

# ANNUAL REPORT 2015



**THAI RUBBER LATEX CORPORATION  
PUBLIC COMPANY LIMITED**

SMOCHER INTERNATIONAL THAI RUBBER  
**THAITEX**  
GROSS 215 KGs.  
TARE 18 KGs.  
NET 205 KGs.  
PRODUCE OF THAILAND

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# The Board of Director and Management's History

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr.Vorathep Wongsasuthikul  
**Age** 67 Years  
**Position** Chairman and Chief Executive Officer  
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Master of Arts in Economics, Ramkhamhaeng University  
Bachelor of Arts in Economics, Ramkhamhaeng University

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.  
38,545,657 shares, about 5.66 % of total shares

### Biography

**Address** 101 Soi Anamai Srinakarin Road, Suanluang , Suanluang, Bangkok 10250  
**Telephone No.** (02)751-7171  
**Fax No.** (02)316-3938

### Work Experience

2008- Present	Chairman	Thai Rubber Latex Corporation (Thailand) Pcl.
2005-Present	Director	Latex Systems Co.,Ltd.
1998 - Present	Chief Executive Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1995 - Present	President	World Flex Pcl.
1994 - Present	Executive Director	Wang Somboon Rubber Estate Co.,Ltd.
1989 - 2011	Managing Director	Thai Rubber Latex Group Co.,Ltd.
1986 - 2007	Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1972 - 1979	Marketing Manager	Kamyang Klongngae Partnership Ltd.

### Training / Seminar

- \* Program-level executives. Science Institute of Capital Markets version 5.
- \* Guidelines to set up and proceed the audit committee effectively  
Institute of Business Managing of Thailand
- \* To increase the abilities of audit committee  
President of Internal audit committee of Thailand
- \* Progression to apply Balanced Scorecard and how to solve the problem practically  
Thailand Productivity Institute

- \* Certificate of Completion (Directors Certification Program)  
Thai Institute of Directors
- \* Advanced Certificate Course in Public Economics Management for Executives # 9  
King Prajadhipok's Institute
- \* Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives  
King Prajadhipok's Institute

**To attend the meeting of the Board of Directors in 2015 11 occasions ( from 11 Board)**

**Director / Executive Manager in other business**

2010-2014	Member Advisory Council of the National Economic and Social.
2010 - Present	Directors Association Concentrated Latex Thailand.
2010 - Present	Executive Committee The Latex Rubber Association of Thailand.
2008 - Present	Vice President Association Concentrated Latex Thailand.
2008 - 2010	Honorary President. Concentrated Latex Association of Thailand.
2006 - 2008	Directors. Rubber International Co., Ltd. joint venture. (International Rubber Consortium Limited) IRCO
2005 - 2008	Committee on Agricultural Futures. Rubber type. The Agricultural Futures Exchange of Thailand.
2004 - 2008	Advisory Committee on Policy (PAP) Thai Rubber Association.
2004 - 2008	Concentrated Latex Association of Thailand.
2000 - 2008	Director rubber products industry. Federation of Thai Industries.
1998 - 2008	Rubber arbitration. Rubber Board arbitration.
1995 - 1999	Vice Chairman rubber products industry. Federation of Thai Industries.

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr.Paiboon Waraprateep  
**Age** 77 Years  
**Position** Vice Chairman  
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

International Finance&Investment Management Program,  
Tsinghua University, Beijing, China

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.  
4,008,426 shares, about 0.59 % of total shares

### Biography

**Address** 99/1-3 Moo 13 T. Bangkaew, A. Bangplee, Samutprakarn 10540  
**Telephone No.** (02)751-7171  
**Fax No.** (02)316-3938

### Work Experience

2008 - Present	Vice Chairman	Thai Rubber Latex Corporation (Thailand) Pcl.
1995 - Present	Director	World Flex Pcl.
1994-2011	Executive Director	Thai Rubber Latex Group Co.,Ltd.
1989-Present	Managing Director	Wang Somboon Rubber Estate Co.,Ltd.
1986-Present	Executive Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1983	Managing Director	Wangyang Co.,Ltd.
1972	Manager	Thaichuan Rubber Co.,Ltd.
1967-1972	Marketing Manager	Kamyang Klongngae Partnership Ltd.

