

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

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

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL QUARTER ENDED  
 30 June 2014 (UNAUDITED)**

	Group			Group		
	For the 6 months period ended 30 Jun			For the 3 months period ended 30 Jun		
	2014	2013	Change	2014	2013	Change
	Baht	Baht	%	Baht	Baht	%
Revenues from sales of goods and services	41,174,515,750	46,759,456,848	-12%	18,409,608,732	22,519,367,620	-18%
Costs of sales and services	(39,897,432,435)	(44,441,786,866)	-10%	(17,731,031,799)	(21,521,227,064)	-18%
<b>Gross profit</b>	<b>1,277,083,315</b>	<b>2,317,669,982</b>	<b>-45%</b>	<b>678,576,933</b>	<b>998,140,556</b>	<b>-32%</b>
Other income	77,451,506	140,480,236		40,524,559	87,748,151	
Selling expenses	(982,989,023)	(1,282,978,209)		(571,928,938)	(596,237,600)	
Administrative expenses	(690,084,305)	(548,335,898)		(341,258,665)	(244,534,783)	
Gains/(Losses) on exchange rates	220,724,648	342,507,494		97,457,565	(112,006,601)	
Other gains/(losses), net	689,103,372	397,833,693		285,959,627	173,344,741	
<b>Operating profit</b>	<b>591,289,513</b>	<b>1,367,177,298</b>	<b>-57%</b>	<b>189,331,081</b>	<b>306,454,464</b>	<b>-38%</b>
Finance income	25,418,804	20,136,792		13,484,448	18,524,530	
Finance costs	(292,436,292)	(371,004,189)		(217,928,112)	(187,717,637)	
Finance costs, net	(267,017,488)	(350,867,397)	-24%	(204,443,664)	(169,193,107)	21%
Share of profit from investments in associates and a joint venture	253,448,149	246,956,909	3%	149,997,503	140,360,382	7%
<b>Profit (loss) before income tax</b>	<b>577,720,174</b>	<b>1,263,266,810</b>		<b>134,884,920</b>	<b>277,621,739</b>	
Income tax (expense) income	(8,226,431)	(95,789,820)	-91%	26,043,389	37,285,789	-30%
<b>Profit (loss) for the periods</b>	<b>569,493,743</b>	<b>1,167,476,990</b>	<b>51%</b>	<b>160,928,309</b>	<b>314,907,528</b>	<b>49%</b>
<b>Other comprehensive income:</b>						
Asset revaluation surplus, net of tax	9,684,158	(9,303,707)		-	-	
Change in tax rate used in deferred tax recognition	(6,174,917)	70,526,843		(6,174,917)	70,526,843	
Change in fair value of available-for-sale investments, net of tax	8,850,470	546,403		3,833,142	(2,959,995)	
Currency differences on translation	(720,149)	(5,872,788)		(87,617,175)	148,057,879	
Other comprehensive income (expense) for the periods, net of tax	11,639,562	55,896,751		(89,958,950)	215,624,727	
<b>Total comprehensive income (expenses) for the periods</b>	<b>581,133,305</b>	<b>1,223,373,741</b>	<b>52%</b>	<b>70,969,359</b>	<b>530,532,255</b>	<b>87%</b>
<b>Profit (loss) for the periods attributable to:</b>						
Owners of the parent	568,552,705	1,158,235,384		166,592,613	308,141,375	
Non-controlling interests	941,038	9,241,606		(5,664,304)	6,766,153	
<b>Profit (loss) for the periods</b>	<b>569,493,743</b>	<b>1,167,476,990</b>		<b>160,928,309</b>	<b>314,907,528</b>	
<b>Total comprehensive income (expenses) attributable to:</b>						
Owners of the parent	578,297,729	1,216,244,582		82,068,132	521,113,900	
Non-controlling interests	2,835,576	7,129,159		(11,098,773)	9,418,355	
<b>Total comprehensive income (expense) for the period</b>	<b>581,133,305</b>	<b>1,223,373,741</b>		<b>70,969,359</b>	<b>530,532,255</b>	
<b>Earnings (loss) per share</b>						
Basic earnings (loss) per share	0.44	0.90		0.13	0.24	

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

		Group			Group		
		For the 6 months period ended 30 Jun			For the 3 months period ended 30 Jun		
		2014	2013	Change	2014	2013	Change
		Baht'000	Baht'000	%	Baht'000	Baht'000	%
Depreciation and amortisation	(Note 1)	414,038	348,083	19%	211,690	177,462	19%
Allowance for (reversal of) inventory cost in excess of net realisable value	(Note 2)	341,849	343,743	-1%	(587,253)	298,496	-297%
Allowance for (reversal of) impairment of trade accounts receivable	(Note 3)	8,319	(7,715)	-208%	911	1,229	-26%
Foreign exchange losses/(gains)	(Note 4)	(220,725)	(342,507)	36%	(97,458)	112,007	-187%
(Gain) Loss on disposal of property, plant and equipment and intangible assets, net	(Note 5)	94	(88)	-206%	(745)	906	-182%
Dividend income	(Note 6)	(1,227)	(1,068)	15%	(1,224)	(1,038)	18%
Interest income	(Note 7)	(25,419)	(20,137)	26%	(13,484)	(18,525)	-27%
Interest on borrowings	(Note 8)	315,234	324,403	-3%	122,974	152,271	-19%
Other income	(Note 9)	(77,452)	(140,480)	-45%	(40,525)	(87,748)	-54%

Note 1 - The increase in depreciation and amortization was in line with the higher fixed assets balance for the 6 months ended 30 June 2014 as compared to the same period ended 30 June 2013.

Note 2 - The Company usually stocks up raw materials and Natural Rubber Products prior to the wintering period in Thailand during February to May. Lower Natural Rubber price during 1H 2014 pressured by global NR supply surplus and stockpile together with problem of China's financial required us to record an inventory allowance. For Q2 2014, a reversal of inventory allowance was made due to higher price of inventory compared to Q1 2014.

Note 3 - The allowance for impairment of trade account receivables was made in 1H 2014 from doubtful debts of the customers who had financial problem while the reversal in 2H 2013 was from the payment received from doubtful debts.

Note 4 - The decrease in foreign exchange gain in 1H 2014 as compared to 1H 2013 was due mainly to a sharp depreciation of Thai Baht against US dollar during 1H 2013 which allowed us to recognise substantial gain from USD assets whereas during 1H 2014, the exchange rates moved in a narrower range.

Note 5 - The loss on disposal of PPE in 1H 2014 was attributed to a loss on disposal of machinery during the period, whereas the gain in Q2 2014 was mainly as a result of disposal of machinery and equipment in Thailand.

Note 6 – The increase in dividend income was mainly contributed to the increase in dividend payout in accordance with higher operating profit from our investment of in associate companies and joint ventures.

Note 7 - The increase of interest income in 1H 2014 as compared to 1H 2013 was principally due to gain on currency swap with a financial institution.

Note 8 - The decrease in interest on borrowings in 1H 2014 as compared to 1H 2013 was in line with the decreasing amount of short-term borrowings from financial institutions due to the lower price of Natural Rubber.

Note 9 - The other income decreased in 1H 2014 as compared to 1H 2013 as there was an unordinary item in Q1 2013 from the insurance claims from marine shipping accidents.

