
- f) Investments in subsidiaries, a joint venture and associates in the separate financial statements are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Group reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of shareholders' equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

## 4.6 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value estimated by an independent appraiser. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

When there is a change in the use of investment property, if the investment property recorded at fair value is transferred to owner-occupied property or inventory, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property recorded at fair value, any difference between the carrying amount of the property and its fair value at the date of the change in use is treated in the same manner as a revaluation, in accordance with the stated accounting policy for property, plant and equipment.

#### **4.7 Property, plant and equipment and depreciation**

Land is stated at revalued amount. Building and equipment are stated at revolved amount or cost less accumulated depreciation and allowance for loss on impairment of asset (if any).

Such subsequent cost may include the cost of replacing part of the buildings and equipment, only when it is probable that future economic benefits are expected from its use will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in profit or loss as incurred.

Land and buildings are initially recorded at cost on the acquisition date, and subsequently revalued by an independent professional appraiser to their fair values. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from fair value at the end of reporting period.

Differences arising from the revaluation are dealt with in the financial statements as follows:

- When an asset's carrying amount is increased as a result of a revaluation of the Group's assets, the increase is credited directly to the other comprehensive income and the cumulative increase is recognised equity under the heading of "Surplus on revaluation of assets". However, a revaluation increase is recognised as income to the extent that it reverses a revaluation decrease in respect of the same asset previously recognised as an expense.
- When an asset's carrying amount is decreased as a result of a revaluation of the Group's assets, the decrease is recognised in profit or loss. However, the revaluation decrease is charged to the other comprehensive income to the extent that it does not exceed an amount already held in "Surplus on revaluation of assets" in respect of the same asset.

The surplus is amortised to retained earning on a straight-line basis over the remaining lives of the related assets, and can neither be offset against deficit nor used for dividend payment.

Depreciation of plant and equipment is calculated by reference to their costs or the revalued amount, on the straight-line basis over the following estimated useful lives:

Land improvements	-	5 - 43 years
Buildings and structures	-	5 - 50 years
Machinery and equipment	-	5 - 20 years
Furniture, fixtures and office equipment	-	3 - 10 years
Motor vehicles	-	5 years

Depreciation is included in profit or loss.

No depreciation is provided on land and assets under construction and installation.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

The residual values and useful lives of assets are reviewed at each reporting period, and adjusted if appropriate.

#### **4.8 Rubber and palm plantations**

Bearer plants, which consist of rubber trees for extraction of latex and oil palm trees in the plantations, are stated at cost less accumulated amortisation and allowance for impairment loss (if any).

Costs mainly comprise costs of land clearing, land terracing and drainage, planting, weeding and fertilizing, which are incurred from the immature period until the rubber trees and palm trees are ready for commercial harvesting at approximately 7 years for rubbers and 2 - 3 years for palms, and are capitalized as rubber and palm plantation costs. The Group amortises these costs to costs of production after the rubber and palm are commercially harvested, using a straight-line basis, over a period of 25 years.

Amortisation is recognised as expenses in profit or loss.

No amortisation is provided on immature rubber and palm plantation costs.

Biological assets consist of latex produced inside the rubber trees and palm fruit on trees, and are measured at their fair value less costs to sell harvested from the Group's biological assets.

Agricultural produce is rubber latex and harvested palm fruit which are measured at their fair value less costs to sell at the point of harvest.

Gains or losses on changes in fair value of biological assets and agricultural produce are recognised in profit or loss.

#### **4.9 Borrowings and borrowing costs**

Borrowings comprising borrowings from financial institutions and debentures are recognised initially at the fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost based on the effective interest rate; any difference between proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective yield method.

Fees paid on the establishment of borrowings facilities are recognised as transaction costs of the borrowings to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent that there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of reporting period.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets. All other borrowing costs are expensed in the period they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

#### **4.10 Intangible assets - Computer software**

Intangible assets - Computer software is recognised at cost. Following the initial recognition, the Intangible assets - Computer software is carried at cost less accumulated amortisation and accumulated allowance for impairment loss (if any).

Intangible assets - Computer software with finite useful lives of 3-10 years is amortised on a systematic basis over the economic useful lives and tested for impairment whenever there is an indication that the Intangible assets - Computer software may be impaired. The amortisation period and the amortisation method of such Intangible assets - Computer software are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

No amortisation is provided on computer software under installation.

#### **4.11 Business combinations and goodwill**

Business combinations are accounted for using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.



For each business combination, the Group measures the recognised amount of any non-controlling interest in the acquiree at either the fair value or the non-controlling interest's proportionate share of the net of identifiable assets of the acquiree.

In the case of a business combination achieved in stages, the Group measures the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree and recognised gains or losses in profit or loss.

Costs related to the acquisition are recognised as expenses when incurred.

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the Group's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Group estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

#### ***Business combinations under common control***

Business combinations under common control are accounted for using the pooling of interests method, with the cost of the business combinations under common control being the fair value, at the date of exchange, of the consideration transferred to obtain control. The assets and liabilities of the entities pooled are recognised based on their book values, in proportion to the interests previously under common control.

Differences between the cost of the business combination under common control and the acquirer's proportionate interests in the book value of the pooled entities are directly recognised in shareholders' equity (and if the pooled entities have profit or loss transactions directly recognised in the shareholders' equity, the financial statements after business combination present the transaction as if the business combination occurred at the earliest reporting date). The remaining difference between the cost of the business combination under common control and the acquirer's proportionate interest in the book value the pooled entities, after recognising the profit or loss transactions directly in shareholders' equity, is presented as "Surplus (deficit) on business combination under common control" in shareholders' equity.

Costs relating to business combinations under common control are accounted for as expenses in the period in which the business combination occurred.

#### **4.12 Related party transactions**

Related parties comprise individuals or enterprises that control, or are controlled by, the Group, whether directly or indirectly, or which are under common control with the Group.

They also include associated companies, joint ventures and individuals or enterprises which directly or indirectly own a voting interest in the Group that gives them significant influence over the Group, key management personnel, directors, and officers with authority in the planning and direction of the Group's operations.

#### **4.13 Long-term leases - where the Group is the lessee**

Leases of property, plant or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

#### **4.14 Foreign currencies**

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gain and loss on exchange are included in profit or loss.

#### **4.15 Impairment of assets**

At the end of each reporting period, the Group performs impairment reviews in respect of the property, plant and equipment and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. The Group also carries out annual impairment reviews in respect of goodwill. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss. However in cases where property and plant was previously revalued and the revaluation was taken to equity, a part of such impairment is recognised in equity up to the amount of the previous revaluation.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Group estimate the asset's recoverable amount. A previously recognised impairment loss is reversed. Such reversal is recognised in profit or loss unless the asset is carried at a revalued amount, a reversal of that impairment loss is recognised in profit or loss but shall not exceed the impairment loss was previously recognised in profit or loss, in which case the reversal, which exceeds the carrying amount that would have been determined, is treated as a revaluation increase.

#### **4.16 Employee benefits**

##### ***Short-term employee benefits***

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

##### ***Post-employment benefits***

###### *Defined contribution plans*

The Group and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Group. The fund's assets are held in a separate trust fund and the Group's contributions are recognised as expenses when incurred.

###### *Defined benefit plans*

The Group have obligations in respect of the severance payments it must make to employees upon retirement under labor law of each country. The Group treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Past service costs are recognised in profit or loss on the earlier of the date of the plan amendment or curtailment and the date that the entity recognises restructuring-related costs.

#### **4.17 Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

#### **4.18 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

##### **Deferred tax**

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

#### **4.19 Derivatives**

Derivative financial instruments comprise cross currency swaps, interest rate swap, foreign exchange options, forward foreign exchange contracts, rubber options, rubber futures and physical forward contracts.

The Group does not apply hedge accounting for derivatives.

The Group is to initially recognise derivatives at their fair value on the contract date and subsequently measure them at fair value at the end of each reporting period. Changes in the fair value of derivatives are recognised in profit or loss.

#### **4.20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Group measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows.

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

#### **5. Significant accounting judgements and estimates**

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows.

### **Fair value of financial instruments**

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### **Property, plant and equipment**

The Group measures land and buildings at revalued amounts. Such amounts are determined by the independent valuer using the market approach for land and the income approach for buildings. The valuation involves certain assumptions and estimations.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

### **Goodwill**

The initial recognition and measurement of goodwill and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset or the cash generating units and to choose a suitable discount rate in order to calculate the present value of those cash flows.

### **Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## 6. Related party transactions

During the year, 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 Group and those related parties.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>
<u>Transactions with subsidiaries<sup>1</sup></u>				
Sales of goods	-	-	5,454,269	5,484,702
Purchases of goods	-	-	3,414,095	4,586,699
Service income	-	-	167,436	159,677
Dividend income	-	-	614,330	930,499
Rental income	-	-	244	251
Interest income	-	-	75,777	112,610
Service expenses	-	-	501,941	628,500
Rental expenses	-	-	4,869	4,458
Interest expenses	-	-	1,633	1,790
<u>Transactions with associates</u>				
Sales of goods	19,798	25,422	-	-
Purchases of goods	164	198	37	15
Service income	30,813	34,690	8,263	9,636
Dividend income	12,155	152,405	10,725	134,475
Rental income	400	400	-	-
Service expenses	34	9	-	-
<u>Transactions with a joint venture</u>				
Purchases of goods	1,648,734	2,112,983	-	64,008
Service income	14,386	10,731	14,361	10,710
Dividend income	25,503	-	25,503	-

<sup>1</sup> Transaction with subsidiaries in 2018 included transaction between the Group and TK as from 16 August 2018 to 31 December 2018

The pricing policies of the Group are as follows.

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

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

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
<b><u>Trade accounts receivable</u></b> (Note 8)				
Subsidiaries <sup>2</sup>	-	-	376,906	962,370
Associates	1,919	3,796	133	784
Joint venture	1	-	-	-
	<u>1,920</u>	<u>3,796</u>	<u>377,039</u>	<u>963,154</u>
<b><u>Advance payments for goods</u></b> (Note 8)				
Subsidiaries <sup>2</sup>	-	-	26,899	45,375
<b><u>Other receivables</u></b> (Note 8)				
Subsidiaries <sup>2</sup>	-	-	16,150	18,546
Associates	2,334	1,291	-	2
Joint venture	44	818	44	818
	<u>2,378</u>	<u>2,109</u>	<u>16,194</u>	<u>19,366</u>
<b><u>Trade accounts payable</u></b> (Note 21)				
Subsidiaries <sup>2</sup>	-	-	215,530	383,080
Associates	21	-	21	-
Joint venture	7,694	17,917	-	-
	<u>7,715</u>	<u>17,917</u>	<u>215,551</u>	<u>383,080</u>
<b><u>Accrued expenses</u></b> (Note 21)				
Subsidiaries <sup>2</sup>	-	-	10,937	35,890
<b><u>Other payables</u></b> (Note 21)				
Subsidiaries <sup>2</sup>	-	-	4,064	17,892

<sup>2</sup> Outstanding balance with subsidiaries as at 31 December 2018 included outstanding balance of a Group and TK.



## Outstanding balances arising from loans to subsidiaries

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b><u>Interest receivables</u></b> (Note 8)				
Subsidiaries	-	-	367	2,621
<b><u>Long-term loans</u></b>				
Subsidiaries	-	-	1,438,882	2,518,214

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

Separate financial statements					
As at 31 December 2019					
	Relationship	Principle		Interest rates %	Borrowing periods
		Million USD	(Equivalent) Million Baht		
PT Sri Trang Lingga Indonesia	A direct subsidiary	23	690	4.18 - 4.30	3 Years
PT Star Rubber	An indirect subsidiary	25	749	4.18 - 5.05	3 Years
Total		<u>48</u>	<u>1,439</u>		
Separate financial statements					
As at 31 December 2018					
	Relationship	Principle		Interest rates %	Borrowing periods
		Million USD	(Equivalent) Million Baht		
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		<u>78</u>	<u>2,518</u>		

Movements in the balance of long-term loans to subsidiaries during the year ended 31 December 2019 were as follows.

(Unit: Thousand Baht)

	Separate financial statements				Balance as at 31 December 2019
	Balance as at 31 December 2018	Increase during the year	Decrease during the year	Unrealised loss on exchange rate	
Long-term loans					
Subsidiaries	2,518,214	-	(968,544)	(110,788)	1,438,882

### Outstanding balances arising from loans from subsidiaries

As at 31 December 2019 and 2018, short-term loans from subsidiaries were summarised as below.

	Relationship	Separate financial statements		Interest rates %	Borrowing periods
		As at 31 December			
		2019	2018		
Premier System					
Engineering Co., Ltd.	A direct subsidiary	-	300	1.10	On call
Startex Rubber Co., Ltd.	A direct subsidiary	160	-	1.00	On call
		160	300		

Movements in the balance of short-term loans from subsidiaries during the year ended 31 December 2019 were as follows.

(Unit: Thousand Baht)

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

### Directors and management's benefits

During the years ended 31 December 2019 and 2018, the Group had employee benefit expenses of its directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018 (Restated)	2019	2018
Short-term employee benefits	238,934	261,722	47,509	51,247
Post-employment benefits	29,633	6,156	8,013	1,485
Total	268,567	267,878	55,522	52,732

## Guarantee obligations with related parties

The Company has outstanding guarantee obligations with its related parties, as described in Note 36.3.1 to the financial statements.