### Training / Seminar

- \* Guidelines to set up and proceed the audit committee effectively  
Institute of Business Managing of Thailand
- \* To increase the abilities of audit committee  
President of Internal audit committee of Thailand
- \* Progression to apply Balanced Scorecard and how to solve the problem practically  
Thailand Productivity Institute
- \* Certificate of Completion (Directors Certification Program)  
Thai Institute of Directors

To attend the meeting of the Board of Directors in 2015 11 occasions ( from 11 Board)

### Director / Executive Manager in other business

none



## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr.Prachnon Temritikulchai  
**Age** 70 Years  
**Position** Vice Chairman  
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Master of Science in Technical Education in Industrial Business  
King Mongkut's Institute of Technology North Bangkok

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

5,555,106 shares, about 0.82 % of total shares

### Biography

**Address** 969 Moo13 T.Bangkaew, A. Bangplee, Samutprakarn 10540

**Telephone No.** (02)751-7171

**Fax No.** (02)316-3938

### Work Experience

2008 - Present	Vice Chairman	Thai Rubber Latex Corporation (Thailand) Pcl.
1995-Present	Director	World Flex Pcl.
1994-2011	Executive Director	Thai Rubber Latex Group Co.,Ltd.
1986-Present	Executive Director	Thai Rubber Latex Corporation (Thailand) Pcl.

### Training / Seminar

- \* Progression to apply Balanced Scorecard and how to solve the problem practically  
Thailand Productivity Institute
- \* Certificate of Completion (Directors Certification Program)  
Thai Institute of Directors

To attend the meeting of the Board of Directors in 2015 11 occasions ( from 11 Board)

### History of Thai Order Prestigious Insignia

24/10/2013 Companion (Fourth Class) of the Most Admirable Order of the Direkgunabhorn.

### Director / Executive Manager in other business

2013 - Present	Chairman	Mayor Resin Co.,Ltd.
2013 - Present	Judge Nakhon Phanom	Ministry of Justice
1972 - Present	Manager	P.K. Paint Co.,Ltd.

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr.Suchart Charoenpompanichkul  
**Age** 51 Years  
**Position** Director and Member of the Risk Management Committee  
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Master of Business Administration major, Assumption University

Bachelor of Marketing major, Assumption University

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

— shares, about — % of total shares

### Biography

**Address** 11/149 MooBanNarasisi Sathorn-Wongwan Kanchanaphisek Road, Lak Song, Bang Khae,  
Bangkok 10160

**Telephone No.** (02)453-2148-9

### Work Experience

2012 - Present	Member of the Risk Management Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
1999 - Present	Executive Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1999 - 2011	Expense-Control Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1996 - 2012	Managing Director	Top Ten Furniture Co.,Ltd.
1994 - 1995	Investment Officer	Nithipat Capital Co.,Ltd. (NICS)
1990 - 1993	Admin Managing	Thai Rubber Latex Corporation (Thailand) Pcl.
1988 - 1989	Marketing Officer	Toshiba Co.,Ltd. (Thailand)

### Training / Seminar

none

To attend the meeting of the Board of Directors in 2015 10 occasions ( from 11 Board)

### Director / Executive Manager in other business

none

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Dr.Tiwa Sappakit  
**Age** 84 Years  
**Position** Independent Director and Member of the Audit Committee  
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Ph.D. (Honorary) Agricultural Technology

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.  
34,375 shares, about 0.005 % of total shares

### Biography

**Address** 47/1a Ladprao soi 15 Ladprao Rd., yak 4-1 Kwang Jompol, Khet jatujak, Bangkok 10900  
**Telephone No.** (02)751-7171  
**Fax No.** (02)316-3938