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

**STATEMENTS OF FINANCIAL POSITION AS AT 30 JUNE 2014 (UNAUDITED)**

	Group		Company	
	30 Jun 2014 Baht	31 Dec 2013 Baht	30 Jun 2014 Baht	31 Dec 2013 Baht
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	1,534,849,268	1,892,728,704	426,611,158	558,713,673
Derivative financial instruments	199,665,311	75,974,417	120,156,935	60,511,268
Trade accounts receivable and other receivables, net	5,130,509,726	7,441,236,911	2,829,650,085	3,893,124,720
Amount due from futures brokers	472,212,074	320,815,698	21,893,078	152,662,325
Inventories, net	10,399,814,448	16,581,938,622	4,130,722,315	7,196,300,579
Current portion of long-term borrowings to an associate	64,622,800	-	64,622,800	-
Other current assets	267,939,464	285,719,524	102,986,879	51,450,218
<b>Total current assets</b>	<b>18,069,613,091</b>	<b>26,598,413,876</b>	<b>7,696,643,250</b>	<b>11,912,762,783</b>
<b>Non-current assets</b>				
Long-term borrowings to an associate and subsidiaries	-	65,355,600	977,487,731	1,053,927,701
Fixed deposits pledged as collateral	57,911,815	61,185,033	13,478,523	13,128,278
Investment in subsidiaries	-	-	9,070,640,514	8,744,640,514
Investment in associates	1,068,488,352	3,541,181,387	649,177,500	712,177,500
Investment in a joint venture	2,676,784,927	489,247,987	83,099,800	20,099,800
Available-for-sale investments	61,997,430	52,438,932	60,953,333	51,520,878
Property, plant and equipment, net	13,859,483,787	12,925,857,984	5,449,116,539	4,980,761,634
Intangible assets, net	26,042,321	27,046,829	12,513,169	14,032,131
Investment properties	174,631,489	176,254,186	27,769,750	27,769,750
Withholding tax deducted at source	247,059,403	240,009,472	171,483,080	171,483,080
Deferred income tax assets, net	170,761,472	121,784,907	-	-
Other non-current assets	32,690,126	21,326,641	11,648,864	11,749,609
<b>Total non-current assets</b>	<b>18,375,851,122</b>	<b>17,721,688,958</b>	<b>16,527,368,803</b>	<b>15,801,290,875</b>
<b>Total assets</b>	<b>36,445,464,213</b>	<b>44,320,102,834</b>	<b>24,224,012,053</b>	<b>27,714,053,658</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade accounts payable and other payables	2,357,990,945	3,932,109,410	1,190,924,668	1,898,141,014
Short-term borrowings from financial institutions	8,147,300,611	14,223,084,711	2,542,227,000	5,985,183,000
Current portion of long-term borrowings from financial institutions	113,404,000	113,404,000	-	-
Current portion of debentures	1,600,000,000	1,600,000,000	1,600,000,000	1,600,000,000
Current portion of finance lease liabilities	26,641,090	17,873,880	4,082,288	4,399,946
Derivative financial instruments	239,307,389	532,851,063	172,542,731	433,015,611
Current income tax payable	23,524,108	20,490,118	2,485,570	-
Other current liabilities	41,627,939	46,473,277	13,393,489	12,667,203
<b>Total current liabilities</b>	<b>12,549,796,082</b>	<b>20,486,286,459</b>	<b>5,525,655,746</b>	<b>9,933,406,774</b>
<b>Non-current liabilities</b>				
Long-term borrowings from financial institutions	2,383,024,000	2,113,726,000	2,346,000,000	2,020,000,000
Debentures	1,450,000,000	1,450,000,000	1,450,000,000	1,450,000,000
Finance lease liabilities	39,809,344	28,665,810	5,725,754	5,150,373
Deferred income tax liabilities, net	88,249,886	68,256,032	40,623,066	21,097,006
Provision for retirement benefit obligations	119,151,265	106,867,154	47,742,009	44,583,916
<b>Total non-current liabilities</b>	<b>4,080,234,495</b>	<b>3,767,514,996</b>	<b>3,890,090,829</b>	<b>3,540,831,295</b>
<b>Total liabilities</b>	<b>16,630,030,577</b>	<b>24,253,801,455</b>	<b>9,415,746,575</b>	<b>13,474,238,069</b>

<b>Shareholders' Equity</b>				
Share capital - ordinary shares				
Authorised share capital	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
Issued and paid-up share capital	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
Premium on share capital	8,550,989,821	8,550,989,821	8,550,989,821	8,550,989,821
Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests				
	(173,134,488)	(173,134,488)	-	-
Asset revaluation surplus, net of accumulated depreciation	1,194,707,496	1,206,286,840	758,755,449	769,785,087
Unrealised gain on available-for-sale investments	17,356,046	8,546,917	16,831,316	8,095,919
Cumulative currency differences on translation	(456,009,759)	(453,395,072)	-	-
Retained earnings				
Appropriated - legal reserve	128,000,000	128,000,000	128,000,000	128,000,000
Unappropriated	9,182,416,680	9,430,734,049	4,073,688,892	3,502,944,762
<b>Equity attributable to owners of the parent</b>	<b>19,724,325,796</b>	<b>19,978,028,067</b>	<b>14,808,265,478</b>	<b>14,239,815,589</b>
Non-controlling interests	91,107,840	88,273,312	-	-
<b>Total shareholders' equity</b>	<b>19,815,433,636</b>	<b>20,066,301,379</b>	<b>14,808,265,478</b>	<b>14,239,815,589</b>
<b>Total liabilities and shareholders' equity</b>	<b>36,445,464,213</b>	<b>44,320,102,834</b>	<b>24,224,012,053</b>	<b>27,714,053,658</b>

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

#### Amount repayable in one year or less, or on demand

As at 30 Jun 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
(Baht Million)	(Baht Million)	(Baht Million)	(Baht Million)
4,600	3,661	4,842	9,494

#### Amount repayable after one year

As at 30 Jun 2014		As at 31 Dec 2013	
Secured	Unsecured	Secured	Unsecured
(Baht Million)	(Baht Million)	(Baht Million)	(Baht Million)
37	3,796	94	3,470

#### Details of any collateral

As at 30 June 2014, the Group's borrowings were secured by personal guarantees from our Chairman and Managing Director, Dr. Viyavood Sincharoenkul and/or various members of his family and certain of our Directors and our subsidiaries, mortgage of land and buildings under construction, mortgage and pledge of machinery and pledge of accounts.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014  
(UNAUDITED)**

	Group		Group	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
	For the 6 months period ended 30 Jun		For the 3 months period ended 30 Jun	
<b>Cash flow from operating activities</b>				
Profit before income tax	577,720,174	1,263,266,810	134,884,920	277,621,739
Adjustments for:				
Cash provided by/(used in) operating activities:				
Unrealised (gains) losses on foreign currency translations	160,704,706	91,162,968	43,045,898	145,692,492
Unrealised (gains) losses from revaluation of derivative financial instruments	(417,234,568)	131,303,041	(7,359,424)	665,927,815
Allowance for (reversal of) impairment of trade accounts receivable	8,319,051	(7,715,148)	910,637	1,229,148
Allowance for (reversal of) inventory cost in excess of net realisable value	341,848,624	343,743,033	(587,252,584)	298,496,112
Provision for retirement benefit obligations	12,384,111	12,989,008	4,628,395	7,680,102
Depreciation charges	409,255,412	344,034,627	209,295,457	175,664,924
Amortisation charges	4,783,047	4,048,786	2,394,676	1,797,352
Loss on asset revaluation	-	36,740,002	-	-
Finance costs	292,436,292	371,004,189	217,928,112	187,717,637
Dividend income	(1,227,136)	(1,067,591)	(1,224,069)	(1,038,039)
Share of profit from investments in associates and a joint venture	(253,448,149)	(246,956,909)	(149,997,503)	(140,360,382)
(Gains) losses on disposal and write-off of property, plant and equipment and intangible assets	93,865	(88,411)	(745,025)	905,952
<b>Profit before changes in operating assets and liabilities</b>	<b>1,135,635,429</b>	<b>2,342,464,405</b>	<b>(133,490,510)</b>	<b>1,621,334,852</b>
Changes in operating assets and liabilities:				
Decrease/(Increase) in operating assets				
- Trade accounts receivable and other receivables	2,302,408,134	(497,614,409)	1,610,745,690	728,381,179
- Amounts due from futures brokers	(151,396,376)	206,308,702	(84,618,577)	(43,436,853)
- Inventories	5,840,275,550	2,071,386,067	5,201,284,594	3,742,366,539
- Other current assets	(7,288,608)	(32,219,190)	10,788,104	(6,341,240)
- Other non-current assets	(11,363,485)	2,646,552	(1,247,669)	7,194,769
Increase/(decrease) in operating liabilities				
- Trade accounts payable and other payables	(1,506,435,558)	162,406,904	(646,436,733)	91,090,616
- Other current liabilities	(4,845,338)	(5,012,642)	(14,180,298)	9,026,732
Cash (used in)/provided by operating activities	7,596,989,748	4,250,366,389	5,942,844,601	6,149,616,594
Interest paid	(314,941,101)	(343,208,095)	(248,135,084)	(197,434,703)
Income tax paid	(25,927,860)	(60,433,657)	52,911,119	(1,353,575)
Employee benefits paid	(100,000)	-	-	-
<b>Net cash (used in)/provided by operating activities</b>	<b>7,256,020,787</b>	<b>3,846,724,637</b>	<b>5,747,620,636</b>	<b>5,950,828,316</b>