### 7. Cash and cash equivalents

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Cash	30,303	12,966	10,464	4,450
Bank deposits	2,351,520	4,246,197	179,692	377,365
<b>Total</b>	<b>2,381,823</b>	<b>4,259,163</b>	<b>190,156</b>	<b>381,815</b>

As at 31 December 2019, bank deposits in saving accounts and fixed deposits carried interests between 0.05 and 4.00 percent per annum (2018: between 0.10 and 3.50 percent per annum).

### 8. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
<b><u>Trade accounts receivable - related parties</u></b> (Note 6)				
Aged on the basis of due dates				
Not yet due	1,920	3,792	376,848	876,843
Past due				
Up to 30 days	-	4	191	83,311
31 - 60 days	-	-	-	876
61 - 90 days	-	-	-	519
91 - 120 days	-	-	-	-
121 - 365 days	-	-	-	1,605
<b>Total trade accounts receivable - related parties</b>	<b>1,920</b>	<b>3,796</b>	<b>377,039</b>	<b>963,154</b>

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>
<b><u>Trade accounts receivable - unrelated parties</u></b>				
Aged on the basis of due dates				
Not yet due	4,189,371	4,647,254	1,860,778	1,851,651
Past due				
Up to 30 days	392,819	445,066	214,480	191,475
31 - 60 days	47,265	22,505	25,584	14,385
61 - 90 days	6,292	25,926	3,491	4,122
91 - 120 days	19,143	-	9,632	-
121 - 365 days	8,783	35,083	123	34,513
Over 365 days	59,110	54,044	37,907	47,553
Total	4,722,783	5,229,878	2,151,995	2,143,699
Less: Allowance for doubtful debts	(33,117)	(41,442)	(27,636)	(27,636)
Total trade accounts receivable - unrelated parties, net	4,689,666	5,188,436	2,124,359	2,116,063
Total trade accounts receivable, net	4,691,586	5,192,232	2,501,398	3,079,217
<b><u>Other receivables</u></b>				
Advance payments for goods - related parties (Note 6)	-	-	26,899	45,375
Advance payments for goods - unrelated parties	45,614	256,820	3,685	11,459
Prepaid expenses	123,364	126,099	28,633	39,663
Interest receivables - related parties (Note 6)	-	-	367	2,621
Receivables from insurance companies and estimated accrued insurance claims *	-	289,835	-	-
Other receivables - related parties (Note 6)	2,378	2,109	16,194	19,366
Other receivables - unrelated parties	115,492	102,448	15,740	35,442
Total other receivables	286,848	777,311	91,518	153,926
Total trade and other receivables, net	4,978,434	5,969,543	2,592,916	3,233,143

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

## 9. Inventories

(Unit: Thousand Baht)

Consolidated financial statements						
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)
Finished goods	4,500,138	4,081,224	(23,992)	(99,937)	4,476,146	3,981,287
Work in process	3,196,861	3,652,048	(62,272)	(118,638)	3,134,589	3,533,410
Raw materials, packaging, and chemicals	5,469,390	4,576,506	(10,952)	(11,156)	5,458,438	4,565,350
Spare parts and supplies	<u>444,167</u>	<u>392,389</u>	<u>(19,789)</u>	<u>(20,653)</u>	<u>424,378</u>	<u>371,736</u>
<b>Total</b>	<b><u>13,610,556</u></b>	<b><u>12,702,167</u></b>	<b><u>(117,005)</u></b>	<b><u>(250,384)</u></b>	<b><u>13,493,551</u></b>	<b><u>12,451,783</u></b>

(Unit: Thousand Baht)

Separate financial statements						
	Cost		Reduction of cost to net realisable value		Inventories, net	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Finished goods	1,992,551	1,798,791	(5,155)	(31,681)	1,987,396	1,767,110
Work in process	1,636,140	1,802,141	-	(41,406)	1,636,140	1,760,735
Raw materials, packaging, and chemicals	3,541,617	2,488,170	-	(6,228)	3,541,617	2,481,942
Spare parts and supplies	<u>56,594</u>	<u>53,793</u>	<u>(98)</u>	<u>-</u>	<u>56,496</u>	<u>53,793</u>
<b>Total</b>	<b><u>7,226,902</u></b>	<b><u>6,142,895</u></b>	<b><u>(5,253)</u></b>	<b><u>(79,315)</u></b>	<b><u>7,221,649</u></b>	<b><u>6,063,580</u></b>

During the year 2019 and 2018, reduction of cost to net realisable value was summarised as follows:

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>
Reversal and reduced the amount of inventories recognised as expenses during the year	133	174	74	161

## Additional information

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

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Inventories at net realisable value (NRV)*	12,341,229	10,411,061	7,566,209	5,886,610
Inventories at lower of cost or net realisable value (NRV) - as measured and included in the financial statements	<u>11,379,981</u>	<u>10,201,733</u>	<u>7,018,544</u>	<u>5,793,784</u>
Difference	<u>961,248</u>	<u>209,328</u>	<u>547,665</u>	<u>92,826</u>

\* 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.

## 10. Derivative financial instruments

(Unit: Thousand Baht)

	Consolidated financial statements			
	2019		2018	
	Assets	Liabilities	Assets	Liabilities
Cross currency swap	-	-	-	(4,479)
Interest rate swaps	-	(28,505)	-	-
Foreign exchange options	10,815	(4,057)	641	(14,483)
Rubber options	1,691	(2,240)	127	(157)
Forward foreign exchange contracts	31,313	(16,139)	10,642	(45,743)
Rubber futures	17,065	(92,304)	45,413	(106,524)
Physical forward contracts	1,732	-	2,778	(17)
Total derivative financial instruments	<u>62,616</u>	<u>(143,245)</u>	<u>59,601</u>	<u>(171,403)</u>

(Unit: Thousand Baht)

	Separate financial statements			
	2019		2018	
	Assets	Liabilities	Assets	Liabilities
Cross currency swap	-	-	-	(4,479)
Foreign exchange options	4,331	(2,662)	641	(11,394)
Rubber options	1,691	(2,240)	127	(157)
Forward foreign exchange contracts	8,808	-	1,569	-
Rubber futures	12,185	(65,453)	30,742	(95,302)
Total derivative financial instruments	27,015	(70,355)	33,079	(111,332)

## 11. Restricted bank deposits

The balances were bank deposits, which a domestic subsidiary were pledged as collateral for contract compliance with government agencies.

## 12. Investments in subsidiaries

12.1 Details of investments in subsidiaries as presented in separate financial statements are as follows:

Company's name	Paid-up capital		Shareholding percentage		Cost		Dividend received during the year	
	2019	2018	2019	2018	2019	2018	2019	2018
			(%)	(%)				
<b>Subsidiaries</b>								
Sri Trang USA, Inc. (2019: held by STGT (Note 1.2 c))	-	179	-	100.00	-	179	-	-
PT Sri Trang Lingga Indonesia	359	359	90.00	90.00	330	330	-	-
Anvar Parawood Co., Ltd.	10	10	99.94	99.94	26	26	-	-
Rubberland Products Co., Ltd.	1,600	1,600	99.99	99.99	1,935	1,935	330	500
Namhua Rubber Co., Ltd.	500	500	99.99	99.99	560	560	-	-
Sadao P.S. Rubber Co., Ltd.	40	40	99.99	99.99	54	54	-	-
Startex Rubber Co., Ltd.	2,198	2,198	99.99	99.99	2,196	2,196	-	-
Premier System Engineering Co., Ltd.	50	50	82.00	82.00	100	100	246	-
Starlight Express Transport Co., Ltd.	15	15	76.67	76.67	39	39	38	23
Sri Trang Rubber & Plantation Co., Ltd.	6,725	6,495	99.99	99.99	6,725	6,495	-	-
Shi Dong Shanghai Rubber Co., Ltd.	155	155	100.00	100.00	155	155	-	-
Sri Trang Gloves (Thailand) Co., Ltd.*	-	200	-	81.50	-	6,430	-	408
Sri Trang Gloves (Thailand) Plc.*	990	-	73.24	-	6,551	-	-	-
Sri Trang IBC Co., Ltd.	2	-	99.99	-	2	-	-	-
Total					18,673	18,499	614	931

### 12.1.1 Details of investments in subsidiaries that have material non-controlling interests.

(Unit: Million Baht)

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit allocated to non-controlling interests during the year		Dividend paid to non-controlling interests during the year	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(%)	(%)						
Sri Trang Gloves (Thailand) Co., Ltd.*	-	9.77	-	313	-	92	-	49
Sri Trang Gloves (Thailand) Plc.*	18.92	-	1,295	-	96	-	-	-
<b>Total</b>			<b>1,295</b>	<b>313</b>	<b>96</b>	<b>92</b>	<b>-</b>	<b>49</b>

\* The restructuring of the subsidiary, as described in Note 1.2 a) to the financial statement

### 12.1.2 Summarised financial information that based on amounts before inter-company elimination of subsidiaries that have material non-controlling

#### Summarised information about financial position

(Unit: Million Baht)

	Sri Trang Gloves (Thailand) Plc.	Sri Trang Gloves (Thailand) Co., Ltd
	<u>2019</u>	<u>2018</u>
Current assets	4,123	3,326
Non-current assets	9,833	5,062
Current liabilities	2,464	1,473
Non-current liabilities	6,222	3,701

#### Summarised information about comprehensive income

(Unit: Million Baht)

	For the year ended 31 December	
	Sri Trang Gloves (Thailand) Plc.	Sri Trang Gloves (Thailand) Co., Ltd
	<u>2019</u>	<u>2018</u>
Revenue	12,059	10,529
Profit	575	941
Other comprehensive income	1	(1)
<b>Total comprehensive income</b>	<b>576</b>	<b>940</b>



## Summarised information about cash flow

	(Unit: Million Baht)	
	For the year ended 31 December	
	Sri Trang Gloves (Thailand) Plc.	Sri Trang Gloves (Thailand) Co., Ltd
	<u>2019</u>	<u>2018</u>
Cash flow provided by operating activities	1,397	1,106
Cash flow used in investing activities	(3,314)	(1,360)
Cash flow provided by financing activities	2,055	150
Net increase (decrease) in cash and cash equivalents	<u>138</u>	<u>(104)</u>

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

#### 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 31 December 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.

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 22 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.

STGT completely register its increased share capital with Ministry of Commerce on 25 November 2019.

- 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.

### **12.3 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 170 million for the additional capital. Therefore, the separate financial statements as at 31 December 2019, the Company has investments in this subsidiary of Baht 6,725 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.

## 12.4 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.

## 12.5 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.

Subsequently, during February 2020, STGT paid USD 6.5 million, or approximately Baht 205 million for additional capital of STU.

## 13. Investments in associates

### 13.1 Details of associates:

Associates	Nature of business	Country of incorporation	Shareholding percentage		(Unit: Million Baht)			
					Consolidated financial statements		Separate financial statements	
					Carrying amounts based on equity method		Cost	
				2019	2018	2019	2018	
Semperflex Asia Co., Ltd.	Manufacture of hydraulic hoses	Thailand	42.50	42.50	491	387	143	143
(Shareholding held by the Company 37.50% and by a subsidiary 5.00%)								
Pattana Agro Futures Co., Ltd.	Futures broker	Thailand	40.00	40.00	8	8	15	15
Total					499	395	158	158

### 13.2 Share of comprehensive income and dividend received

During the years, the Group has recognised its share of profit from investments in associate companies and dividend income in the consolidated financial statements and dividend income in the separate financial statements as follows.

(Unit: Million Baht)

Associates	Consolidated financial statements				Separate financial statements	
	Share of profit from investments in associates during the years		Dividend received during the years		Dividend received during the years	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Semperflex Asia Co., Ltd.	116.8	179.3	12	152	11	134
Pattana Agro Futures Co., Ltd.	-	0.1	-	-	-	-
Total	<u>116.8</u>	<u>179.4</u>	<u>12</u>	<u>152</u>	<u>11</u>	<u>134</u>

### 13.3 Summarised financial information about a material associate

#### Summarised information about financial position

(Unit: Million Baht)

	Semperflex Asia Co., Ltd.	
	<u>2019</u>	<u>2018</u>
Current assets	1,014	874
Non-current assets	306	299
Current liabilities	(129)	(233)
Non-current liabilities	(18)	(15)
Net assets	<u>1,173</u>	<u>925</u>
Shareholding percentage (%)	<u>42.50%</u>	<u>42.50%</u>
Share of net assets	499	393
Adjustments on consolidated financial statements	(8)	(6)
Carrying amounts of the associate based on equity method	<u>491</u>	<u>387</u>

## Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the year ended 31 December	
	Semperflex Asia Co., Ltd.	
	<u>2019</u>	<u>2018</u>
Revenue	1,323	1,682
Profit	275	422
Other comprehensive income	2	(2)
Total comprehensive income	277	420

### 13.4 Semperflex Asia Co., Ltd.

On 18 January 2018, the meeting of the Company's Board of Directors passed a resolution to enter into the Umbrella agreement, the Share Sale and Purchase agreement, Call Option agreement between the Company and Semperit Technische Produkte Gesellschaft m.b.H. ("Semperit") which collectively was the Demerger agreement for all associates and joint ventures, in which the Company had invested with Semperit both locally and abroad.