### Work Experience

April 2015 - Present	Member of the Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2010 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2000 - March 2015	Chairman of Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
1994 - 2010	Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1993-1995	Managing Director	Wangyang Co.,Ltd.
1954 - 1992	Director General, Royal Forest Department. Inspector, Ministry of Agriculture and Cooperatives	

### Training / Seminar

- \* Guidelines to set up and proceed the audit committee effectively  
Institute of Business Managing of Thailand
- \* To increase the abilities of audit committee, President of the internal audit committee of Thailand
- \* Committee to inspect the increased expectation and the expanded responsibility  
Stock Exchange of Thailand
- \* How will the internal audit help audit committee's works?  
Association of Accountant & CAP of Thailand



- \* Certificate of Completion (Directors Certification Program) Thai Institute of Directors
- \* Roles and duties of audit committee follow on Section 89/25 and 281/8 in the Act of Securities and Stock Exchange B.E.2535 (Correction Edition)  
Association of Thai Institute of Directors (IDO)
- \* Progression to apply Balanced Scorecard and how to solve the problem practically  
Thailand Productivity Institute
- \* Accounting for Non-Accounting Audit Committee, Stock Exchange of Thailand
- \* Principle of Accounting VS Principle of Taxation : Same VS Difference, Stock Exchange of Thailand
- \* To prepare for new regulation of audit committee (close video room) // (afternoon section)  
Stock Exchange of Thailand

**To attend the meeting of the Board of Directors in 2015 11 occasions ( from 11 Board )**

**Director / Executive Manager in other business**

2013 - 2014	Latex Consultants Association, Thailand
2010 - 2014	Advisor of Team Participation Decentralization and Support National Economic and Social Advisory Council
2005 - 2011	Vice President Senior Government Officials Association thailand
1992	Inspector of Ministry of Agriculture & Cooperatives
1991	Director-General of Royal Forest Department
1990 - Present	President Prof. Dr.Sanga Sabhasri Research Foundation.
1989-1991	Deputy of Director-General of Cooperatives Accounting Department
1988	Deputy of Director-General of Royal Forest Department

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr. Erwin Muller  
**Age** 86 Years  
**Position** Independent Director , Chairman of the Remuneration Committee  
and Member of the Audit Committee  
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

BA, Major in Accounting from International Institute of Accountants Sydney, Australia

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

\_\_ shares, about \_\_ % of total shares

### Biography

**Address** 260 Panya village, Patanakarn Rd., Kwang Suanluang, Khet Prakanong, Bangkok 10250  
**Telephone No.** (02)300-3574  
**Fax No.** (02)300-3258

### Work Experience

2010 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2000 - 2010	Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2000 - Present	Member of the Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
	Chairman of the Remuneration Committee	

### Training / Seminar

- \* Certificate of Completion (Directors Certification Program) Thai Institute of Directors
- \* Roles and duties of audit committee follow on Section 89/25 and 281/8 in the Act of Securities and Stock Exchange B.E.2535 (Correction Edition)  
Association of Thai Institute of Directors (IDO)
- \* Accounting for Non-Accounting Audit Committee Stock Exchange of Thailand
- \* To prepare for new regulation of audit committee (close video room) // (afternoon section)  
Stock Exchange of Thailand

**To attend the meeting of the Board of Directors in 2015 8 occasions ( from 11 Board )**

### Director / Executive Manager in other business

2005	Director The Thailand Research Fund (TRF)
1993 - 1996	General Manager of Thai-Brantabulia Co., Ltd.
1992 - 2005	Vice President of Thailand Industrial Federation Thailand Industrial Federation
1977 - Present	Honorary Chairman of Rubber Industrial Product Group Thailand Industrial Federation

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mrs. Suchada Sodthibhapakul  
**Age** 62 Years  
**Position** Independent Director , Member of the Remuneration Committee and Member of the Risk Management Committee  
 Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

MBA. Chulalongkorn University.