	Group		Group	
	2014	2013	2014	2013
	Baht	Baht	Baht	Baht
	For the 6 months period ended 30 Jun		For the 3 months period ended 30 Jun	
<b>Cash flows from investing activities</b>				
Increase (decrease) in fixed deposits at financial institutions	3,273,218	(43,516,362)	10,200,812	(26,842,406)
Dividends received	525,690,800	336,537,078	525,687,733	336,507,526
Proceeds from disposal of property, plant and equipment and intangible assets	3,098,781	19,275,674	2,849,164	7,903,721
Cash paid for purchases of property, plant and equipment and intangible assets	(1,335,441,276)	(1,681,017,320)	(811,926,178)	(853,003,062)
<b>Net cash (used in)/provided by investing activities</b>	<b>(803,378,477)</b>	<b>(1,368,720,930)</b>	<b>(273,188,469)</b>	<b>(535,434,221)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in short-term borrowings from financial institutions	(6,237,014,726)	(3,490,527,518)	(5,197,791,282)	(4,929,539,214)
Proceeds from long-term borrowings	326,000,000	804,000,000	99,000,000	304,000,000
Repayments of long-term borrowings	(56,702,000)	(58,000,000)	(28,351,000)	(28,000,000)
Proceeds from issuance of debentures	-	900,000,000	-	-
Payments on finance lease liabilities	(10,803,972)	(20,896,381)	(6,018,051)	(17,546,558)
Dividend payment	(832,000,000)	(640,000,000)	(832,000,000)	(640,000,000)
Dividend payment from subsidiaries to non-controlling interest	(1,048)	(1,147)	(1,048)	(1,147)
<b>Net cash (used in)/provided by financing activities</b>	<b>(6,810,521,746)</b>	<b>(2,505,425,046)</b>	<b>(5,965,161,381)</b>	<b>(5,311,086,919)</b>
Net increase/(decrease) in cash and cash equivalents	(357,879,436)	(27,421,339)	(490,729,214)	104,307,176
Cash and cash equivalents at beginning of the periods	1,892,728,704	1,534,031,967	2,025,578,482	1,402,303,452
<b>Cash and cash equivalents at end of the periods</b>	<b>1,534,849,268</b>	<b>1,506,610,628</b>	<b>1,534,849,268</b>	<b>1,506,610,628</b>
<b>Supplementary information for cash flows</b>				
Cash paid for acquisition of property, plant and equipment and intangible assets:				
Property, plant and equipment and intangible assets	(1,320,977,894)	(1,777,235,354)	(851,106,308)	(952,121,352)
Increase in liabilities under finance lease contracts	30,714,716	55,136,964	12,595,090	48,415,954
(Decrease) Increase in payable from acquisition of assets	(45,178,098)	41,081,070	26,585,040	50,702,336
<b>Cash paid for acquisition of property, plant and equipment and intangible assets</b>	<b>(1,335,441,276)</b>	<b>(1,681,017,320)</b>	<b>(811,926,178)</b>	<b>(853,003,062)</b>

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

**STATEMENT OF CHANGES IN EQUITY (GROUP) FOR THE FINANCIAL QUARTER ENDED 30 JUNE 2014 (UNAUDITED)**

Group	Attributable to owners of the parent										Non-controlling interests	Total shareholders' equity
	Issued and paid-up capital	Premium on share capital	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	Asset revaluation surplus, net of accumulated depreciation	Unrealised gain/(loss) on available-for-sale investments	Cumulative currency differences on translating financial information	Retained earnings					
							Appropriated - legal reserve	Unappropriated	Total			
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening amount as at 1 January 2014	1280,000,000	8,550,989,821	(173,134,488)	1206,286,840	8,546,917	(453,395,072)	128,000,000	9,430,734,049	19,978,028,067	88,273,312	20,066,301,379	
Profit for the period	-	-	-	-	-	-	-	568,552,705	568,552,705	941,038	569,493,743	
Other comprehensive income												
Asset revaluation surplus, net of tax	-	-	-	9,684,158	-	-	-	-	9,684,158	-	9,684,158	
Change in tax rate used in deferred tax recognition	-	-	-	(6,078,494)	(41,341)	-	-	(55,082)	(6,174,917)	-	(6,174,917)	
Amortisation on assets revaluation, net of tax	-	-	-	(15,185,008)	-	-	-	15,185,008	-	-	-	
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	8,850,470	-	-	-	8,850,470	-	8,850,470	
Currency differences on translation	-	-	-	-	-	(2,614,687)	-	-	(2,614,687)	1,894,538	(720,149)	
Total other comprehensive income, net of tax	-	-	-	(11,579,344)	8,809,129	(2,614,687)	-	15,129,926	9,745,024	1,894,538	11,639,562	
Total comprehensive income	-	-	-	(11,579,344)	8,809,129	(2,614,687)	-	583,682,631	578,297,729	2,835,576	581,133,305	
Transactions with shareholders' equity												
Dividend payment	-	-	-	-	-	-	-	(832,000,000)	(832,000,000)	-	(832,000,000)	
Dividend payment from subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,048)	(1,048)	
Total transactions with shareholders' equity	-	-	-	-	-	-	-	(832,000,000)	(832,000,000)	(1,048)	(832,001,048)	
Closing balance as at 30 June 2014	1280,000,000	8,550,989,821	(173,134,488)	1,194,707,496	17,356,046	(456,009,759)	128,000,000	9,182,416,680	19,724,325,796	91,107,840	19,815,433,636	
Opening amount as at 1 January 2013	1280,000,000	8,550,989,821	(173,134,488)	1,176,400,847	13,525,669	(347,927,852)	128,000,000	8,224,092,866	18,851,946,863	84,850,059	18,936,796,922	
Profit for the period	-	-	-	-	-	-	-	1,158,235,384	1,158,235,384	9,241,606	1,167,476,990	
Other comprehensive income												
Asset revaluation surplus, net of tax	-	-	-	(9,303,707)	-	-	-	-	(9,303,707)	-	(9,303,707)	
Change in tax rate used in deferred tax recognition	-	-	-	68,774,888	1,225,376	-	-	526,579	70,526,843	-	70,526,843	
Amortisation on assets revaluation, net of tax	-	-	-	(14,561,486)	-	-	-	14,561,486	-	-	-	
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	546,403	-	-	-	546,403	-	546,403	
Currency differences on translation	-	-	-	-	-	(3,760,341)	-	-	(3,760,341)	(2,112,447)	(5,872,788)	
Total other comprehensive income, net of tax	-	-	-	44,909,695	1,771,779	(3,760,341)	-	15,088,065	58,009,198	(2,112,447)	55,896,751	
Total comprehensive income	-	-	-	44,909,695	1,771,779	(3,760,341)	-	1,173,323,449	121,624,482	7,129,159	1,223,373,741	
Transactions with shareholders' equity												
Dividend payment	-	-	-	-	-	-	-	(640,000,000)	(640,000,000)	-	(640,000,000)	
Dividend payment from subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,147)	(1,147)	
Total transactions with shareholders' equity	-	-	-	-	-	-	-	(640,000,000)	(640,000,000)	(1,147)	(640,001,147)	
Closing balance as at 30 June 2013	1280,000,000	8,550,989,821	(173,134,488)	1,221,310,542	15,297,448	(351,688,193)	128,000,000	8,757,416,315	19,428,191,445	91,978,071	19,520,169,516	