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

## 14. Investment in a joint venture

### 14.1 Details of investment in a joint venture:

Investment in a joint venture represents investment in entity which is jointly controlled by the Company and other companies. Details of this investment is as follows.

Joint venture	Nature of business	Country of incorporation	Shareholding percentage		(Unit: Million Baht)			
					Consolidated		Separate	
					financial statements		financial statements	
Carrying amounts based on equity method					Cost			
			<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
			(%)	(%)				
Thaitech Rubber Corp., Ltd.	Manufacture of rubber products	Thailand	42.51	42.51	396	406	135	135

## 14.2 Share of comprehensive income and dividend received

During the years, the Group recognised its share of comprehensive income from investment in the joint venture in the consolidated financial statements and dividend income in the separate financial statements as follows:

Joint venture	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Share of profit from investments in a joint venture during the years		Dividend received during the years	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Thaitech Rubber Corp., Ltd.	16	44	26	-

## 14.3 Summarised financial information about a material joint venture

### Summarised information about financial position

	(Unit: Million Baht)	
	Thaitech Rubber Corp., Ltd.	
	<u>2019</u>	<u>2018</u>
Current assets	1,677	1,326
Non-current assets	1,117	1,006
Current liabilities	(2,006)	(1,498)
Non-current liabilities	(16)	(17)
Net assets	772	817
Shareholding percentage (%)	42.51%	42.51%
Share of net assets	328	347
Adjustments on consolidated financial statements	68	59
Carrying amounts of the joint venture based on equity method	396	406



## Summarised information about comprehensive income

	(Unit: Million Baht)	
	For the year ended 31 December	
	Thaitech Rubber Corp., Ltd.	
	<u>2019</u>	<u>2018</u>
Revenue	5,515	6,522
Profit	21	119
Other comprehensive income	(16)	(36)
Total comprehensive income	5	83

### 15. Long-term investments

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Available-for-sale investments				
Equity securities	32,467	32,467	32,467	32,177
<u>Add</u> Cumulative changes in fair value	9,431	14,031	9,549	14,005
Total available-for-sale investments				
- fair value	41,898	46,498	41,726	46,182
General investments	100,000	100,000	100,000	100,000
<u>Less</u> Allowance for impairment loss	(32,000)	(10,000)	(32,000)	(10,000)
General investments - net	68,000	90,000	68,000	90,000
Total long-term investments - net	<u>109,898</u>	<u>136,498</u>	<u>109,726</u>	<u>136,182</u>

## 16. Investment properties

A reconciliation of the net book value of investment properties for the years 2019 and 2018 is presented below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value at beginning of year	201,528	188,910	75,663	75,663
Acquisition of assets	-	156	-	-
Gain (loss) on change in fair value	(2,367)	13,367	-	-
Translation adjustment	(8,829)	(905)	-	-
Net book value at end of year	<u>190,332</u>	<u>201,528</u>	<u>75,663</u>	<u>75,663</u>

The investment property of the Group is property held for a currently undetermined future use and land not used in operations. The Group has not determined whether it will be held as owner-occupied property or for short-term capital gain appreciation.

The Group's land not used in operations was revalued by an independent appraiser using the market approach.

Investment properties are carried at fair value, determined at the date of the statement of financial position based on the market value of properties in the same category and location as the subsidiary's property.

## 17. Property, plant and equipment

(Unit: Thousand Baht)

	Consolidated financial statements						Total
	Revaluation basis		Cost basis				
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	
<b>As at 1 January 2017</b>							
Cost / Revalued amount	11,068,818	6,409,049	9,921,850	1,057,193	666,282	1,808,570	30,931,762
Less Accumulated depreciation	(447,111)	(587,138)	(4,513,703)	(701,759)	(436,770)	-	(6,686,481)
Less Allowance for impairment	(49,700)	-	(5,890)	-	-	-	(55,590)
Net book value	<u>10,572,007</u>	<u>5,821,911</u>	<u>5,402,257</u>	<u>355,434</u>	<u>229,512</u>	<u>1,808,570</u>	<u>24,189,691</u>
<b>For the year ended 31 December 2018</b>							
Net book value at beginning of year	10,572,007	5,821,911	5,402,257	355,434	229,512	1,808,570	24,189,691
Additions	46,087	17,115	162,433	76,565	26,137	2,456,787	2,785,124
Transfers in (out)	273,898	700,110	2,042,240	29,235	26,373	(3,071,856)	-
Reclassification, net	215	(215)	-	-	-	-	-
Transfer to Intangible assets (Note 19)	-	-	-	-	-	(4,910)	(4,910)
Disposals and write-off, net	(6,052)	(6,175)	(18,389)	(6,821)	(2,193)	(24,029)	(63,659)
Increase from business acquisition	296,513	1,927	-	-	-	-	298,440
Additions of revaluation	(10,866)	(2,342)	-	-	-	-	(13,208)
Reductions of revaluation	363,605	275,595	975,544	27,565	14,985	150,242	1,807,536
Depreciation for the year	(247,836)	(461,194)	(1,448,596)	(121,444)	(90,499)	-	(2,369,569)
Depreciation capitalised to assets (Note 18)	(64,973)	(6,321)	(3,127)	(2,621)	-	-	(77,042)
Reversal of allowance for impairment	-	-	334	-	-	-	334
Translation adjustment, net	(25,609)	(56,068)	(42,716)	(7,808)	(3,143)	(35,451)	(170,795)
Net book value at end of year (restated)	<u>11,196,989</u>	<u>6,284,343</u>	<u>7,069,980</u>	<u>350,105</u>	<u>201,172</u>	<u>1,279,353</u>	<u>26,381,942</u>

(Unit: Thousand Baht)

**Consolidated financial statements**

	Revaluation basis		Cost basis				Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	
<b>As at 31 December 2018</b>							
Cost / Revalued amount	12,166,570	7,161,646	12,901,806	1,129,568	703,657	1,279,354	35,342,601
<u>Less</u> Accumulated depreciation	(919,881)	(877,303)	(5,826,270)	(779,462)	(502,487)	-	(8,905,403)
<u>Less</u> Allowance for impairment	(49,700)	-	(5,556)	-	-	-	(55,256)
Net book value (restated)	<u>11,196,989</u>	<u>6,284,343</u>	<u>7,069,980</u>	<u>350,106</u>	<u>201,170</u>	<u>1,279,354</u>	<u>26,381,942</u>
<b>For the year ended 31 December 2019</b>							
Net book value at beginning of year	11,196,989	6,284,343	7,069,980	350,106	201,170	1,279,354	26,381,942
Additions	24,379	6,855	136,939	75,169	25,220	3,691,880	3,960,442
Transfers in (out)	176,246	646,319	1,078,401	20,435	16,847	(1,938,248)	-
Transfers to intangible assets (Note 19)	-	-	-	-	-	(1,251)	(1,251)
Disposals and write-off, net	(4,103)	(3,764)	(30,421)	(1,675)	(1,100)	(72)	(41,135)
Additions of revaluation	360	5,382	-	-	-	-	5,742
Reductions of revaluation	(2,266)	-	-	-	-	-	(2,266)
Depreciation for the year	(242,868)	(475,178)	(1,487,455)	(119,451)	(80,692)	-	(2,405,644)
Depreciation capitalised to assets (Note 18)	(57,789)	(5,049)	(2,889)	(3,710)	-	-	(69,437)
Interest capitalized to assets	-	-	-	-	-	50,992	50,992
Translation adjustment, net	(13,219)	(31,574)	(18,621)	(4,727)	(1,960)	(7,766)	(77,867)
Net book value at end of year	<u>11,077,729</u>	<u>6,427,334</u>	<u>6,745,934</u>	<u>316,147</u>	<u>159,485</u>	<u>3,074,889</u>	<u>27,801,518</u>

(Unit: Thousand Baht)

**Consolidated financial statements**

	Revaluation basis		Cost basis				Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	
<b>As at 31 December 2019</b>							
Cost / Revalued amount	12,343,649	7,773,689	13,938,112	1,197,096	739,922	3,074,889	39,067,357
<u>Less</u> Accumulated depreciation	(1,216,220)	(1,346,355)	(7,186,622)	(880,949)	(580,437)	-	(11,210,583)
<u>Less</u> Allowance for impairment	(49,700)	-	(5,556)	-	-	-	(55,256)
Net book value	<u>11,077,729</u>	<u>6,427,334</u>	<u>6,745,934</u>	<u>316,147</u>	<u>159,485</u>	<u>3,074,889</u>	<u>27,801,518</u>

**Depreciation for the year**

2018 (Baht 2,064 million included in manufacturing cost, and the balance in selling and administrative expenses)	<u>2,369,569</u>
2019 (Baht 2,213 million included in manufacturing cost, and the balance in selling and administrative expenses)	<u>2,405,664</u>

(Unit: Thousand Baht)

## Separate financial statements

	Revaluation basis		Cost basis				Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	
<b>As at 1 January 2018</b>							
Cost / Revalued amount	3,910,485	2,569,006	3,991,022	279,052	378,308	756,627	11,884,500
<u>Less</u> Accumulated depreciation	(213,672)	(179,484)	(2,071,372)	(198,938)	(271,027)	-	(2,934,493)
<u>Less</u> Allowance for impairment	-	-	(5,890)	-	-	-	(5,890)
Net book value	<u>3,696,813</u>	<u>2,389,522</u>	<u>1,913,760</u>	<u>80,114</u>	<u>107,281</u>	<u>756,627</u>	<u>8,944,117</u>
<b>For the year ended 31 December 2018</b>							
Net book value at beginning of year	3,696,813	2,389,522	1,913,760	80,114	107,281	756,627	8,944,117
Additions	1,599	1,392	35,227	5,264	7,735	690,362	741,579
Transfers in (out)	156,719	290,986	617,518	18,550	18,020	(1,101,793)	-
Disposals and write-off, net	(480)	(970)	(4,053)	(988)	(1,061)	(2,743)	(10,295)
Additions of revaluation	253,508	-	-	-	-	-	253,508
Depreciation for the year	(127,638)	(174,203)	(461,205)	(30,874)	(42,277)	-	(836,197)
Reversal of allowance for impairment	176	-	334	-	-	-	510
Net book value at end of year	<u>3,980,697</u>	<u>2,506,727</u>	<u>2,101,581</u>	<u>72,066</u>	<u>89,698</u>	<u>342,453</u>	<u>9,093,222</u>
<b>As at 31 December 2018</b>							
Cost / Revalued amount	4,321,874	2,860,101	4,611,482	300,501	391,256	342,453	12,827,667
<u>Less</u> Accumulated depreciation	(341,177)	(353,374)	(2,504,345)	(228,435)	(301,558)	-	(3,728,889)
<u>Less</u> Allowance for impairment	-	-	(5,556)	-	-	-	(5,556)
Net book value	<u>3,980,697</u>	<u>2,506,727</u>	<u>2,101,581</u>	<u>72,066</u>	<u>89,698</u>	<u>342,453</u>	<u>9,093,222</u>

(Unit: Thousand Baht)

**Separate financial statements**

	Revaluation basis		Cost basis				Total
	Land and land improvement	Building and structures	Machinery and equipment	Vehicles	Fixture and office equipment	Assets under construction and installation	
<b>For the year ended 31 December 2019</b>							
Net book value at beginning of year	3,980,697	2,506,727	2,101,581	72,066	89,698	342,453	9,093,222
Additions	6,972	1,517	30,677	2,978	5,289	231,196	278,629
Transfers in (out)	64,753	176,103	209,863	-	5,652	(456,371)	-
Disposals and write-off, net	(2,729)	(2,359)	(4,118)	-	(272)	(72)	(9,550)
Depreciation for the year	(114,940)	(178,366)	(474,145)	(29,050)	(35,762)	-	(832,263)
Net book value at end of year	<u>3,934,753</u>	<u>2,503,622</u>	<u>1,863,858</u>	<u>45,994</u>	<u>64,605</u>	<u>117,206</u>	<u>8,530,038</u>
<b>As at 31 December 2019</b>							
Cost / Revalued amount	4,388,271	3,033,637	4,814,455	294,091	400,023	117,206	13,047,683
<u>Less</u> Accumulated depreciation	(453,518)	(530,015)	(2,945,041)	(248,097)	(335,418)	-	(4,512,089)
<u>Less</u> Allowance for impairment	-	-	(5,556)	-	-	-	(5,556)
Net book value	<u>3,934,753</u>	<u>2,503,622</u>	<u>1,863,858</u>	<u>45,994</u>	<u>64,605</u>	<u>117,206</u>	<u>8,530,038</u>
<b>Depreciation for the year</b>							
2018 (Baht 758 million included in manufacturing cost, and the balance in selling and administrative expenses)							<u>836,197</u>
2019 (Baht 750 million included in manufacturing cost, and the balance in selling and administrative expenses)							<u>832,263</u>

The Group arranged for independent professional appraisers to appraise the value of certain assets in 2017 and 2018 on an asset-by-asset basis. The basis of the revaluation was as follows:

- Land and land improvements were revalued using the market approach. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as spaces, location, environment, and highest best use. The most significant input into this valuation approach is price per Rai and size of land.
- Buildings and structures were revalued the depreciated replacement cost approach. Replacement value is calculated from construction prices in the market to build the similar characteristics of properties in close proximity and adjusted for depreciation which calculated from utilised period and remaining expected useful lives. The most significant input into this valuation approach is construction price per square meter, utility spaces and useful lives of buildings.