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

\_\_\_ shares, about \_\_\_% of total shares

### Biography

**Address** 12 Soi 20 Mithuna Yaek 11 Ratchadapisek Road Khwaeng Samsen Nok

Khet Huay Khwang Bangkok 10310

**Telephone No.** (02)274-8859

### Work Experience

April 2015 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2012 - Present	Member of the Risk Management Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2008 - March 2015	Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2008 - Present	Member of the Remuneration Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
April 2001 - October 2014	Managing Director	KGI Securities (Thailand) Plc.
1997 - March 2001	Assistant Managing Director	KGI Securities (Thailand) Plc.
1990 - 1997	Assistant Managing Director	First Asia Securities Plc.

### Training / Seminar

\* Director Certification Program # 38/2003 from Thai Institute of Directors Association (IOD)

\* Capital Market Academy Leadership Program # 2/2006

**To attend the meeting of the Board of Directors in 2015 9 occasions ( from 11 Board )**

### Director / Executive Manager in other business

November 2014 - Present	Executive Director	KGI Securities (Thailand) Plc.
2001 - Present	Director	The Thai Bond Market Association (Thai BMA)

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr.Yanyong Tawarorit  
**Age** 77 Years  
**Position** Independent Director and Chairman of the Audit Committee  
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Bachelor in Faculty of Commerce, Major in Accounting, Thammasat University  
Bachelor in Faculty of Law, Thammasat University

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.  
— shares, about — % of total shares

### Biography

**Address** 208/1 Soi Ngamwongwan 31 , Ngamwongwan Rd., A.Muang, Nontaburi 11000  
**Telephone No.** (02)588-2975 , (081)6864487  
**Fax No.** (02)588-2975

### Work Experience

April 2015 - Present	Chairman of Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2011 - March 2015	Member of the Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2010 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2009 - 2010	Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2003 - 2008	Director	World Flex Pcl.

### Training / Seminar

- \* To study on national securities, Internal securities director section
- \* Seminar on high level developing of executive manager, the 3rd generation, NIDA
- \* Evaluation on annual report, Office of the Auditor General of Thailand
- \* To observe the safety, 73th generation (Regional), National Intelligence Agency
- \* Planning and Structural (senior level) 7th generation, NIDA
- \* Financial Audit Management Intosai Development Initiative and Supervision Bangkok, Thailand.
- \* Accountant Meeting, Association of Accountant & CPA
- \* High level governor, 31st generation, Institute of Administration Development
- \* Techniques to become the auditor, Office of the Auditor General of Thailand
- \* Strategies on Thai auditing, Office of the Auditor General of Thailand
- \* Knowledge for taking the high level auditing examination, Office of the Auditor General of Thailand
- \* Technology and computer administration (executive manager) , NECTEC

- \* Development for executive manager (MINI MBA), Office of the Auditor General of Thailand, NIDA
- \* Report (Procedure inspection), Office of the Auditor General of Thailand
- \* Meeting to find out the comment under practical policy B.E.2542, Office of the Auditor General of Thailand : Udonrthani Province
- \* To act on the regulation of Royal Thai Government on material the 4th B.E.2541, Office of the Auditor Gernal of Thailand
- \* Accountant meeting, Association of accountant and CPA of Thailand
- \* To adjust the direction of auditing under the constitutional law, Office of the Auditor General of Thailand
- \* E-Commerce ก้บการตรวจสอบ สำนักงานตรวจเงินแผ่นดิน
- \* How to develop the leader auditor in the next century, Office of the Auditor General of Thailand
- \* Act on the mistake of the offering to the Government Unit, Office of the Auditor General of Thailand