## STATEMENT OF CHANGES IN EQUITY (GROUP) FOR THE 3 MONTHS PERIOD ENDED 30 JUN 2014 (UNAUDITED)

Group	Attributable to owners of the parent									Non-controlling interests	Total shareholders' equity
	Issued and paid-up capital	Premium on share capital	Deduction arising from acquisition of additional interest in subsidiaries from non-controlling interests	Asset revaluation surplus, net of accumulated depreciation	Unrealised gain/(loss) on available-for-sale investments	Cumulative currency differences on translating financial information	Retained earnings		Total		
							Appropriated - legal reserve	Unappropriated			
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening amount as at 1 April 2014	1280,000,000	8,550,989,821	(173,134,488)	1,208,368,951	13,564,245	(373,827,052)	128,000,000	9,840,296,188	20,474,257,665	102,207,660	20,576,465,325
Profit for the period	-	-	-	-	-	-	-	166,592,613	166,592,613	(5,664,304)	160,928,309
Other comprehensive income											
Asset revaluation surplus, net of tax	-	-	-	-	-	-	-	-	-	-	-
Change in tax rate used in deferred tax recognition	-	-	-	(6,078,494)	(413,411)	-	-	(55,082)	(6,174,917)	-	(6,174,917)
Amortisation on assets revaluation, net of tax	-	-	-	(7,582,961)	-	-	-	7,582,961	-	-	-
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	3,833,142	-	-	-	3,833,142	-	3,833,142
Currency differences on translation	-	-	-	-	-	(82,182,707)	-	-	(82,182,707)	(5,434,468)	(87,617,175)
Total other comprehensive income, net of tax	-	-	-	(13,661,455)	3,791,801	(82,182,707)	-	7,527,879	(84,524,482)	(5,434,468)	(89,958,950)
Total comprehensive income	-	-	-	(13,661,455)	3,791,801	(82,182,707)	-	174,120,492	82,068,131	(11,098,772)	70,969,359
Transactions with shareholders' equity											
Dividend payment	-	-	-	-	-	-	-	(832,000,000)	(832,000,000)	-	(832,000,000)
Dividend payment from subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,048)	(1,048)
Total transactions with shareholders' equity	-	-	-	-	-	-	-	(832,000,000)	(832,000,000)	(1,048)	(832,001,048)
Closing balance as at 30 June 2014	1280,000,000	8,550,989,821	(173,134,488)	1,194,707,496	17,356,046	(456,009,759)	128,000,000	9,182,416,680	19,724,325,796	91,107,840	19,815,433,636
Opening amount as at 1 April 2013	1280,000,000	8,550,989,821	(173,134,488)	1,160,250,141	17,032,067	(497,093,870)	128,000,000	9,081,033,874	19,547,077,545	82,560,863	19,629,638,408
Profit for the period	-	-	-	-	-	-	-	308,141,375	308,141,375	6,766,153	314,907,528
Other comprehensive income											
Asset revaluation surplus, net of tax	-	-	-	-	-	-	-	-	-	-	-
Change in tax rate used in deferred tax recognition	-	-	-	68,774,888	1,225,376	-	-	526,579	70,526,843	-	70,526,843
Amortisation on assets revaluation, net of tax	-	-	-	(7,714,487)	-	-	-	7,714,487	-	-	-
Change in fair value of available-for-sale investments, net of tax	-	-	-	-	(2,959,995)	-	-	-	(2,959,995)	-	(2,959,995)
Currency differences on translation	-	-	-	-	-	145,405,677	-	-	145,405,677	2,652,202	148,057,879
Total other comprehensive income, net of tax	-	-	-	61,060,401	(1,734,619)	145,405,677	-	8,241,066	212,972,525	2,652,202	215,624,727
Total comprehensive income	-	-	-	61,060,401	(1,734,619)	145,405,677	-	316,382,441	521,113,900	9,418,355	530,532,255
Transactions with shareholders' equity											
Dividend payment	-	-	-	-	-	-	-	(640,000,000)	(640,000,000)	-	(640,000,000)
Dividend payment from subsidiaries to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,147)	(1,147)
Total transactions with shareholders' equity	-	-	-	-	-	-	-	(640,000,000)	(640,000,000)	(1,147)	(640,001,147)
Closing balance as at 30 June 2013	1280,000,000	8,550,989,821	(173,134,488)	1,221,310,542	15,297,448	(351,688,193)	128,000,000	8,757,416,315	19,428,114,445	91,978,071	19,520,169,516

**STATEMENT OF CHANGES IN EQUITY (COMPANY) FOR THE 6 MONTHS PERIOD ENDED 30 JUNE 2014 (UNAUDITED)**

Company	Attributable to equity holders of the parent						
			Asset revaluation surplus, net of accumulated depreciation	Unrealised gain/(loss) on available-for- sale financial assets	Retained earnings		
	Issued and paid- up share capital	Premium on share capital			Appropriated - legal reserve	Unappropriated	Total equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening amount as at 1 January 2014	1,280,000,000	8,550,989,821	769,785,087	8,095,919	128,000,000	3,502,944,762	14,239,815,589
Profit for the period	-	-	-	-	-	1,391,714,492	1,391,714,492
Other comprehensive income							
Amortisation on assets revaluation, net of tax	-	-	(11,029,638)	-	-	11,029,638	-
Change in tax rate used in deferred tax recognition	-	-	-	-	-	-	-
Change in fair value of available-for-sale investments, net of tax	-	-	-	8,735,397	-	-	8,735,397
Total other comprehensive income, net of tax	-	-	(11,029,638)	8,735,397	-	11,029,638	8,735,397
Total comprehensive income	-	-	(11,029,638)	8,735,397	-	1,402,744,130	1,400,449,889
Transactions with shareholders' equity							
Dividend payment	-	-	-	-	-	(832,000,000)	(832,000,000)
Total transactions with shareholders' equity	-	-	-	-	-	(832,000,000)	(832,000,000)
Closing balance as at 30 June 2014	1,280,000,000	8,550,989,821	758,755,449	16,831,316	128,000,000	4,073,688,892	14,808,265,478
Opening amount as at 1 January 2013	1,280,000,000	8,550,989,821	723,419,437	12,889,314	128,000,000	3,203,163,659	13,898,462,231
Profit for the period	-	-	-	-	-	1,081,284,194	1,081,284,194
Other comprehensive income							
Amortisation on assets revaluation, net of tax	-	-	(10,715,490)	-	-	10,715,490	-
Change in tax rate used in deferred tax recognition	-	-	68,774,888	1,225,376	-	526,579	70,526,843
Change in fair value of available-for-sale investments, net of tax	-	-	-	650,576	-	-	650,576
Total other comprehensive income, net of tax	-	-	58,059,398	1,875,952	-	11,242,069	71,177,419
Total comprehensive income	-	-	58,059,398	1,875,952	-	1,092,526,263	1,152,461,613
Transactions with shareholders' equity							
Dividend payment	-	-	-	-	-	(640,000,000)	(640,000,000)
Total transactions with shareholders' equity	-	-	-	-	-	(640,000,000)	(640,000,000)
Closing balance as at 30 June 2013	1,280,000,000	8,550,989,821	781,478,835	14,765,266	128,000,000	3,655,689,922	14,410,923,844