The asset revaluation surplus net of applicable deferred income tax was credited to other components of shareholder's equity.

Had the land, land improvement, building and structures been carried in the financial statements on a historical cost basis, their net book value as of 31 December 2019 and 2018 would have been as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Land and land improvements	7,525,141	7,600,384	2,119,576	2,145,005
Buildings and structures	4,840,673	4,582,576	1,762,614	1,716,936

As at 31 December 2019, the Group had an outstanding balance of new plants under construction amounting to Baht 2,734 million. The construction has been financed with a loan from a financial institution. Borrowing costs amounting to Baht 51 million were capitalised during the year ended 31 December 2019. The weighted average rate of 2.87 - 3.78% has been used to determine the amount of borrowing costs eligible for capitalisation.



As at 31 December 2019 and 2018, the Group had vehicles which were acquired under finance lease agreements as follows.

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net book value	61	61	9	12

As at 31 December 2019 and 2018, certain items of buildings and equipment were fully depreciated but are still in use as follows:

	(Unit: Million Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
The gross carrying amount before				
deducting accumulated depreciation				
and allowance for impairment loss	5,151	4,391	2,098	1,679

As at 31 December 2019, net book value of property plant and equipment of the subsidiaries with collateral against credit facilities, short-term and long-term borrowings received from a commercial bank was approximately Baht 168 million (2018: Baht 169 million) as described in Note 22 to the 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 financial statements, net book value of property, plant and equipment of STGT amounting to Baht 1,963 million (2018: Baht 1,562 million) were pledged as collateral against credit facilities, short-term and long-term borrowings received from financial institutions as at 1 April 2019. However, during the current year, STGT redeems all the collaterals pledged with financial institutions as described in Note 22 to the financial statements.

## 18. Rubber and palm plantations

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>				
	Rubber		Palm		Total
	Mature	Immature	Mature	Immature	
<b>As at 1 December 2018</b>					
Cost	42,097	1,796,839	9,875	-	1,848,811
<u>Less</u> Accumulated amortisation	(10,935)	-	(5,500)	-	(16,435)
Net book value	<u>31,162</u>	<u>1,796,839</u>	<u>4,375</u>	<u>-</u>	<u>1,832,376</u>
<b>For the year ended 31 December 2018</b>					
Net book value at beginning of year	31,162	1,796,839	4,375	-	1,832,376
Acquisition	-	144,122	-	3,355	147,477
Transfer in (out)	95,472	(95,472)	2,549	(2,549)	-
Disposals and write-off, net	-	(1,403)	-	-	(1,403)
Amortisation (Note 29)	(3,487)	-	(513)	-	(4,000)
Depreciation capitalised to assets (Note 17)	-	77,042	-	-	77,042
Net book value at end of year	<u>123,174</u>	<u>1,921,128</u>	<u>6,411</u>	<u>806</u>	<u>2,051,492</u>
<b>As at 31 December 2018</b>					
Cost	137,569	1,921,128	12,424	806	2,071,927
<u>Less</u> Accumulated amortisation	(14,422)	-	(6,013)	-	(20,435)
Net book value	<u>123,147</u>	<u>1,921,128</u>	<u>6,411</u>	<u>806</u>	<u>2,051,492</u>
<b>For the year ended 31 December 2019</b>					
Net book value at beginning of year	123,147	1,921,128	6,411	806	2,051,492
Acquisition	-	127,182	-	5,050	132,232
Transfer in (out)	164,864	(164,864)	-	-	-
Amortisation (Note 29)	(5,780)	-	(661)	-	(6,441)
Depreciation capitalised to assets (Note 17)	-	69,437	-	-	69,437
Net book value at end of year	<u>282,231</u>	<u>1,952,883</u>	<u>5,750</u>	<u>5,856</u>	<u>2,246,720</u>
<b>As at 31 December 2019</b>					
Cost	302,432	1,952,883	12,424	5,856	2,273,595
<u>Less</u> Accumulated amortisation	(20,201)	-	(6,674)	-	(26,875)
Net book value	<u>282,231</u>	<u>1,952,883</u>	<u>5,750</u>	<u>5,856</u>	<u>2,246,720</u>

(Unit: Thousand Baht)

	Separate financial statements				
	Rubber		Palm		Total
	Mature	Immature	Mature	Immature	
<b>As at 1 December 2018</b>					
Cost	3,584	2,075	3,182	-	8,841
<u>Less</u> Accumulated amortisation	(2,096)	-	(2,402)	-	(4,498)
Net book value	<u>1,488</u>	<u>2,075</u>	<u>780</u>	<u>-</u>	<u>4,343</u>
<b>For the year ended 31 December 2018</b>					
Net book value at beginning of year	1,488	2,075	780	-	4,343
Additions	-	893	-	3,355	4,248
Transfer in (out)	-	-	2,549	(2,549)	-
Amortisation (Note 29)	(91)	-	(190)	-	(281)
Net book value at end of year	<u>1,397</u>	<u>2,968</u>	<u>3,139</u>	<u>806</u>	<u>8,310</u>
<b>As at 31 December 2018</b>					
Cost	3,584	2,968	5,731	806	13,089
<u>Less</u> Accumulated amortisation	(2,187)	-	(2,592)	-	(4,779)
Net book value	<u>1,397</u>	<u>2,968</u>	<u>3,139</u>	<u>806</u>	<u>8,310</u>
<b>For the year ended 31 December 2019</b>					
Net book value at beginning of year	1,397	2,968	3,139	806	8,310
Additions	-	93	-	5,050	5,143
Amortisation (Note 29)	(91)	-	(336)	-	(427)
Net book value at end of year	<u>1,306</u>	<u>3,061</u>	<u>2,803</u>	<u>5,856</u>	<u>13,026</u>
<b>As at 31 December 2019</b>					
Cost	3,584	3,061	5,731	5,856	18,232
<u>Less</u> Accumulated amortisation	(2,278)	-	(2,928)	-	(5,206)
Net book value	<u>1,306</u>	<u>3,061</u>	<u>2,803</u>	<u>5,856</u>	<u>13,026</u>

## 19. Intangible assets

(Unit: Thousand Baht)

	Computer software	
	Consolidated financial statements	Separate financial statements
<b>As at 1 December 2018</b>		
Cost	653,730	592,545
<u>Less</u> Accumulated amortisation	(193,936)	(151,964)
Net book value	<u>459,794</u>	<u>440,581</u>
<b>For the year ended 31 December 2018</b>		
Net book value at beginning of year	459,794	440,581
Additions	26,465	13,446
Transfers from equipment (Note 17)	4,910	-
Write-off, net	(57)	(10)
Restructuring of the subsidiary (Note 1.2 a))	7,166	-
Amortisation (Note 29)	(72,235)	(58,437)
Translation adjustment	(126)	-
Net book value at beginning of year (restated)	<u>425,917</u>	<u>395,580</u>
<b>As at 31 December 2018</b>		
Cost	680,687	594,963
<u>Less</u> Accumulated amortisation	(254,770)	(199,383)
Net book value (restated)	<u>425,917</u>	<u>395,580</u>
<b>For the year ended 31 December 2019</b>		
Net book value at beginning of year (restated)	425,917	395,580
Additions	33,485	21,725
Transfers from equipment (Note 17)	1,251	-
Write-off, net	(62)	(12)
Amortisation (Note 29)	(74,194)	(60,742)
Translation adjustment	(496)	-
Net book value at beginning of year	<u>385,901</u>	<u>356,551</u>
<b>As at 31 December 2019</b>		
Cost	712,606	616,612
<u>Less</u> Accumulated amortisation	(326,705)	(260,061)
Net book value	<u>385,901</u>	<u>356,551</u>

## 20. Goodwill

For the propose of annually impairment testing for goodwill, the Group determined the recoverable amount of the cash generating units based on value in use, with the cash flow projections derived from financial budgets approved by management. The projections cover a five-year period. The cash flow projections after the fifth-year period are extrapolated using the estimated growth rates stated below. The terminal growth rate does not exceed the long-term average growth rate for the business in which the cash generating units operates.

Key assumptions used in the value in use calculation of the cash generating units are summarised below:

Terminal growth rate at the year-end that the projection were prepared.	0.0% per annum
Pre-tax discount rate	7.0% per annum

The management determined expected operations and future cash flow projections based on factors including historical operating results, expected market growth and economic growth. The discount rate is a pre-tax rate that reflects the risks specific to cash generating unit.

The management determined that goodwill is not impaired.

## 21. Trade and other payables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(restated)		
Trade payables - related parties (Note 6)	7,715	17,917	215,551	383,080
Trade payables - unrelated parties	1,041,799	1,320,048	258,377	491,518
Accrued expenses - related parties (Note 6)	-	-	10,937	35,890
Accrued expenses - unrelated parties	670,501	664,187	252,286	248,476
Advance receipt for goods and others	535,168	491,248	195,528	184,081
Deposits and retentions received from customers	56,372	53,582	15,232	25,424
Other payables - related parties (Note 6)	-	-	4,064	17,892
Other payables - unrelated parties	216,989	129,453	35,755	31,315
Others	101	523	101	103
Total trade and other payables	<u>2,528,645</u>	<u>2,676,958</u>	<u>987,831</u>	<u>1,417,779</u>

## 22. Borrowings

Movements in the borrowing account during the year 2019 were summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2019 (Restated)	27,783,841	18,549,186
Additions in short-term borrowings from financial institutions	1,293,115	2,182,730
Additions of long-term borrowings from financial institutions	3,068,000	-
Repayments of long-term borrowings from financial institutions	(2,162,526)	(1,142,526)
Repayments of debenture	(810,000)	(810,000)
Additions of finance lease liabilities	9,140	934
Repayments of finance lease liabilities	(21,470)	(3,788)
Unrealised loss on exchange rates	(111,274)	(109,608)
Amortisation of finance fee	1,656	-
Additions of finance fee	(4,057)	-
Translation adjustment	(109,774)	-
Balance as at 31 December 2019	<u>28,936,651</u>	<u>18,666,928</u>

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

As at 31 December 2019, certain of short-term borrowings of a local subsidiary totaling Baht 28 million (2018: Baht 31 million) were secured by certain of land, land improvement, building and structures thereon of this subsidiary and another subsidiary in Thailand as described in Note 17, and by the guarantee of certain Company's directors. According to a condition of the borrowing agreements, the Company and the subsidiary are not allowed to create any encumbrance on their assets, except for encumbrances created with the prior consent of the banks and permitted liens.

During the current year, a local 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 7 years 9 months. 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.

The subsidiary drew down the loan in full.

Moreover, as described in Note 17 to the financial statements, on 31 December 2018, property, plant and equipment and fixed deposits of STGT were pledged as collateral against credit facilities, short-term and long-term borrowings received from a financial institution. However, during the current year, the collateral and conditions of borrowings agreements were changed. STGT redeems all the collaterals pledged with financial institutions. And, the financial institution assigned that STGT had not led its assets to obligation (Negative pledge).

As at 31 December 2019, an overseas subsidiary has a credit facility with a financial institution totaling USD 15 million or approximately Baht 452 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 264 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 36.3 to the financial statements.

## 22.1 Long-term loans from financial institutions

As at 31 December 2019 and 2018, the Group had entered into long-term borrowing agreements with commercial banks with details as follows.

No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Outstanding balances as at 31 December			
					Consolidated		Separate	
					financial statements	financial statements	financial statements	financial statements
					<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
					(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
<u>The Company</u>								
1	Baht 3,800 Million granted in 2012	10 years	MLR less fixed rate per annum	Principal is repayable quarterly from September 2012 and interest is repayable monthly.	2,246,350	2,671,350	2,246,350	2,671,350
2	USD 15 Million granted in 2016	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly.	-	489,222	-	489,222
3	USD 15 Million granted in 2017	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly	242,650	489,222	242,650	489,222
4	USD 20 Million granted in 2017	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly.	606,626	652,296	606,626	652,296
5	USD 20 Million granted in 2018	3 years	Fixed rate per annum	Principal is repayable in full on maturity and interest is repayable quarterly.	606,626	652,296	606,626	652,296
<u>Subsidiaries</u>								
1	Baht 1,200 Million granted in 2017	6 years	THB FIX Add Per annum*	Principal is repayable quarterly from December 2017 and interest is repayable monthly.	895,000	1,100,000	-	-
2	Baht 3,000 Million granted in 2017	7 years	MLR less fixed rate per annum	Principal is repayable quarterly from March 2018 and interest is repayable quarterly.	1,392,000	2,020,000	-	-



No.	Credit facility	Borrowing periods	Interest rate (%)	Principal and interest repayment	Outstanding balances as at 31 December			
					Consolidated		Separate	
					financial statements	financial statements	financial statements	financial statements
					2019	2018	2019	2018
					(Thousand Baht)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
						(Restated)		
3	Baht 950 Million granted in 2018	7 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from September 2018 and interest is repayable quarterly.	880,000	930,000	-	-
4	Baht 700 Million granted in 2018	4 years 6 months	MLR less fixed rate per annum	Principal is repayable quarterly from June 2019 and interest is repayable quarterly.	583,000	700,000	-	-
5	Baht 1,623 Million granted in 2018	7 years	THB FIX add fixed rate per annum**	Principal is repayable quarterly from December 2019 and interest is repayable quarterly.	1,603,000	-	-	-
6	Baht 1,445 Million granted in 2019	7years 9 months	MLR less fixed rate per annum	Principal is repayable monthly from March 2020 and interest is repayable monthly.	1,445,000	-	-	-
Total					10,500,252	9,704,386	3,702,252	4,954,386
Less Deferred financial service fee					(4,587)	(2,185)	-	-
Long-term borrowing - net					10,495,665	9,702,201	3,702,252	4,954,386
Less Current portion of long-term borrowing					(2,621,767)	(1,464,226)	(1,674,276)	(965,000)
Long-term borrowing - net from current portion					<u>7,873,898</u>	<u>8,237,975</u>	<u>2,027,976</u>	<u>3,989,386</u>

These loans are unsecured. In addition, the borrowing agreements of the Group contain certain covenants that, among other things, require the Group to maintain financial ratios.