**To attend the meeting of the Board of Directors in 2015 11 occasions ( from 11 Board)**

**History of Thai Order Prestigious Insignia**

01/12/2000	Knight Grand Cordon (First Class) OfThe Most Noble Order OfThe Crown OfThailand
02/12/1998	Knight Grand Cross (First Class) OfThe Most Exalted Order OfThe White Elephant
04/12/1995	Knight Grand Cross (First Class) OfThe Most Noble Order OfThe Crown OfThailand
28/05/1990	The Chakrabarti Mala Medal.
23/02/1990	Knight Commander (Second Class) OfThe Most Exalted Order OfThe White Elephant
07/02/1986	Knight Commander (Second Class) OfThe Most Noble Order OfThe Crown OfThailand
31/12/1983	Commander (Third Class) OfThe Most Exalted Order OfThe White Elephant
21/04/1980	Commander (Third Class) OfThe Most Noble Order OfThe Crown OfThailand
15/06/1978	Companion (Fourth Class) OfThe Most Exalted Order OfThe White Elephant
31/12/1972	Companion (Fourth Class) OfThe Most Noble Order OfThe Crown OfThailand
31/12/1969	Member (Fifth Class) OfThe Most Exalted Order OfThe White Elephant
30/12/1967	Member (Fifth Class) OfThe Most Noble Order OfThe Crown OfThailand

**Director / Executive Manager in other business**

2000	Deputy of Director General of the office of the auditor general of Thailand (executive 10) Office of the Auditor General of Thailand
1998	Assistant of Director General of the Office of the Auditor General of Thailand (executive level 9) Office of the Auditor General of Thailand
1998	Director-General of the Office of the Auditor General of Thailand (Auditor officer level 9th) Office of the Auditor General to Thailand
1997	Director-General of Regional auditor of Thailand (Auditor officer level 9th) Bureau of Regional Auditor no. 8 (Chiangmai Province)
1996	Director-General of Regional auditor of Thailand (Auditor officer level 9th) Bureau of Regional Auditor no. 1 (Ayudthaya Province)
1995	Director-General of Regional auditor of Thailand (Auditor officer level 9th) Bureau of Regional Auditor no. 5 (Ubonratchathani Province)

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr.Somkad Sueptrakul  
**Age** 63 Years  
**Position** Independent Director and Member of the Audit Committee  
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Bachelor in Faculty of Law, Ramkhamhaeng University

MPA, Public Administration (Public Policy and Strategic Management), National Institute of Development Administration (NIDA)

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

— shares, about — % of total shares

### Biography

**Address** 55 Rucan Taweewattana, Monton Ville soi 5 Taweewattana, Bangkok 10170

**Telephone No.** (02)887-1886 , 08-1636-1117

**Fax No.** -

### Work Experience

April 2015 - Present	Member of the Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
April 2015 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2013 - Present	Vice President	Electronics Industry Pcl.
	Chairman of Audit Committee	
2010 - March 2015	Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2009 - Present	Chairperson of the Investment Committee and Director	Country Group Holding Pcl.
2007 – Present	Director	Country Group Securities Pcl.
2002 – Present	Legal Consultant	Areeya Properties Plc.

### Training / Seminar

- \* Directors Accreditation Program by Thai Institute of Directors Association (DAP77/2009)
- Directors Certification Program by Thai Institute of Directors Association (DCP115/2009)
- \* Democratic Politics and Governance for High-Level Administrators, King Prajadhipok's institute KPI (Class 10)
- \* The 2nd Training Course on Administrative Justice for Executives
- \* Urban Green Development Institute Bangkok, (Class 2)
- \* Advanced certificate in Public Administration , NIDA



To attend the meeting of the Board of Directors in 2015 11 occasions ( from 11 Board)

<b>History of Thai Order Prestigious Insignia</b>
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2002 – 2003	Consultant to the Speaker of the Senate (General Manoonkrit Roopkachorn)	The Senate
2001	Judicial Selection Commission of the Constitutional Court	House of Representatives
2000 – 2006	Consultant to the Member of Committee on Budget Following up	The Senate
1998 – 1999	Consultant to the Chairperson of the Executive Committee of Telephone Organization of Thailand (Mr.Mechai Viravaidya)	Telephone Organization of Thailand
1996 – 2000	Secretary to the Governor of Bangkok Metropolitan Administration (Dr. Bhichit Rattakul)	Bangkok Metropolitan Administration
1992 - 1996	Academician-Expert and Consultant to the Commission of Justice and Human Rights	House of Representatives

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr. Pakhawat Kovithathanaphong  
**Age** 67 Years  
**Position** Independent Director , Chairman of the Risk Management Committee and Member of the Remuneration Committee  
 Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