**STATEMENT OF CHANGES IN EQUITY (COMPANY) FOR THE 3 MONTHS PERIOD ENDED 30 JUN 2014 (UNAUDITED)**

Company	Attributable to equity holders of the parent						
					Retained earnings		
	Issued and paid-up share capital	Premium on share capital	Asset revaluation surplus, net of accumulated depreciation	Unrealised gain/(loss) on available-for-sale financial assets	Appropriated - legal reserve	Unappropriated	Total equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening amount as at 1 April 2014	1,280,000,000	8,550,989,821	764,257,278	13,060,345	128,000,000	3,776,341,471	14,512,648,915
Profit for the period	-	-	-	-	-	1,123,845,592	1,123,845,592
Other comprehensive income							
Amortisation on assets revaluation, net of tax	-	-	(5,501,829)	-	-	5,501,829	-
Change in tax rate used in deferred tax recognition	-	-	-	-	-	-	-
Change in fair value of available-for-sale investments, net of tax	-	-	-	3,770,971	-	-	3,770,971
Total other comprehensive income, net of tax	-	-	(5,501,829)	3,770,971	-	5,501,829	3,770,971
Total comprehensive income	-	-	(5,501,829)	3,770,971	-	1,129,347,421	1,127,616,563
Transactions with shareholders' equity							
Dividend payment	-	-	-	-	-	(832,000,000)	(832,000,000)
Total transactions with shareholders' equity	-	-	-	-	-	(832,000,000)	(832,000,000)
Closing balance as at 30 June 2014	1,280,000,000	8,550,989,821	758,755,449	16,831,316	128,000,000	4,073,688,892	14,808,265,478
Opening amount as at 1 April 2013	1,280,000,000	8,550,989,821	718,391,391	16,393,094	128,000,000	3,611,711,662	14,305,485,968
Profit for the period	-	-	-	-	-	677,764,237	677,764,237
Other comprehensive income							
Amortisation on assets revaluation, net of tax	-	-	(5,687,444)	-	-	5,687,444	-
Change in tax rate used in deferred tax recognition	-	-	68,774,888	1,225,376	-	526,579	70,526,843
Change in fair value of available-for-sale investments, net of tax	-	-	-	(2,853,204)	-	-	(2,853,204)
Total other comprehensive income, net of tax	-	-	63,087,444	(1,627,828)	-	6,214,023	67,673,639
Total comprehensive income	-	-	63,087,444	(1,627,828)	-	683,978,260	745,437,876
Transactions with shareholders' equity							
Dividend payment	-	-	-	-	-	(640,000,000)	(640,000,000)
Total transactions with shareholders' equity	-	-	-	-	-	(640,000,000)	(640,000,000)
Closing balance as at 30 June 2013	1,280,000,000	8,550,989,821	781,478,835	14,765,266	128,000,000	3,655,689,922	14,410,923,844

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

	Number of shares	
	As at 30 June 2014	As at 31 Dec 2013
<b>Authorised number of ordinary shares</b>		
<b>Balance at beginning of period</b>	1,280,000,000	1,280,000,000
Additional registered	-	-
<b>Balance at end of period</b>	1,280,000,000	1,280,000,000
<b>Issued and fully paid ordinary shares</b>		
<b>Balance at beginning of period</b>	1,280,000,000	1,280,000,000
Additional due to initial public offering of share	-	-
<b>Balance at end of period</b>	1,280,000,000	1,280,000,000

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

The Company did not hold any treasury shares as at 30 June 2014 and 31 December 2013.  
The Company's total number of issued shares excluding treasury shares as at 30 June 2014 was 1,280,000,000 (31 December 2013: 1,280,000,000).

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

Not applicable.

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

The financial figures have been reviewed by the Group's auditors in accordance with generally accepted auditing standards in Thailand.

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

Please refer to Section 2.

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

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

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

Please refer to Section 4.

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

	Group		Group	
	For the 6 months period ended 30 Jun		For the 3 months period ended 30 Jun	
	2014	2013	2014	2013
(a) Based on weighted average no. of shares (Baht)	0.44	0.90	0.13	0.24
(b) Based on fully diluted basis (Baht)	0.44	0.90	0.13	0.24
Weighted average no. of shares applicable to basic earnings per share (after adjusting for share split)	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000
Weighted average no. of shares based on fully diluted basis	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000

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

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

	Group		Company	
	As at		As at	
	30 Jun 2014	31 Dec 2013	30 Jun 2014	31 Dec 2013
Net asset value per ordinary share based on issued share capital as at end of the period / year (Baht)	15.48	15.68	11.57	11.12

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

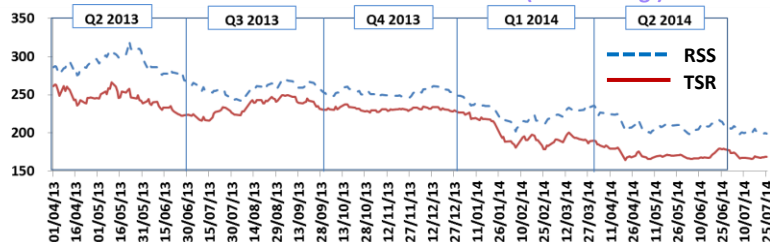
- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

## Financial result overview

Despite encountering a number of challenging factors in Q2 2014 including pent-up demand, high level of stock at Qingdao warehouse and tire producers, the effect of shadow banking in Chinese financial market and seasonality effect of natural rubber in Thailand, our profit was made at a satisfactory level of THB 166.6 million. Additionally, the continuance of price decline, which has been resulted from sluggish demand and the surplus balance, has posted a decrease of our revenue QoQ and YoY. The increase in gross profit QoQ was outweighed by the increase in selling expenses owing to the expiration of cess exemption, the decrease in gain on foreign exchange and rubber futures trading and the increase in finance costs from the unrealised loss of USD denominated loans. This resulted in the lower of net profit of the period.

From Q2 2014 onwards, our investment in Siam Sempermed Corporation Limited (SSC), an examination glove manufacturing company, has been re-classified from "Investment in Associate" to "Interest in Joint Venture" as a result of the agreement that the other Thai shareholders of SSC entered into to act in concert with the Company regarding the investment in SSC.

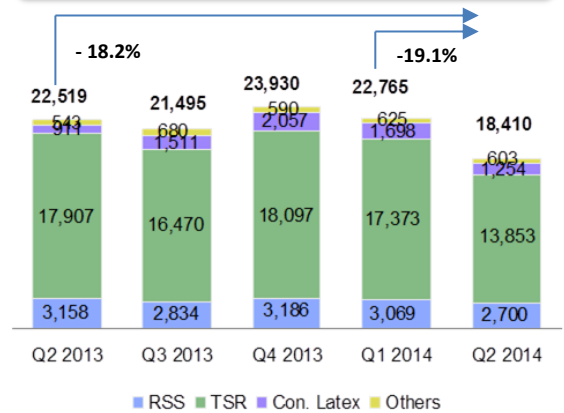
## TSR20 and RSS3 Price movement (US cent : Kg.)