\* The Group manages interest rate risk of the credit facilities by entering into interest rate swap contracts with fixed rate per annum.

\*\* The Group manages interest rate risk of the partial credit facilities by entering into interest rate swap contracts with fixed rate per annum.

## 22.2 Debentures

The debentures are unsubordinated and unsecured debentures, with interest payable every 6 months.

(Unit: Thousand Baht)

Debentures	Issued date	Matured date	Quantity (Units)	Par value (Baht per unit)	Interest rate (Percent per annum)	Consolidated financial statements/ Separate financial statements	
						2019	2018
STA195A	18 May 2016	18 May 2019	810,000	1,000	2.55	-	810,000
STA215A	18 May 2016	18 May 2021	1,455,000	1,000	3.10	1,455,000	1,455,000
Total						1,455,000	2,265,000
<u>Less</u> current portion						-	(810,000)
Debentures, net of current portion						1,455,000	1,455,000

On 18 May 2019, the Company repaid Baht 810 million of unsubordinated and unsecured debentures, consisting of 810,000 units with a face value of Baht 1,000 each.

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	Net book value		Fair value	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Debentures	1,455,000	2,265,000	1,463,776	2,256,828

## 22.3 Liabilities under finance lease agreements

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Liabilities under finance lease agreements	39,121	53,256	7,088	10,196
<u>Less</u> Deferred interest expenses	(2,073)	(3,523)	(401)	(654)
Total	37,048	49,733	6,687	9,542
<u>Less</u> Portion due within one year	(20,727)	(20,693)	(3,496)	(3,786)
Liabilities under finance lease agreements - net of current portion	16,321	29,040	3,191	5,756

Finance leases of the Group is mainly related to the lease of vehicles. The terms of the lease agreements are generally 3 - 5 years.

Future minimum lease payments required under the finance lease agreements were as follows.

(Unit: Million Baht)

	As at 31 December 2019					
	Consolidated financial statements			Separate financial statements		
	Less than		Total	Less than		Total
1 year	1-5 years	1 year		1-5 years		
Future minimum lease payments	21,981	17,141	39,122	3,735	3,353	7,088
Deferred interest expenses	(1,254)	(820)	(2,074)	(239)	(162)	(401)
Present value of future minimum lease payments	<u>20,727</u>	<u>16,321</u>	<u>37,048</u>	<u>3,496</u>	<u>3,191</u>	<u>6,687</u>

(Unit: Million Baht)

	As at 31 December 2018					
	Consolidated financial statements			Separate financial statements		
	Less than		Total	Less than		Total
1 year	1-5 years	1 year		1-5 years		
Future minimum lease payments	22,659	30,597	53,256	4,124	6,072	10,196
Deferred interest expenses	(1,966)	(1,557)	(3,523)	(338)	(316)	(654)
Present value of future minimum lease payments	<u>20,693</u>	<u>29,040</u>	<u>49,733</u>	<u>3,786</u>	<u>5,756</u>	<u>9,542</u>

### 23. Provision for retirement benefit obligations

Provision for retirement benefit obligations, which represents compensation payable to employees after they retire, was as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2019	2018	2019	2018
		(Restated)		
<b>Provision for retirement benefit obligations at beginning of year</b>	335,441	308,188	118,116	93,046
Increase from business acquisition	-	656	-	-
Included in profit or loss:				
Current service cost	38,276	37,879	14,281	9,329
Interest cost	12,000	9,584	3,720	2,063
Former Service cost	61,420	-	24,492	-
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(30,135)	8,186	(12,821)	3,300
Financial assumptions changes	21,802	(25,798)	3,887	(1,846)
Experience adjustments	(16,688)	1,383	(15,740)	14,285
Benefits paid during the year	(37,165)	(4,637)	(2,421)	(2,061)
Transfer employee to subsidiaries	-	-	(7,266)	-
<b>Provision for retirement benefit obligations at end of year</b>	<u>384,951</u>	<u>335,441</u>	<u>126,248</u>	<u>118,116</u>

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 current year.

The Group expect to pay Baht 5 million of long-term employee benefits during the next year (Separate financial statements: Baht 2 million) (2018: Baht 31 million, separate financial statements: Baht 19 million).

As at 31 December 2019, the weighted average duration of the liabilities for long-term employee benefit was 17 years (Separate financial statements: 17 years) (2018: 14 years, separate financial statements: 14 years).

Significant actuarial assumptions are summarised below:

	(Unit: percent per annum)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Discount rate	1.2 - 2.5	1.7 - 4.4	1.2 - 2.5	1.7 - 4.4
Future salary increase rate	3.0 - 4.0	3.0 - 5.0	3.0 - 4.0	3.0 - 5.0
Turnover rate	0.0 - 35.0	0.0 - 30.0	0.0 - 35.0	0.0 - 30.0

The result of sensitivity analysis for significant assumptions that affect the present value of the provision for retirement benefit obligations as at 31 December 2019 and 2018 are summarised below:

	(Unit: Thousand Baht)			
	As at 31 December 2019			
	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(46,489)	55,323	(13,541)	15,886
Salary increase rate	53,840	(46,219)	15,388	(13,413)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(23,711)	28,416	(8,392)	10,109

(Unit: Thousand Baht)

As at 31 December 2018

	Consolidated		Separate	
	financial statements		financial statements	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(28,988)	33,731	(9,180)	10,539
Salary increase rate	33,036	(28,956)	10,254	(9,123)
	Increase 20%	Decrease 20%	Increase 20%	Decrease 20%
Turnover rate	(16,216)	19,139	(6,575)	7,737

**24. Share capital**Year 2018

On 26 April 2019, the Annual General Meeting of the shareholders of the Company passed a resolution to approve a decrease in the Company's registered share capital from Baht 1,536,000,000 (1,536,000,000 ordinary shares of Baht 1 each) to Baht 1,535,999,998 (1,535,999,998 ordinary shares of Baht 1 each) by cancelling 2 registered ordinary shares with a par value of Baht 1 each that are unissued. The Company registered the decrease in its registered share capital with the Ministry of Commerce on 7 May 2019.

**25. Revaluation surplus**

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Balance at beginning of year - net of income tax	4,102,659	4,049,446	2,057,910	1,944,873
Increase (decrease) from revaluation of assets				
- net of income tax	(1,622)	240,462	-	202,806
Decrease from sale of assets				
- net of income tax	-	(2,116)	-	(394)
<u>Less</u> depreciation on assets revaluation				
- net of income tax	(136,638)	(185,133)	(63,559)	(89,375)
Balance at end of year - net of income tax	<u>3,964,399</u>	<u>4,102,659</u>	<u>1,994,351</u>	<u>2,057,910</u>

## 26. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. The statutory reserve has fully been set aside.

## 27 Other income

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Income from insurance claim	100,077	70,868	42,654	27,353
Income from computer software	5,639	7,121	22,067	21,509
Rental income	14,315	24,359	981	12,052
Income from guaranteed loans	-	-	12,727	14,267
Office service income	-	-	20,931	17,196
Others	159,170	130,298	57,989	66,547
Total other income	<u>279,201</u>	<u>232,646</u>	<u>157,349</u>	<u>158,924</u>

## 28 Other gain (loss), net

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Gain (loss) from rubber derivative				
financial instruments	(450,090)	1,202,808	(311,867)	538,119
Gain (loss) from disposals and write-off				
fixed assets	(25,689)	(12,890)	(6,331)	(4,066)
Total other gain (loss), net	<u>(475,779)</u>	<u>1,189,918</u>	<u>(318,198)</u>	<u>534,053</u>

## 29. Expenses by nature

Significant expenses classified by nature are as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Changes in inventories of finished goods and work in progress	(159,785)	2,978,733	(27,759)	1,467,903
Raw materials and consumables used	43,038,353	48,350,703	20,713,755	24,936,677
Reduction of inventory cost to net realisable value (reversal)	(133,379)	(173,682)	(74,062)	(160,655)
Salaries and wages and other employee benefits	3,408,288	3,336,456	899,630	946,603
Depreciation	2,405,644	2,369,569	832,263	836,197
Amortisation - rubber and plantations	6,441	4,000	427	281
Amortisation - intangible assets	74,194	72,235	60,742	58,437
Transportation and distribution expense	1,473,904	1,771,854	703,505	931,537
Energy expense	2,525,169	2,388,798	548,340	585,267
Cess expense*	1,122,777	1,393,135	822,961	1,007,141

\* The cess expense is a fee charged to exporters of natural rubber products for the rubber replanting aid fund managed by the Office of the Rubber Authority of Thailand (RAOT) for the purpose of replanting support. Such fee is calculated based on exported quantity at the price on export dates multiplied by a fixed rate as agreed.

### 30. Income tax

Tax expenses (income) for the years ended 31 December 2019 and 2018 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
<b>Current income tax:</b>				
Current income tax charge	217,282	406,365	(650)	4,621
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	<u>(232,856)</u>	<u>(161,663)</u>	<u>(33,255)</u>	<u>(57,542)</u>
<b>Tax expense (income) reported in the statement of comprehensive income</b>	<u><u>(15,574)</u></u>	<u><u>244,702</u></u>	<u><u>(33,905)</u></u>	<u><u>(52,921)</u></u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2019 and 2018 are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Deferred tax on loss from the change in value of available-for-sale investments	(920)	(1,302)	(891)	(1,159)
Deferred tax on gain (loss) from revaluation of land and buildings	(382)	59,688	-	50,701
Deferred tax on actuarial gain (loss)	4,675	4,548	4,935	(3,148)
Deferred tax on exchange differences from translating foreign currency financial statements	<u>13,792</u>	<u>7,028</u>	<u>-</u>	<u>-</u>
	<u><u>17,165</u></u>	<u><u>69,962</u></u>	<u><u>4,044</u></u>	<u><u>46,394</u></u>



The reconciliation between accounting profit (loss) and tax expense (income) is shown below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
Accounting profit (loss) before tax	(67,646)	2,406,203	(165,432)	1,620,219
Applicable tax rate	17 - 25%	17 - 25%	20%	20%
Accounting profit (loss) before tax multiplied by income tax rate	(37,288)	506,462	(33,086)	324,044
Share of profit from investments in associates and joint venture	(26,470)	(44,741)	-	-
Unused tax losses and deductible temporary difference were not recognised during the year	183,451	43,221	160,831	2,000
Utilisation of previously unused tax losses and deductible temporary unrecognised difference	-	(143,430)	-	(113,875)
Effects of:				
Promotional privileges (Note 31)	(48,111)	(53,775)	(311)	(21,389)
Exemption of income	(7,842)	(11,430)	(130,482)	(213,348)
Non-deductible expenses	74,030	71,256	44,811	31,533
Additional expense deductions allowed	(114,359)	(104,094)	(74,706)	(64,802)
Tax at concessionary rate of 10% see note (a)	(16,904)	(47,912)	-	-
Others	(22,081)	29,145	(962)	2,916
Total	(135,267)	(116,810)	(161,650)	(265,090)
Tax expense (income) reported in the statement of comprehensive income	(15,574)	244,702	(33,905)	(52,921)

### Additional information

- (a) On 11 May 2005, the Ministry of Trade and Industry of Singapore awarded the Global Trader Programme status to a subsidiary of the Group for the period from 1 April 2005 to 31 December 2009. Under this programme, income derived from qualifying trading transactions of approved products is taxed at the concessionary rate of 10%. On 16 February 2015, this status was extended from 1 January 2015 to 31 December 2019.