M.B.A. Wharton School, University of Pennsylvania, USA  
 B.A. in Economics (First Class Honors), Thammasat University

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited  
 \_\_\_ shares, about \_\_\_ % of total shares

### Biography

**Address** 26th Floor., Bangkok City Tower 179/111 South Sathorn Road, Sathorn Bangkok 10120  
**Telephone No.** 0-2801-9118  
**Fax No.** 0-2801-9110

### Work Experience

April 2015 - Present	Member of the Remuneration Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2012 - Present	Chairman of the Risk Management Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2011 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.

### Training / Seminar

- \* National Defense College Class 344
- \* Director Certificate Program (DCP) 58/2005
- \* Capital Market Academy Class 5

To attend the meeting of the Board of Directors in 2015 10 occasions ( from 11 Board)

### Director / Executive Manager in other business

2011 - Present	Director	The Thai Bond Market Association
2010 - Present	Advisor	Association of Securities Companies
2010 - Present	Director	Thai Listed Companies Association
2009 - Present	Advisor	Thai Listed Companies Association
2008 - Present	Advisor M	National Institute of Development Administration
2005 - 2009	Vice Chairman	The Thai Bond Market Association
2001 - Present	Chief Executive Officer/Director	Trinity Watthana Plc.
2000 - Present	Performance Agreement Committee	State Enterprise Policy Office, Ministry of Finance
1999 - Present	Independent Director	Land and House Public Company Limited
	and The Member of The Audit Committee	

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr. Rachai Wattanakasaem  
**Age** 69 Years  
**Position** Independent Director , Member of the Audit Committee and  
 Member of the Risk Management Committee  
 Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Honors Degree  
 MBA Industrial Management II class, Pacific  
 States University, California, USA

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.  
 \_\_ \_ shares, about \_\_ \_ % of total shares

### Biography

**Address** 964 Ramkhamhaeng Rd., Huamark Bangkok 10240  
**Telephone No.** (081)825-3236  
**Fax No.** -

### Work Experience

May 2012 - Present Independent Director , Thai Rubber Latex Corporation (Thailand) Pcl.  
 Member of the Audit Committee  
 and Member of the Risk Management Committee  
 March 2013 - November 2014 Adviser Thai Rubber Latex Corporation (Thailand) Pcl.

### Training / Seminar

- \* Director Certification Program : Program for Professional Director (DCP) , IOD
- \* Role of the Compensation Committee (RCC) , IOD

**To attend the meeting of the Board of Directors in 2015 7 occasions ( from 7 Board)**

### History of Thai Order Prestigious Insignia

2011	Advisor	Krungthai Bank Co.,Ltd.
2009	Chairman	KT Zmico Securities Co.,Ltd.
2009	Director	Krung Thai Computer Services Co.,Ltd.
2009	President	KTBST KTB Securities (Thailand) Co.,Ltd.
2009	Director	Kasetsart University
2009-Present	Independent Director	Quality Houses Public CO.,Ltd.
	Chairman of the Nomination and Remuneration Committee.	
	Auditing Director	
2006-2007	Executive Director	Krungthai Bank Co.,Ltd.

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr. Vanchai Sriherunrusmee

**Age** 57 Years

**Position** President

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

M.B.A., Finance, Long Island University, Brooklyn, New York.

M.S. (Higher Diploma in Auditing), C.P.A. Thammasat University

B.B.A., Accounting, Thammasat University

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited

— shares, about % of total shares

### Biography

**Address** 251/224 Ramkhamhaeng 112 Sapansoong Sapansoong , Bangkok

**Telephone No.** (02)751-7171

**Fax No.** (02)316-3938

### Work Experience

2014 - Present	President	Thai Rubber Latex Corporation (Thailand) Pcl.
2014 - Present	Director	Thai Rubber Latex Group Co.,Ltd.
2014 - February 2015	Director	Thai Rubber H P N R Co.,Ltd.
2014 - Present	Director	Thai Rubber Land and Plantation Co.,Ltd.
2014 - Present	Director	Latex Systems Co.,Ltd.
2014 - 2015	Director	Agrowealth Co.,Ltd.