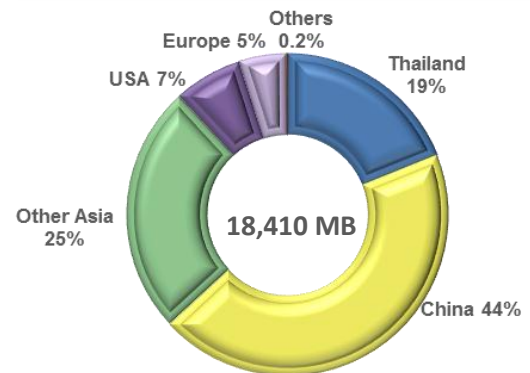
## Exchange rate of Thai Baht against US dollar



## Revenues by product (THB million)



## Revenues by country (Q2 2014)



## Key financial ratios

Key Financial Ratios	Q2 2014	FY 2013	FY 2012
Gross profit margin	3.7%	5.6%	4.8%
Adjusted gross profit margin**	0.7%	6.3%	4.3%
EBITDA margin	3.0%	4.1%	2.9%
Net profit margin	0.9%	2.0%	1.4%
ROA	2.8%*	4.5%	3.6%
ROE	5.7%*	9.3%	7.5%
Current ratio (times)	1.44	1.30	1.47
D/E ratio (times)	0.84	1.21	0.94
Net D/E ratio (times)	0.76	1.11	0.86
Fixed asset turnover (times)	6.15*	8.03	11.38
Inventory Turnover (days)	60.87*	61.52	57.85
Collection Period (days)	26.21*	26.06	24.55
Payment Period (days)	10.02*	9.47	7.18

Note:

\* Annualised

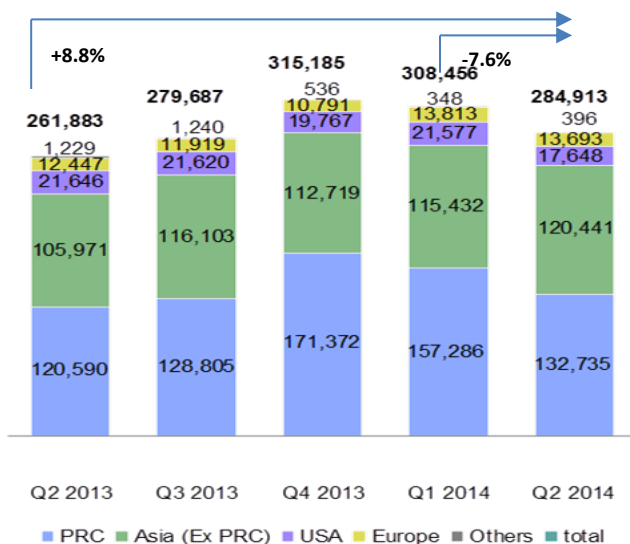
\*\* Adjusting for (reversal) allowance of inventory cost and realised foreign exchange gains / losses

## Statements of Comprehensive Income

(Unit : THB million)	Q2 2014	Q2 2013	% YoY	Q1 2014	%QoQ
<b>Revenue from sale of goods and services</b>	<b>18,409.6</b>	<b>22,519.4</b>	<b>-18.2%</b>	<b>22,764.9</b>	<b>-19.1%</b>
Cost of sales and services (net)	(17,731.0)	(21,521.2)	-17.6%	(22,166.4)	-20.0%
<b>Gross profit</b>	<b>678.6</b>	<b>998.1</b>	<b>-32.0%</b>	<b>598.5</b>	<b>13.4%</b>
SG&A	(913.2)	(840.8)	8.6%	(759.9)	20.2%
Other income	40.5	87.7	-53.8%	36.9	9.7%
Gain/Loss on foreign exchange	97.5	(112.0)	187.0%	123.3	-20.9%
Other gain/loss (net)	286.0	173.3	65.0%	403.1	-29.1%
<b>Operating profit</b>	<b>189.3</b>	<b>306.5</b>	<b>-38.2%</b>	<b>402.0</b>	<b>-52.9%</b>
Share of profit from investments in associates and interests in joint ventures	150.0	140.4	6.9%	103.5	45.0%
<b>EBITDA</b>	<b>551.0</b>	<b>624.3</b>	<b>-11.7%</b>	<b>707.8</b>	<b>-22.1%</b>
<b>EBIT</b>	<b>339.3</b>	<b>446.8</b>	<b>-24.1%</b>	<b>505.4</b>	<b>-32.9%</b>
Finance costs (net)	(204.4)	(169.2)	20.8%	(62.6)	226.7%
Income tax (expense) income	26.0	37.3	30.2%	(34.3)	-176.0%
<b>Net Profit for the period</b>	<b>160.9</b>	<b>314.9</b>	<b>-48.9%</b>	<b>408.6</b>	<b>-60.6%</b>
Attributed to Owners of the parent	166.6	308.1	-45.9%	402.0	-58.6%
Attributed to non-controlling interests	(5.7)	6.8	-183.7%	6.6	-185.8%

**Total sales of goods and services** of Q2 2014 was Baht 18,409.6 million, down 18.2% YoY and 19.1% QoQ. NR price in Q2 2014 was continually affected by the persistence of pent-up demand, high level of stock at Qingdao warehouse and tire producers, the problem of China's financial system and also the effect of wintering season of NR in Thailand during March – May. As such, the decline of sales YoY was mainly driven by the decrease in average selling price of 25.5% despite being offset by the sale volume growth of 8.8%. For quarterly comparison, the decrease in total revenue was mainly attributed to a decrease of average selling price by 12.9% and a decrease in sale volume of 7.6%.

### Sales volume (Tons)



**Sale volume increased by 8.8% YoY to 284,913 tons.** With our extensive experience and strong sales & distribution networks, our sale volume to China increased by 10.1% YoY amid softening market sentiment. India, Japan, Korea, Malaysia, Vietnam, Europe and local market contributed an impressive growth of 35.3%, 25.0%, 33.7%, 568.3%, 146.5%, 10.0% and 28.5% YoY, respectively. However, such increase in sale volume was partly offset by 26.2% and 18.5% decrease in sale volume to Singapore and USA.

In comparison with the previous quarter, sale volume declined by 7.6%. Such decrease was mainly driven by 15.6% fall of Chinese market on account of its high NR inventory at Qingdao warehouse and tire manufacturers together with the problem of Chinese shadow banking. The decrease in sales was also from Malaysia, Singapore and USA by 20.7%, 11.5% and 18.2% despite being offset by an increase in sale volume of 48.6%, 10.6%, 12.8%, and 25.9% from India, Japan, Korea and Vietnam market, respectively.

**Gross profit** for Q2 2014 was registered at Baht 678.6 million, down 32.0% YoY but up 13.4% QoQ. Our gross profit margin of Q2 2014 was recorded at 3.7%, fell from 4.4% in the same period last year and grew from 2.6% in the last quarter. Global NR supply surplus and stockpile together with problem of China's financial system had negative effects on NR price. In Q2 2014, there was a reversal of inventory allowance of Baht 587.3 million which resulted in the increase in gross profit margin in comparison with the previous quarter but still lower than the same period last year. Assuming the reversal of inventory allowance was not made in Q2 2014 but including the realised foreign exchange gains from our hedging policy, our adjusted gross profit margin would have been at 0.7%, which was lower than the adjusted gross profit margin in Q1 2014 at 6.4% and Q2 2013 at 7.6%.

**Operating profit** for Q2 2014 amounted to Baht 189.3 million, down 38.2% YoY and 52.9% QoQ. Operating profit margin for Q2 2014 was 1.0%, decreased from 1.4% in Q2 2013 and 1.8% in Q1 2014. Despite being offset by the gain from foreign exchange and an increase in gain from financial derivative instruments from rubber trading, the decrease in YoY operating profit margin mainly resulted from 1) lowered gross profit margin and 2) an increase in SG&A due to an increase in personal expenses from capacity expansion and an increase in consulting expense offsetting with an increase of logistic expenses from decreasing in NR price. In comparison to the operating profit in the last quarter, the decrease in operating profit margin was attributed to 1) higher cess expenses from the expiration of cess exemption in Dec 2013 and 2) a decrease in gain on foreign exchange and gain on rubber future trading.