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	Statements of financial position			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Restated)			
<b>Deferred tax assets</b>				
Unused tax losses	796,380	666,910	410,235	382,724
Unrealised losses on derivative financial instruments	13,041	24,138	13,980	22,053
Allowance for diminution in value of inventories	27,673	55,616	380	10,227
Cumulative loss from assets revaluation and allowance for asset impairment	45,466	46,000	17,711	17,711
Provision for retirement benefit obligations	79,967	69,455	25,249	23,623
Others	22,386	24,849	46	46
Total	984,913	886,968	467,601	456,384
<b>Deferred tax liabilities</b>				
Assets revaluation surplus	1,281,616	1,331,378	498,587	514,477
Fair value estimation of investment properties	12,578	12,578	12,578	12,578
Unrealised gains on derivative financial instruments	10,951	6,616	5,403	6,616
Others	2,221	74,540	1,910	2,801
Total	1,307,366	1,425,112	518,478	536,472
	<u>(322,453)</u>	<u>(538,144)</u>	<u>(50,877)</u>	<u>(80,088)</u>
<b>Deferred tax assets (liabilities) presented in the statements of financial position:</b>				
Deferred tax asset	284,240	236,110	-	-
Deferred tax liabilities	<u>(606,693)</u>	<u>(774,254)</u>	<u>(50,877)</u>	<u>(80,088)</u>
	<u>(322,453)</u>	<u>(538,144)</u>	<u>(50,877)</u>	<u>(80,088)</u>

As at 31 December 2019, the Group had deductible temporary differences and unused tax losses totaling Baht 2,303 million (the Company only: Baht 809 million) (2018: Baht 1,784 million, the Company only: Baht 756 million), on which deferred tax assets have not been recognised as the Group believes future taxable profits may not be sufficient to allow utilisation of the temporary differences and unused tax losses.

The Group had the unused tax losses amounting to Baht 2,180 million which will expire by 2037 (the Company only: Baht 787 million by 2024).

### 31. Promotional privileges

The Group were granted certain privileges on their manufactures of concentrated latex, block rubber Skim Crepe and rubber gloves, which included among others, as follows:

- (a) Exemption from payment of import duty on imported machinery and equipment as approved by BOI committee
- (b) Exemption from payment of income tax for the period of eight years starting from the commencement date of the promoted business, and 50 percent reduced from the normal income tax rate for the next five years after the period of eight years is expired

As a promoted industry, the Group must comply with certain conditions and restrictions provided for in the promotional certificates.

The Group operating revenues for the years ended 31 December 2019 and 2018, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u> (Restated)	<u>2019</u>	<u>2018</u>
Sales and service income						
Domestic sales and service income	5,532,918	6,297,128	15,274,840	13,290,733	20,807,758	19,587,861
Export sales and service income	15,900,182	25,945,426	47,395,741	51,705,500	63,295,923	77,650,926
Total sales and service income	<u>21,433,100</u>	<u>32,242,554</u>	<u>62,670,581</u>	<u>64,996,233</u>	<u>84,103,681</u>	<u>97,238,787</u>
Elimination					<u>(23,817,309)</u>	<u>(24,102,852)</u>
Total					<u>60,286,372</u>	<u>73,135,935</u>

(Unit: Thousand Baht)

	Separate financial statements					
	Promoted operations		Non-promoted operations		Total	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Sales and service income						
Domestic sales and service income	4,381,693	4,445,770	7,453,094	7,628,030	11,834,787	12,073,800
Export sales and service income	10,464,836	14,027,881	10,346,008	15,026,218	20,810,844	29,054,099
Total sales and service income	<u>14,846,529</u>	<u>18,473,651</u>	<u>17,799,102</u>	<u>22,654,248</u>	<u>32,645,631</u>	<u>41,127,899</u>

### 32. Earnings per share

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

The basic earnings per share are as follows.

	For the year ended 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Profit (loss) attributable to owners of the Company (Thousand Baht)	(148,536)	2,064,358	(131,527)	1,673,139
Weighted average number of ordinary shares (Thousand shares)	1,536,000	1,536,000	1,536,000	1,536,000
Basic earnings (losses) per share (Baht)	(0.10)	1.34	(0.09)	1.09

### 33. Segment information

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

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

There are four reportable segments as follows:

- 1) Natural Rubber Products: This segment is engaged in manufacture, sale and trading of ribbed smoked sheets, concentrated latex and block rubbers. This segment also includes the manufacture and sale of powdered and powder-free latex examination gloves, escalator handrails, rubber injection-moulded goods, and high-pressure hydraulic hoses.
- 2) Engineering Business: This segment is engaged in the engineering services including research and development of machinery and production processes, and also providing information system services.
- 3) Plantation: This segment is engaged in plantations including rubber, palm and temperate fruits.
- 4) Other Businesses: This segment is engaged in logistics services and other services. These services are provided mainly to the Group, with minor services provided externally.

The Group operates across four business segments in seven main geographical areas. The allocation of revenue to each geographical area is based on the origin of sales.

Reportable segments by geographical areas of consolidated financial statements for the year ended 31 December 2019 and 2018 are as follow:

For the year ended 31 December 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					
<b>Revenues</b>												
Revenues from external customers	40,842,960	2,423,188	13,845,552	366,083	2,756,736	7,633	-	17,960	324	25,936	-	60,286,372
Inter-segment revenues	12,865,325	6,865,070	244,967	-	-	-	330,594	2,273,611	23,912	1,213,831	(23,817,310)	-
<b>Total revenues</b>	<b>53,708,285</b>	<b>9,288,258</b>	<b>14,090,519</b>	<b>366,083</b>	<b>2,756,736</b>	<b>7,633</b>	<b>330,594</b>	<b>2,291,571</b>	<b>24,236</b>	<b>1,239,767</b>	<b>(23,817,310)</b>	<b>60,286,372</b>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(2,031,041)	(357,054)	(9,623)	(284)	(2,000)	(2)	(4,976)	(22,961)	(38,803)	(19,535)	-	(2,486,279)
Finance income	83,912	5,015	28,750	-	808	3	-	1,379	60	1,441	(86,421)	34,947
Finance cost	(667,908)	(294,392)	(4,771)	(15,024)	-	-	(5,959)	-	(218)	(1,466)	99,148	(890,590)
Share of profit from investments in associates and joint venture	132,349	-	-	-	-	-	-	-	-	-	-	132,349
<b>Profit (loss) before tax income (expense)</b>	<b>699,597</b>	<b>(358,697)</b>	<b>218,822</b>	<b>(67,458)</b>	<b>(4,522)</b>	<b>(2,167)</b>	<b>31,985</b>	<b>35,619</b>	<b>(89,531)</b>	<b>57,200</b>	<b>(588,494)</b>	<b>(67,646)</b>
Tax income (expense)	(33,602)	80,241	(24,151)	12,836	(2,118)	-	-	(6,836)	214	(11,010)	-	15,574
<b>Profit (loss) for the year</b>	<b>665,995</b>	<b>(278,456)</b>	<b>194,671</b>	<b>(54,622)</b>	<b>(6,640)</b>	<b>(2,167)</b>	<b>31,985</b>	<b>28,783</b>	<b>(89,317)</b>	<b>46,190</b>	<b>(588,494)</b>	<b>(52,072)</b>
<b>Total assets</b>	<b>59,322,684</b>	<b>4,336,603</b>	<b>5,478,069</b>	<b>218,483</b>	<b>836,439</b>	<b>23,133</b>	<b>211,816</b>	<b>1,009,306</b>	<b>6,821,647</b>	<b>4,201,345</b>	<b>(24,128,659)</b>	<b>58,330,866</b>

For the year ended 31 December 2018 (Restated)

(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		
<b>Revenues</b>												
Revenues from external customers	50,412,314	2,743,088	16,628,389	307,914	2,890,650	-	1,014	121,221	1,708	29,637	-	73,135,935
Inter-segment revenues	13,326,408	7,629,132	403,897	-	29,179	-	375,971	1,306,700	7,493	1,024,072	(24,102,852)	-
<b>Total revenues</b>	<b>63,738,722</b>	<b>10,372,220</b>	<b>17,032,286</b>	<b>307,914</b>	<b>2,919,829</b>	<b>-</b>	<b>376,985</b>	<b>1,427,921</b>	<b>9,201</b>	<b>1,053,709</b>	<b>(24,102,852)</b>	<b>73,135,935</b>
<b>Unallocated income and expenses</b>												
Depreciation and amortisation	(1,976,338)	(370,109)	(8,334)	(557)	(1,845)	-	(5,020)	(23,522)	(32,342)	(27,737)	-	(2,445,804)
Finance income	115,305	7,922	15,425	-	1,008	1	-	3,606	118	424	(114,400)	29,409
Finance cost	(721,225)	(310,947)	(3,566)	(17,796)	-	-	(8,371)	-	(42)	(1,893)	128,667	(935,173)
Share of profit from investments in associates and joint venture	223,703	-	-	-	-	-	-	-	-	-	-	223,703
<b>Profit (loss) before tax income (expense)</b>	<b>3,339,020</b>	<b>(336,494)</b>	<b>600,502</b>	<b>(137,434)</b>	<b>162,971</b>	<b>346</b>	<b>12,329</b>	<b>47,230</b>	<b>(122,373)</b>	<b>(6,174)</b>	<b>(1,153,721)</b>	<b>2,406,202</b>
Tax income (expense)	(166,563)	33,348	(85,181)	27,456	(36,363)	-	-	(7,900)	(7,210)	(2,289)	-	(244,702)
<b>Profit (loss) for the year</b>	<b>3,172,457</b>	<b>(303,146)</b>	<b>515,321</b>	<b>(109,978)</b>	<b>126,608</b>	<b>346</b>	<b>12,329</b>	<b>39,330</b>	<b>(129,583)</b>	<b>(8,463)</b>	<b>(1,153,721)</b>	<b>2,161,500</b>
<b>Total assets</b>	<b>58,443,954</b>	<b>6,327,992</b>	<b>5,433,558</b>	<b>304,113</b>	<b>1,498,375</b>	<b>25,795</b>	<b>138,167</b>	<b>1,504,078</b>	<b>6,673,199</b>	<b>4,195,464</b>	<b>(26,130,275)</b>	<b>58,414,420</b>

## Geographic information

Revenue from external customers is based on locations of the customers.

	(Unit: Thousand Baht)	
	<u>2019</u>	<u>2018</u> (Restated)
Revenue from external customers		
Thailand	11,028,004	11,122,906
China	20,298,760	30,743,411
Others	28,959,608	31,269,618
Total	<u>60,286,372</u>	<u>73,135,935</u>
Non-current assets (other than, deferred tax assets)		
Thailand	32,762,123	30,847,642
Indonesia	2,558,913	2,887,973
Others	182,783	216,778
Total	<u>35,503,819</u>	<u>33,952,393</u>

## Major customers

For the year 2019 and 2018, the Group has no major customer with revenue of 10 percent or more of an entity's revenues.

### **34. Provident fund**

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both the Group and its employees contribute to the fund monthly at the fix rate of basic salary. The fund will be paid to employees upon termination in accordance with the fund rules. During the year 2019, the Group contributed Baht 33 million (2018: Baht 31 million) to the fund, and the Company only contributed Baht 10 million (2018: Baht 11 million). These contributions were recognised as expenses.

### **35. Dividends**

Dividends	Approved by	Total dividends	(Unit: Million Baht)
			Dividend per share
Interim dividends from the operating for the six-month period ended 30 June 2018	Board of Directors' meeting on 30 August 2018	<u>384</u>	<u>0.25</u>
Final dividends for 2018	Annual General Meeting of the shareholders on 30 April 2019	<u>614</u>	<u>0.40</u>

## 36. Commitments and contingent liabilities

### 36.1 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 are not determined at the contract date as follows.

(Unit: Thousand Baht)

As at 31 December 2019

	<u>Consolidated</u> <u>financial statements</u>	<u>Separate</u> <u>financial statements</u>
<b>Purchases from:</b>		
Joint venture	541,592	-
Third parties	205,173	-
	<u>746,765</u>	<u>-</u>
<b>Sales to:</b>		
Subsidiaries	-	4,460,728
Third parties	14,179,560	9,330,102
	<u>14,179,560</u>	<u>13,790,830</u>

### 36.2 Capital commitments

The Group had capital commitments as follows.

(Unit: Thousand Baht)

As at 31 December 2019

	<u>Consolidated</u> <u>financial statements</u>	<u>Separate</u> <u>financial statements</u>
Capital commitments - purchase of fixed assets	<u>277,884</u>	<u>39,690</u>



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

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

Currencies	As at 31 December 2019	
	Amount	(Equivalent) Million Baht
Million USD	5	151
Billion IDR	518	1,125
Total		1,276

36.3.2 As at 31 December 2019, there were outstanding bank guarantees of Baht 156 million issued by banks on behalf of the Group primarily to guarantee electricity usage. The subsidiaries had pledged its fixed deposits of Baht 1 million to guarantee electricity usage.

36.3.3 As at 31 December 2019, the Group had a credit facility of standby-letters of credit totaling USD 10 million, or approximately Baht 302 million.