## Revenues by product (THB million)

	Q2 2014	Q2 2013	% YoY	Q1 2014	% QoQ
TSR*	13,852.6	17,931.6	-22.7%	17,373.2	-20.3%
%	75.2%	79.6%		76.3%	
RSS*	2,699.6	3,158.4	-14.5%	3,068.7	-12.0%
%	14.7%	14.0%		13.5%	
LTX	1,253.9	911.1	37.6%	1,698.1	-26.2%
%	6.8%	4.0%		7.5%	
Others**	603.5	518.3	16.4%	624.8	-3.4%
%	3.3%	2.3%		2.7%	
<b>Total</b>	<b>18,409.6</b>	<b>22,519.4</b>	<b>-18.2%</b>	<b>22,764.9</b>	<b>-19.1%</b>

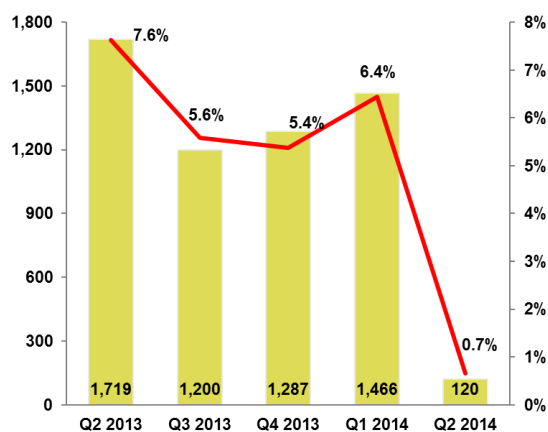
Note:

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

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

**Net profit** for Q2 2014 was Baht 166.6 million, decreased by 45.9% YoY and 58.6% QoQ. Net profit margin of Q2 2014 was 0.9%, decreased from 1.4% in Q2 2013 and 1.8% in Q1 2014. The decrease in net profit margin YoY and QoQ was contributed from 1) the mentioned reasons in operation profit, and 2) an increase in financial costs due to loss from mark-to-market of USD loan as a result of the weakness of Indonesia Rupiahs vs USD.

## Adjusted GP and GPM\* (THB million)



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

## Business Segmentation Analysis



### Technically Specified Rubber (TSR)

Revenue from the sale of TSR declined by 22.7% YoY and 20.3% QoQ. In comparison to the same period last year, the decrease of revenue was mainly driven by 26.1% decrease in average selling price, despite being offset by the increase of sale volume by 4.7%. For quarterly comparison, a decline in revenue was due to 5.8% decrease of sale volume and 15.4% decrease of average selling price.

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

Gross profit of TSR decreased by 44.6% YoY but increased 81.7% QoQ. Gross profit margin lowered YoY due to the fact that selling prices decreased at higher rate compared to the decrease in cost of sales rate while gross profit increase in QoQ mainly due to the reversal of inventory allowances.



### Ribbed Smoked Sheet (RSS)

Revenue from the sale of RSS declined by 14.5% YoY and 12.0% QoQ. Such decline in comparison with the same period last year was driven by a decrease of average selling price by 20.5%, despite an increase of sale volume of 7.5%. In comparison with the previous quarter, the decrease in revenue was due to a decrease in average selling price of 6.5% and sale volume decreased by 5.9%.

The decline in average selling price of RSS has made it competitive in use as compare to TSR, therefore, the volume increased YoY while sales volume decreased in QoQ because of the low season of rubber in Thailand.

Our gross profit from the sale of RSS decreased 0.5% YoY and 2.6% QoQ. The gross profit margins in YoY and QoQ were about in the same range.



### Concentrated Latex

Revenue from the sale of Concentrated Latex was up 37.6% YoY but down 26.2% QoQ. The increase of revenue compared with the same period last year was mainly driven from an increase in sale volume of 65.1%, despite a decline in average selling price of 16.6%. Comparing with the previous quarter, the decline in revenue mainly resulted from a decrease of 22.3% of sale volume and a decrease in average selling price of 5.0%.

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

Gross profit from the sale of Concentrated Latex decreased by 245.4% YoY and 76.2% QoQ. Gross profit margin in Q2 2014 was higher in YoY but lower in QoQ.

## Statements of Financial Position

(Unit : THB million)	30-Jun-14	31-Dec-13	% change
Cash and cash equivalents	1,534.8	1,892.7	-18.9%
Trade AR and other receivables, net	5,130.5	7,441.2	-31.1%
Inventories, net	10,399.8	16,581.9	-37.3%
Other current assets	1,004.4	682.5	47.2%
<b>Total current assets</b>	<b>18,069.6</b>	<b>26,598.4</b>	<b>-32.1%</b>
Investments in associates	1,068.5	3,541.2	-69.8%
Property, plant and equipment, net	13,859.5	12,925.9	7.2%
Other non-current assets	3,447.9	1,254.6	174.8%
<b>Total non-current assets</b>	<b>18,375.9</b>	<b>17,721.7</b>	<b>3.7%</b>
<b>Total assets</b>	<b>36,445.5</b>	<b>44,320.1</b>	<b>-17.8%</b>
Short-term loans from financial institutions	8,147.3	14,223.1	-42.7%
Trade accounts payable and other payables	2,358.0	3,932.1	-40.0%
Current portion of debenture	1,600.0	1,600.0	0.0%
Other current liabilities	444.5	731.1	-39.2%
<b>Total current liabilities</b>	<b>12,549.8</b>	<b>20,486.3</b>	<b>-38.7%</b>
Long-term loans from financial institutions	2,383.0	2,113.7	12.7%
Debentures	1,450.0	1,450.0	0.0%
Other non-current liabilities	247.2	203.8	21.3%
<b>Total non-current liabilities</b>	<b>4,080.2</b>	<b>3,767.5</b>	<b>8.3%</b>
<b>Total liabilities</b>	<b>16,630.0</b>	<b>24,253.8</b>	<b>-31.4%</b>
Issued and paid up share	1,280.0	1,280.0	0.0%
Premium on share capital	8,551.0	8,551.0	0.0%
Retained earnings	9,310.4	9,558.7	-2.6%
Non-controlling interests	91.1	88.3	3.2%
Other items	582.9	588.3	-0.9%
<b>Total shareholders' equity</b>	<b>19,815.4</b>	<b>20,066.3</b>	<b>-1.3%</b>
<b>Total liabilities and shareholders' equity</b>	<b>36,445.5</b>	<b>44,320.1</b>	<b>-17.8%</b>

**Current assets** decreased by Baht 8,528.8 million, or 32.1%, from Baht 26,598.4 million as at year end 2013 to Baht 18,069.6 million as at quarter end of Q2 2014 which was due primarily to a decrease in inventories of Baht 6,182.1 million owing to off-season NR supply in Thailand, a decrease in trade receivables of Baht 2,310.7 million due to lower average selling price and a decrease in cash and cash equivalents of Baht 357.9 million despite being offset by an increase in derivative financial instruments of Baht 123.7 million and amounts due from futures brokers of Baht 115.0 million.

**Non-current assets** increased by Baht 654.2 million, or 3.7%, from Baht 17,721.7 million as at year end 2013 to Baht 18,375.9 million as at quarter end of Q2 2014 which primarily consisted of an increase in property, plants and equipment of Baht 933.6 million (net of depreciation and write-off) for the construction of our new factories and capacity expansion in Thailand and Indonesia as well as for acquisition of landbank for rubber plantation despite being offset by a decrease in investment in associates and joint ventures of Baht 285.2 million.

In Jun 2014, other Thai Shareholders of SSC entered into a written agreement whereby the Thai Shareholders explicitly agreed to act in concert with the Company regarding their investment in Siam Sempermed Corporation Limited (SSC). As a result, the accounting treatment for its investment in SSC has been re-classified from "Investment in Associate" to "Interest in Joint Venture".<sup>1</sup>

**Current liabilities** decreased by Baht 7,936.5 million, or 38.7%, from Baht 20,486.3 million as at year end 2013 to Baht 12,549.8 million as at quarter end of Q2 2014 which was mainly on account of a decrease in trade accounts payable and other payables of Baht 1,574.1 million, a decrease in short-term loans of Baht 6,075.8 million and a decrease in derivative financial instruments of Baht 293.5 million. The decrease of short-term loans and trade accounts payable and other payables was due to lower level of both inventories and NR price

**Non-current liabilities** increased by Baht 312.7 million, or 8.3%, from Baht 3,767.5 million as at year ended 2013 to Baht 4,080.2 million as at quarter end of Q2 2014 which was primarily due to an increase in long-term loans of Baht 269.3 million (net of current portion) to support our business expansion.