### 36.4 Operating lease commitments - where the Group are the lessee

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

	(Unit: Thousand Baht)	
	As at 31 December 2019	
	Consolidated financial statements	Separate financial statements
Not later than 1 year	159,519	73,610
Later than 1 year but not later than 5 years	142,570	59,127
Over 5 years	92,822	-
Total	394,911	132,737

### 37. Fair value measurements

As at 31 December 2019 and 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 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale financial assets				
- equity securities	41,898	-	-	41,898
Derivative financial instruments (Note 10)	17,065	45,551	-	62,616
Property, plant and equipment	-	-	17,505,063	17,505,063
Investment properties	-	-	190,332	190,332
<b>Liabilities measured at fair value</b>				
Derivative financial instruments (Note 10)	92,304	50,941	-	143,245
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	1,463,776	-	1,463,776

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2018 (Restated)			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale financial assets				
- equity securities	46,498	-	-	46,498
Derivative financial instruments (Note 10)	45,413	14,188	-	59,601
Property, plant and equipment	-	-	17,481,332	17,481,332
Investment properties	-	-	201,528	201,528
<b>Liabilities measured at fair value</b>				
Derivative financial instruments (Note 10)	106,524	64,879	-	171,403
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	2,256,828	-	2,256,828

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2019			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale financial assets				
- equity securities	41,726	-	-	41,726
Derivative financial instruments (Note 10)	12,185	14,830	-	27,015
Property, plant and equipment	-	-	6,438,375	6,438,375
Investment properties	-	-	75,663	75,663
<b>Liabilities measured at fair value</b>				
Derivative financial instruments (Note 10)	65,453	4,902	-	70,355
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	1,463,776	-	1,463,776

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2018			
	Level 1	Level 2	Level 3	Total
<b>Assets measured at fair value</b>				
Available-for-sale financial assets				
- equity securities	46,182	-	-	46,182
Derivative financial instruments (Note 10)	30,742	2,337	-	33,079
Property, plant and equipment	-	-	6,487,424	6,487,424
Investment properties	-	-	75,663	75,663
<b>Liabilities measured at fair value</b>				
Derivative financial instruments (Note 10)	95,302	16,030	-	111,332
<b>Liabilities for which fair value are disclosed</b>				
Debentures	-	2,256,828	-	2,256,828

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

## **38. Financial instruments**

### **38.1 Financial risk management**

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. Thus, risk management plan for the Group focusing on the fluctuation of financial market to reduce the effect of risk to the Group's operations. The Group used financial instruments to protect potential risk.

Risk management is carried out under supervision by the Group management, who identifies, evaluates and hedges financial risks but does not apply hedge accounting.

The Group's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, trade accounts receivable, loans, investments, and short-term and long-term loans. The financial risks associated with these financial instruments and how they are managed is described below.

#### ***Credit risk***

The Group is exposed to credit risk primarily with respect to trade accounts receivable, loans, notes and other receivables. The Group manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. In addition, the Group does not have high concentrations of credit risk since it has a large customer base. The maximum exposure to credit risk is limited to the carrying amounts of receivables, loans, other receivables and notes receivable as stated in the statement of financial position.

#### ***Interest rate risk***

The Group's exposure to interest rate risk relates primarily to its cash at banks, bank overdrafts, debentures and long-term borrowings. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 31 December 2019 and 2018, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

((Unit: Thousand Baht))

Consolidated financial statements as at 31 December 2019							
	Fixed interest rates			Floating interest rate	Non- interest bearing	Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years				
<u>Financial Assets</u>							
Cash and cash equivalent	639,332	-	-	943,785	798,706	2,381,823	0.05 - 4.00
Trade and other receivables	-	-	-	-	4,978,434	4,978,434	-
Amounts due from future brokers	729,666	-	-	-	-	729,666	(1)
Deposits at bank with restrictions	-	702	-	-	-	702	1.25
Long-term investments	-	-	-	-	109,898	109,898	-
<b>Total</b>	<b>1,368,998</b>	<b>702</b>	<b>-</b>	<b>943,785</b>	<b>5,887,038</b>	<b>8,200,523</b>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	2,528,645	2,528,645	-
Short-term borrowings from							
financial institutions	15,560,241	-	-	1,388,696	-	16,948,937	(1) , (2)
Debentures	-	1,455,000	-	-	-	1,455,000	(1)
Finance lease liabilities	20,728	16,321	-	-	-	37,049	(1)
Long-term borrowings from							
financial institutions	849,276	606,626	-	9,039,763	-	10,495,665	(1) , (2) , (3)
<b>Total</b>	<b>16,430,245</b>	<b>2,077,947</b>	<b>-</b>	<b>10,428,459</b>	<b>2,528,645</b>	<b>31,465,296</b>	

((Unit: Thousand Baht))

Consolidated financial statements as at 31 December 2018 (Restated)

	Fixed interest rates					Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non- interest bearing		
<u>Financial Assets</u>							
Cash and cash equivalent	1,027,474	-	-	764,893	2,466,796	4,259,163	0.37 - 0.50
Trade and other receivables	-	-	-	-	5,969,543	5,969,543	-
Amounts due from future brokers	976,275	-	-	-	-	976,275	(1)
Deposits at bank with restrictions	-	27,428	-	-	-	27,428	0.9 - 1.4
Long-term investments	-	-	-	-	136,498	136,498	-
<b>Total</b>	<b>2,003,749</b>	<b>27,428</b>	<b>-</b>	<b>764,893</b>	<b>8,572,837</b>	<b>11,368,907</b>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	2,676,958	2,676,958	-
Short-term borrowings from financial							
institutions	13,304,952	-	-	2,461,955	-	15,766,907	(1)
Debentures	810,000	1,455,000	-	-	-	2,265,000	(1)
Finance lease liabilities	20,693	29,040	-	-	-	49,733	(1) , 5.2
Long-term borrowings from							
financial institutions	489,222	1,793,814	-	7,419,165	-	9,702,201	(2)
<b>Total</b>	<b>14,624,867</b>	<b>3,277,854</b>	<b>-</b>	<b>9,881,120</b>	<b>2,676,958</b>	<b>30,460,799</b>	

(Unit: Thousand Baht)

## Separate financial statements as at 31 December 2019

	Fixed interest rates					Total	Effective interest rate
	Within 1 year	1 - 5 years	Over 5 years	Floating interest rate	Non - interest bearing		
<u>Financial Assets</u>							
Cash and cash equivalent	-	-	-	47,728	142,428	190,156	0.3 - 0.6
Trade and other receivables	-	-	-	-	2,592,916	2,592,916	-
Amounts due from future brokers	30,384	-	-	-	-	30,384	(1)
Long-term loans to subsidiaries	839,348	599,534	-	-	-	1,438,882	(1)
Long-term investments	-	-	-	-	109,726	109,726	-
<b>Total</b>	<b>869,732</b>	<b>599,534</b>	<b>-</b>	<b>47,728</b>	<b>2,845,070</b>	<b>4,362,064</b>	
<u>Financial liabilities</u>							
Trade and other payables	-	-	-	-	987,831	987,831	-
Short-term borrowings from financial institutions	13,502,988	-	-	-	-	13,502,988	(1)
Short-term borrowings from subsidiaries	160,000	-	-	-	-	160,000	(1)
Debentures	-	1,455,000	-	-	-	1,455,000	(1)
Finance lease liabilities	3,497	3,190	-	-	-	6,687	(1)
Long-term borrowings from financial institutions	849,276	606,626	-	2,246,350	-	3,702,252	(1) , (2)
<b>Total</b>	<b>14,515,761</b>	<b>2,064,816</b>	<b>-</b>	<b>2,246,350</b>	<b>987,831</b>	<b>19,814,758</b>	

(Unit: Thousand Baht)

## Separate financial statements as at 31 December 2018

	Fixed interest rates					Total	Effective interest rate
	Within	1 - 5	Over	Floating	Non - interest		
	1 year	years	5 years	interest rate	bearing		
<b>Financial Assets</b>							
Cash and cash equivalent	-	-	-	106,024	275,791	381,815	(1)
Trade and other receivables	-	-	-	-	3,233,143	3,233,143	-
Amounts due from future brokers	31,300	-	-	-	-	31,300	(1)
Long-term loans to subsidiaries	742,550	1,775,664	-	-	-	2,518,214	(1)
Long-term investments	-	-	-	-	136,182	136,182	-
<b>Total</b>	<b>773,850</b>	<b>1,775,664</b>	<b>-</b>	<b>106,024</b>	<b>3,645,116</b>	<b>6,300,654</b>	
<b>Financial liabilities</b>							
Trade and other payables	-	-	-	-	1,417,779	1,417,779	-
Short-term borrowings from financial institutions	11,320,258	-	-	-	-	11,320,258	(1)
Short-term borrowings from subsidiaries	300,000	-	-	-	-	300,000	(1)
Debentures	810,000	1,455,000	-	-	-	2,265,000	(1)
Finance lease liabilities	3,786	5,756	-	-	-	9,542	(1)
Long-term borrowings from financial institutions	489,222	1,793,814	-	2,671,350	-	4,954,386	(2)
<b>Total</b>	<b>12,923,266</b>	<b>3,254,570</b>	<b>-</b>	<b>2,671,350</b>	<b>1,417,779</b>	<b>20,266,965</b>	
(1)	Fixed rate per annum						
(2)	MLR less fixed rate per annum						
(3)	THBFIX6M plus fixed rate per annum						



### Interest rate sensitivity analysis

The Group's interest rate risk arises from borrowings. Borrowings on which interest is charged at floating rates expose the Group to risk in respect of interest cash flows.

If the interest rate changes by 0.25% per annum (2018: 0.25% per annum), with all other variables held constant, the impact of floating rate borrowings on profit before tax would be as follows:

(Unit: Thousand Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Impact to profit before tax</b>				
<b>in the statements of comprehensive income</b>				
- Decrease in interest rate by 0.25%				
Pre-tax profit increase	15,374	15,803	5,616	6,678
- Increase in interest rate by 0.25%				
Pre-tax profit decrease	(15,374)	(15,803)	(5,616)	(6,678)

### ***Foreign currency risk***

The Group's exposure to foreign currency risk arises mainly from trading transactions and borrowings that are denominated in foreign currencies. The Group seeks to reduce this risk by entering into forward exchange contracts when it considers appropriate. Generally, the forward contracts mature within one year.

As at 31 December 2019 and 2018, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

Foreign currency	Consolidated financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	102.4	149.5	72.6	109.5	30.1540	32.4498
Japan yen	987.6	1,086.6	-	-	0.2759	0.2931
Singapore dollar	0.7	2.9	0.2	0.3	22.3245	23.6943
China yuan	61.8	10.6	-	-	4.3147	4.7237
Euro	-	0.1	-	-	33.7311	37.1252

Foreign currency	Separate financial statements					
	Financial assets		Financial liabilities		Average exchange rate	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	92.9	147.1	59.1	83.6	30.1540	32.4498
Singapore dollar	0.1	2.5	-	-	22.3245	23.6943

In addition, the Group's exposures to foreign currency risk arises from investments in overseas subsidiaries companies and an indirect joint venture which were unhedged. The management of the Group intend to hold such investments for the long term, and have no plans to dispose of them in the future.

#### Foreign currency sensitivity analysis

The Group operates internationally and is exposed to foreign exchange risk in respect of various foreign currencies, primarily the US dollar and Indonesian rupiah. Foreign exchange risk arises from commercial transactions, net investment in foreign operations and borrowings. If the exchange rate of the Thai Baht changes by 2.56% (2018: 0.25%) against the US dollar and by 3.76% (2018: 4.21%) against the Indonesian rupiah, with all other variables held constant, profit before tax and shareholders' equity would be affected as follows:

	(Unit: Thousand Baht)			
	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Impact to profit before tax</b>				
<b>in the statements of comprehensive income</b>				
THB against USD				
- Weakened	(47,599)	9,438	(4,111)	(686)
- Strengthened	47,599	(9,438)	4,111	686
THB against IDR				
- Weakened	(40,497)	(77,626)	-	-
- Strengthened	40,497	77,626	-	-

(Unit: Thousand Baht)

	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Impact to shareholders' equity</b>				
<b>in the statements of financial position</b>				
THB against USD				
- Weakened	(148,149)	15,240	-	-
- Strengthened	148,149	(15,240)	-	-
THB against IDR				
- Weakened	35,684	60,816	-	-
- Strengthened	(35,684)	(60,816)	-	-

***Risk from fluctuation in raw materials and finished goods prices***

The Group is exposed to commodity price risk from the natural rubber industry. The Group have managed the risks arising from price fluctuations by managing raw material sourcing using rubber options, rubber futures, and physical forward contracts to hedge the risk from fluctuation in such prices.

Commodity price sensitivity analysis

The Group uses derivative instruments to manage commodity price risk exposure. If the price of natural rubber changes by 2.23% (2018: 4.11%), with all other variables held constant, profit before tax for the years would be affected as follows:

	(Unit: Thousand Baht)			
	As at 31 December			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
<b>Impact to profit before tax</b>				
<b>in the statements of comprehensive income</b>				
- Decrease in price of natural rubber				
Pre-tax profit decrease	(53,846)	(167,811)	(39,117)	(137,227)
- Increase in price of natural rubber				
Pre-tax profit increase	53,846	167,811	39,117	137,227

## Liquidity risk

The Group monitors its liquidity requirements to ensure it has sufficient cash to meet operational needs.

The table below analyses the Group's maturity grouping based on the remaining periods at the date of statements of financial position to the contractual maturity date based on notional amount. The positive figures represent cash to be inflows and negative figures represent cash to be outflows due to be mature.

The amounts disclosed below are the contractual undiscounted cash flows.

(Unit: Thousand Baht)

	Consolidated financial statements as at 31 December 2019				Total
	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	
Short-term borrowings					
from financial institutions	(17,274,989)	-	-	-	(17,274,989)
Trade accounts payable	(1,049,514)	-	-	-	(1,049,514)
Accrued expenses	(887,490)	-	-	-	(887,490)
Long-term borrowings					
from financial institutions	(2,823,648)	(3,110,558)	(5,032,589)	(930,476)	(11,897,271)
Debentures	(45,105)	(1,472,177)	-	-	(1,517,282)
Finance lease liabilities	(21,981)	(9,679)	(7,462)	-	(39,122)
Derivative financial instruments					
- Interest rate swaps	(1,696,500)	-	-	-	(1,696,500)
- Rubber futures (Buy)	(252,219)	-	-	-	(252,219)
- Rubber futures (Sell)	1,972,101	-	-	-	1,972,101
- Forward foreign exchange contracts (Buy)	(924,411)	-	-	-	(924,411)
- Forward foreign exchange contracts (Sell)	3,209,776	-	-	-	3,209,776
- Physical forward contracts (Sell)	60,213	-	-	-	60,213
- Foreign exchange options (Buy)	(7,327,422)	-	-	-	(7,327,422)
- Foreign exchange options (Sell)	2,713,860	-	-	-	2,713,860
- Rubber options (Buy)	(137,864)	-	-	-	(137,864)
- Rubber options (Sell)	68,932	-	-	-	68,932

(Unit: Thousand Baht)

## Consolidated financial statements as at 31 December 2018 (Restated)

	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(15,809,280)	-	-	-	(15,809,280)
Trade accounts payable	(1,337,965)	-	-	-	(1,337,965)
Accrued expenses	(793,640)	-	-	-	(793,640)
Long-term borrowings					
from financial institutions	(1,786,537)	(2,707,435)	(5,107,162)	(1,106,194)	(10,707,328)
Debentures	(868,535)	(42,978)	(1,476,430)	-	(2,387,943)
Finance lease liabilities	(22,660)	(22,243)	(8,354)	-	(53,257)
Derivative financial instruments					
- Cross currency swap	(256,720)	-	-	-	(256,720)
- Rubber futures (Buy)	(557,878)	-	-	-	(557,878)
- Rubber futures (Sell)	3,653,778	-	-	-	3,653,778
- Forward foreign exchange contracts (Buy)	(516,166)	-	-	-	(516,166)
- Forward foreign exchange contracts (Sell)	2,760,290	-	-	-	2,760,290
- Physical forward contracts (Buy)	(10,346)	-	-	-	(10,346)
- Physical forward contracts (Sell)	24,499	-	-	-	24,499
- Foreign exchange options (Buy)	(1,297,992)	-	-	-	(1,297,992)
- Foreign exchange options (Sell)	2,368,835	-	-	-	2,368,835
- Rubber options (Buy)	(69,606)	-	-	-	(69,606)
- Rubber options (Sell)	20,606	-	-	-	20,606

(Unit: Thousand Baht)

## Separate financial statements as at 31 December 2019

	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(13,818,860)	-	-	-	(13,818,860)
Trade accounts payable	(473,928)	-	-	-	(473,928)
Accrued expenses	(303,042)	-	-	-	(303,042)
Long-term borrowings					
from financial institutions	(1,802,977)	(1,599,246)	(475,163)	-	(3,877,386)
Debentures	(45,105)	(1,472,177)	-	-	(1,517,282)
Finance lease liabilities	(3,735)	(1,775)	(1,578)	-	(7,088)
Derivative financial instruments					
- Rubber futures (Buy)	(163,322)	-	-	-	(163,322)
- Rubber futures (Sell)	1,379,771	-	-	-	1,379,771
- Forward foreign exchange contracts (Sell)	666,403	-	-	-	666,403
- Foreign exchange options (Buy)	(3,844,635)	-	-	-	(3,844,635)
- Foreign exchange options (Sell)	1,447,392	-	-	-	1,447,392
- Rubber options (Buy)	(137,864)	-	-	-	(137,864)
- Rubber options (Sell)	68,932	-	-	-	68,932

(Unit: Thousand Baht)

## Separate financial statements as at 31 December 2018

	Less than 1 year	Between 1 to 2 years	Between 2 to 5 years	Over 5 years	Total
Short-term borrowings					
from financial institutions	(11,331,633)	-	-	-	(11,331,633)
Trade accounts payable	(874,598)	-	-	-	(874,598)
Accrued expenses	(333,573)	-	-	-	(333,573)
Long-term borrowings					
from financial institutions	(1,112,340)	(2,098,630)	(2,117,765)	-	(5,328,735)
Debentures	(868,535)	(42,978)	(1,476,430)	-	(2,387,943)
Finance lease liabilities	(4,124)	(6,072)	-	-	(10,196)
Derivative financial instruments					
- Cross currency swap	(256,720)	-	-	-	(256,720)
- Rubber futures (Buy)	(230,998)	-	-	-	(230,998)
- Rubber futures (Sell)	3,014,029	-	-	-	3,014,029
- Forward foreign exchange contracts (Sell)	324,498	-	-	-	324,498
- Foreign exchange options (Buy)	(713,896)	-	-	-	(713,896)
- Foreign exchange options (Sell)	2,239,036	-	-	-	2,239,036
- Rubber options (Buy)	(69,606)	-	-	-	(69,606)
- Rubber options (Sell)	20,606	-	-	-	20,606

**38.2. Fair values of financial instruments**

Since the majority of the Group' financial instruments are short-term in nature or bear floating interest rates, their fair value is not expected to be materially different from the amounts presented in statement of financial position. For derivatives, their fair value has been determined by using a discounted future cash flow model and a valuation model technique. Most of the inputs used for the valuation are observable in the relevant market, such as spot rates of foreign currencies, yield curves of the respective currencies, interest rate yield curves and commodity price yield curves. The Group had considered to counterparty credit risk when determining the fair value of derivatives.

During the current year, there were no transfers within the fair value hierarchy.

### 39. Financial instruments by category

(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2019				
Assets at fair value				
	Through the profit and loss	Through the comprehensive income	Other financial assets	Total
<b>Assets as per statement of financial position</b>				
Cash and cash equivalents	-	-	2,381,823	2,381,823
Derivative financial instruments	62,616	-	-	62,616
Trade accounts receivable, net	-	-	4,691,586	4,691,586
Amounts due from future brokers	-	-	729,666	729,666
Fixed deposits pledged as collateral	-	-	702	702
Long-term investments	-	41,898	68,000	109,898
<b>Total</b>	<b>62,616</b>	<b>41,898</b>	<b>7,871,777</b>	<b>7,976,291</b>

(Unit: Thousand Baht)

Consolidated financial statements			
31 December 2019			
Liabilities at fair value			
	through the profit and loss	Other financial liabilities	Total
<b>Liabilities as per statement of financial position</b>			
Trade accounts payable	-	1,049,514	1,049,514
Short-term borrowings from financial institutions	-	16,948,937	16,948,937
Derivative financial instruments	143,245	-	143,245
Long-term borrowings from financial institutions	-	10,495,665	10,495,665
Debentures	-	1,455,000	1,455,000
Finance lease liabilities	-	37,049	37,049
<b>Total</b>	<b>143,245</b>	<b>29,986,165</b>	<b>30,129,410</b>



(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2018 (Restated)				
Assets at fair value				
	Through the profit and loss	Through the comprehensive income	Other financial assets	Total
<b>Assets as per statement of financial position</b>				
Cash and cash equivalents	-	-	4,259,163	4,259,163
Derivative financial instruments	59,601	-	-	59,601
Trade accounts receivable, net	-	-	5,192,232	5,192,232
Amounts due from future brokers	-	-	976,275	976,275
Fixed deposits pledged as collateral	-	-	27,428	27,428
Long-term investments	-	46,498	90,000	136,498
<b>Total</b>	<b>59,601</b>	<b>46,498</b>	<b>10,545,098</b>	<b>10,651,197</b>

(Unit: Thousand Baht)

Consolidated financial statements			
31 December 2018 (Restated)			
Liabilities at fair value			
	through the profit and loss	Other financial liabilities	Total
<b>Liabilities as per statement of financial position</b>			
Trade accounts payable	-	1,337,965	1,337,965
Short-term borrowings from financial institutions	-	15,766,907	15,766,907
Derivative financial instruments	171,403	-	171,403
Long-term borrowings from financial institutions	-	9,702,201	9,702,201
Debentures	-	2,265,000	2,265,000
Finance lease liabilities	-	49,733	49,733
<b>Total</b>	<b>171,403</b>	<b>29,121,806</b>	<b>29,293,209</b>

(Unit: Thousand Baht)

Separate financial statements			
31 December 2019			
Assets at fair value			
Through the profit and loss	Through the comprehensive income	Other financial assets	Total
<b>Assets as per statement of financial position</b>			
Cash and cash equivalents	-	-	190,156
Derivative financial instruments	27,015	-	27,015
Trade accounts receivable, net	-	-	2,501,398
Amounts due from future brokers	-	-	30,384
Long-term borrowings to subsidiaries	-	-	1,438,882
Long-term investments	-	41,726	68,000
<b>Total</b>	<b>27,015</b>	<b>41,726</b>	<b>4,228,820</b>

(Unit: Thousand Baht)

Separate financial statements			
31 December 2019			
Liabilities at fair value			
through the profit and loss	Other financial liabilities	Total	
<b>Liabilities as per statement of financial position</b>			
Trade accounts payable	-	473,928	473,928
Short-term borrowings from financial institutions	-	13,502,988	13,502,988
Derivative financial instruments	70,355	-	70,355
Long-term borrowings from financial institutions	-	3,702,252	3,702,252
Debentures	-	1,455,000	1,455,000
Finance lease liabilities	-	6,687	6,687
<b>Total</b>	<b>70,355</b>	<b>19,140,855</b>	<b>19,211,210</b>

(Unit: Thousand Baht)

Separate financial statements			
31 December 2018			
Assets at fair value			
Through the profit and loss	Through the comprehensive income	Other financial assets	Total
<b>Assets as per statement of financial position</b>			
Cash and cash equivalents	-	-	381,815
Derivative financial instruments	33,079	-	33,079
Trade accounts receivable, net	-	-	3,079,217
Amounts due from future brokers	-	-	31,300
Long-term borrowings to subsidiaries	-	-	2,518,214
Long-term investments	-	46,182	90,000
<b>Total</b>	<b>33,079</b>	<b>46,182</b>	<b>6,100,546</b>

(Unit: Thousand Baht)

Separate financial statements			
31 December 2018			
Liabilities at fair value			
through the profit and loss	Other financial liabilities	Total	
<b>Liabilities as per statement of financial position</b>			
Trade accounts payable	-	874,598	874,598
Short-term borrowings from financial institutions	-	11,320,258	11,320,258
Derivative financial instruments	111,332	-	111,332
Long-term borrowings from financial institutions	-	4,954,386	4,954,386
Debentures	-	2,265,000	2,265,000
Finance lease liabilities	-	9,542	9,542
<b>Total</b>	<b>111,332</b>	<b>19,423,784</b>	<b>19,535,116</b>

#### 40. Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (if any) or to historical information about counterparty default rates:

Group 1: New other customers/related parties (less than 6 months)

Group 2: Existing customers/related parties (more than 6 months) with no defaults in the past

Group 3: Existing customers/related parties (more than 6 months) with some defaults in the past that were fully recovered

Maintenance margins are held with high quality counterparties with no history of default. None of the financial assets that are fully performing had been renegotiated during the financial year.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Restated)			
<b>Deposits held at call with banks</b>				
Aa1	270,661	705,142	-	-
Aa3	303,902	502,224	136	689
A1	269,818	511,612	1,888	4,797
Ba1	-	208	-	173
Ba3	3,762	126,197	-	-
Baa1	1,283,503	1,131,002	175,730	340,521
Baa2	108,924	1,266,632	1,938	31,185
No rating	110,950	3,180	-	-
Total deposits held at call with banks	<u>2,351,520</u>	<u>4,246,197</u>	<u>179,692</u>	<u>377,365</u>

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
	(Restated)			
<b>Trade accounts receivable</b>				
Counterparties without external credit rating				
Group 1	374,014	355,425	169,301	141,208
Group 2	4,317,557	4,763,895	1,955,190	2,938,009
Group 3	14	17,462	-	-
Total unimpaired trade accounts receivable	<u>4,691,585</u>	<u>5,136,782</u>	<u>2,124,491</u>	<u>3,079,217</u>

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
<b>Derivative financial instruments</b>				
Counterparties with external credit rating				
Aa1	15,700	40,699	11,704	26,552
Aa2	-	8,884	-	-
Aa3	721	-	-	-
Baa1	40,881	2,337	13,139	2,337
Counterparties without external credit rating				
Group 2	5,314	7,681	2,172	4,190
Total derivative financial instruments (Note 10)	<u>62,616</u>	<u>59,601</u>	<u>27,015</u>	<u>33,079</u>

	(Unit: Thousand Baht)			
	Consolidated financial		Separate financial	
	statements		statements	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		(Restated)		
<b>Fixed deposits pledged as collateral</b>				
Baa1	702	27,428	-	-
Total fixed deposits pledged as collateral (Note 11)	<u>702</u>	<u>27,428</u>	<u>-</u>	<u>-</u>

#### 41. Capital management

The primary objective of the Group's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 31 December 2019, the Group's debt-to-equity ratio were 1.29 (2018: 1.22) and the Company's was 1.01 (2018: 1.00).

#### 42. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 28 February 2020.