**Equity** decreased by Baht 250.9 million, or 1.3%, from Baht 20,066.3 million as at year end 2013 to Baht 19,815.4 million as at quarter end of Q2 2014 which was comprised of dividend payment by Baht 832.0 million and the net profit during the period.

<sup>1</sup> Although the accounting standards on Consolidated financial statements and on Joint arrangements which are applicable in Thailand differs from the relevant accounting standards which are applicable in Singapore, the reclassification from "Investment in Associate" to "Interest in Joint Venture" also complies with Singapore Financial Reporting Standard ("FRS") 110 on Consolidated Financial Statements and FRS 111 on Joint Arrangements. The Singapore FRS 110 and FRS 111 are equivalent to International Financial Reporting Standard ("IFRS") 10 and IFRS 11 respectively. There are no other significant reconciling items between the financial statements prepared under the accounting standards applicable to Thailand and Singapore.

## Statement of Cash Flows

(Unit : THB million)	6 mo. 2014	6 mo. 2013
CFO	7,256.0	3,846.7
CFI	(803.4)	(1,368.7)
CFF	(6,810.5)	(2,505.4)
<b>Net increase in cash</b>	<b>(357.9)</b>	<b>(27.4)</b>
Beginning cash	1,892.7	1,534.0
<b>Ending cash</b>	<b>1,534.8</b>	<b>1,506.6</b>

For the first six months of 2014, cash flow from operation before net change in operating assets and liabilities was Baht 1,135.6 million. We generated cash amounted Baht 6,461.4 million from change in our operating assets and liabilities. We spent Baht 1,317.2 million of CAPEX, principally comprised Baht 905.8 million for expansion of NR production capacity and Baht 384.5 million for the investment in rubber plantation business. Our CAPEX is basically financed by long-term loan facilities from financial institutions and proceeds from IPO in Singapore.

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

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

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

## Outlook

### Industry in general

Overall Natural Rubber Industry continues to be pressured by concerns about uncertainty economic growth in China and prolonged NR supply surplus supported by an increase in the mature tapping area resulting from newly planted areas in the mid-2000s. Although current lower price is disincentive for rubber tapping and not sufficient to cover production cost in some areas, IRSG forecasted that there will be an excess NR supply of 371,000 tons in 2014.

This unfavorable market sentiment affected the entire NR supply chain. Millions of rubber farmers got hurt but we have not seen a significant reduction in supply as rubber farmers still need to make their living on regular tapping of rubber rather than slowdown in tapping to reduce supply from the market. This has been another factor for the NR prices to move in downwards range for more than forty months. The increase of tire stocks of tiremakers has also put a pressure on NR prices.

Economic data improvement of China has signed further progress in the health of China's manufacturing sector. Nonetheless, the likelihood of the US to reimpose import duty of certain passenger vehicle and light truck tires from China in the next three months would probably negatively affect tire industry in China.

However, a new policy to limit NR at Qingdao warehouse to be transferred only in China and a control of commodity financing business by bank caused a recent decline of NR stock at Qingdao warehouse. If it reaches psychological level, this reducing stock could signal a brighter prospect of NR market.

In short-term outlook, until the industry re-adjusts demand-supply and prices, NR price should move in narrow range since the market has already priced all abovementioned factors.

### World Economic Indicators, GDP%

Annual GDP Growth	2012	2013	2014f
World	3.5	3.2	3.4
Advanced Economies	1.4	1.3	1.8
Emerging Economies	5.1	4.7	4.6

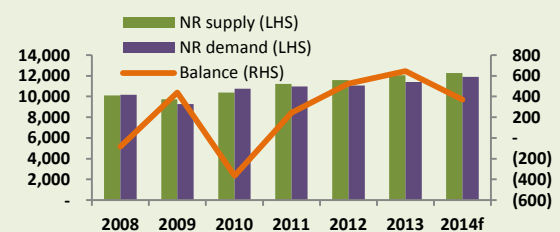
Source: IMF, WEO July 2014

### World Tire and Vehicle Production

(million units)	2012	2013	2014f
World vehicle in use	1,115	1,155	1,197
% growth	3.6	3.5	3.6
World vehicle production	85	87	91
% growth	5.7	3.6	4.8
World tyre production	1,601	1,658	1,736
% growth	(0.5)	3.5	4.7

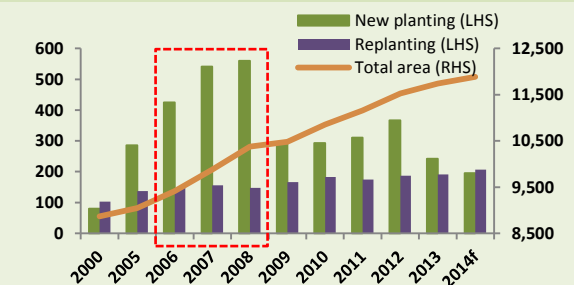
Source: IRSG

### NR Balance (000'tons)



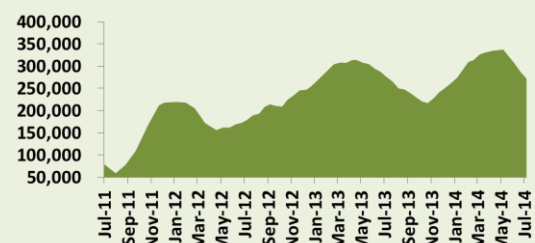
Source: IRSG

### NR Planting Area of Main Producers (000' HA)



Source: IRSG

### NR Inventory at Qingdao (Ton)



## Progress of our business growth plan in value chain



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

### **Upstream Business – to achieve 8,000 hectares in 2014**

As at 30 June 2014 the Company had approximately 37,135 rai (5,942 hectares). Most of our lands are in the North of Thailand where approximately 460 rai (74 hectares) are under tapping, 23,000 rai (3,680 hectares) have been planted and will be mature for tapping from 2016 onwards, and 13,675 rai (2,188 hectares) are land under development prepared for planting during raining season in 2014.

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

As at 30 June 2014, our optimum annual capacity was registered at industry record at 1.35 million tons per annum. Total additional capacity from year ended 2013 came from new TSR plants in Phitsanulok. The Company aims to reach capacity of 1.5 million tons per annum by the end of 2015. Production capacity in Myanmar will contribute a new source of supply to the Group by the end of 2014 while our 3rd plant in Indonesia in Muara Bungo province and concentrated latex plant in Ubon Ratchathani in Thailand are also under construction and also expected to be completed within 2014. The additional capacity from new plants and expanded plants in Thailand will be completed in different timeline. The continuance of capacity expansion does not only allow us to create a strong foothold in many top producing countries but also enable us to maintain our leading position as the world's largest Natural Rubber producer.

### **procurement stronghold**

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

### **Customer Coverage – to expand into high potential markets**

Our strategic plan to continuously expand in high potential markets, especially in China, was successfully accomplished. Amid concerns of high NR inventory at Qingdao warehouse and tire manufacturers together with the problem of Chinese shadow banking, we can still maintain proportion of our sale volume to total China import of Q2 2014 at the same level of year 2013 at 15%. Our newly established sales & distribution platform in Vietnam has already commenced its operation in March 2014. Though customer expansion in Chinese market is still our focus, the Company also reserves no spare efforts to penetrate into other high potential markets to ensure that all demands from customers throughout the world will be captured.

**11 Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Not applicable

**(b) Corresponding Period of the Immediately Preceding Financial Year**

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

Not applicable

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

Not applicable

**(d) Date payable**

Not applicable.

**(e) Book closure date**

Not applicable.

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

Not applicable

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

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

Not applicable

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

Not applicable

**15 A breakdown of sales.**

Not applicable

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

Not applicable

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

On behalf of the Board of Directors of the Company, we hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial results for the second quarter ended 30 June 2014 to be false or misleading in any material aspects.

On behalf of the Board of Directors



Kitichai Sincharoenkul  
Executive Director  
14 August 2014