### Training / Seminar

\* Program-level executives. Science Institute of Capital Markets version 5.

\* Certificate of Completion (Directors Certification Program)

Thai Institute of Directors

### Director / Executive Manager in other business

2010 - 2014	Chairman of Board of Directors	Wintex Rubber Industry Co.,Ltd.
2008 - 2010	Director / CFO	Areeya Property Pcl.,
2006 - 2007	Director and President	Golden Land Property Development Plc.
1995 - 2005	President / Director / CFO	Nation Multimedia Group Pcl.

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr. Suvasitthi Dewan  
**Age** 67 Years  
**Position** Chief Marketing Officer  
 Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

M.A. in Administration Science (Business)  
 University of The Punjab Lahore Pakistan

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited  
 \_\_\_ shares, about % of total shares

### Biography

**Address** 99/1-3 Moo 13 T. Bangkaew, A. Bangplee, Samutprakarn 10540  
**Telephone No.** (02)751-7171  
**Fax No.** (02)316-3938

### Work Experience

2014 - Present	Chief Marketing Officer	Thai Rubber Latex Corporation (Thailand) Pcl.
2010 - 2014	Marketing Advisor	Thai Rubber Latex Corporation (Thailand) Pcl.
September 2005 - 2010	Assistant Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
March 2002 - August 2005	Director of Sales and Marketing Office	Thai Rubber Latex Corporation (Thailand) Pcl.
November 2000 - February 2002	Manager of Sales Department	Thai Rubber Latex Corporation (Thailand) Pcl.
September 1999 - October 2000	Assistant Manager of Sales and Marketing Department	Thai Rubber Latex Corporation (Thailand) Pcl.
1992 - 1999	Executive Director Marketing	Southern parawood Co.,Ltd.
1987 - 1992	Executive Director Marketing	Thai thavee rubber Co.,Ltd.
1978 -1987	Manager	Phuket union thai minerals Co.,Ltd.
1976 -1978	Assistant Manager	Siam Pewter Co.,Ltd.

### Trainning / Seminar

* Walk Rally for Team Development	* Awakening the Giant within for Effective work
* Management to Reduce Costs Everyone Involved	* Roles and Duties of the Board of Directors
* Cost of Quality	* Leadership Management
* TQM Cross-Functional Alignment	* Leadership Development
* Analysis and Decision Making in Business	* Balanced Scorecard
* Role & Responsibility of Manager	

### Director / Executive Manager in other business

none

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr.Prawit Waraprateep  
**Age** 44 Years  
**Position** Assistant Managing Director  
 Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Master of Science in Finance Chulalongkorn University, Thailand  
 Master of Business Administration Eastern Michigan University, U.S.A.

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited  
 37,485,427 shares, about 5.50 % of total shares

### Relationship between directors and executives

Son of Mr.Paiboon Waraprateep

### Biography

**Address** 99/1-3 Moo 13 T. Bangkaew, A. Bangplee, Samutprakarn 10540  
**Telephone No.** (02)751-7171  
**Fax No.** (02)316-3938

### Work Experience

2014 - Present	Accounting & Finance Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2012 - Present	Executive Director	Thai Rubber Latex Group Co.,Ltd.
2010 - February 2015	Executive Director	Thai Rubber H P N R Co.,Ltd.
2008 - Present	Executive Director	World Flex Pcl.
2007 - Present	Executive Director	Thai Rubber Land and Plantation Co.,Ltd.
2006 - Present	Director	Latex Systems Co.,Ltd.
2005 - Present	Assistant Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2003 - 2015	Executive Director	Agrowealth Co.,Ltd.

### Training / Seminar

* Balanced Scorecard – Direction to the successful implementation	* Impact of being Asian Economic Community (AEC)
* Leadership Development for Organizational Excellence	* Awaken Motivate the Team.
* Leadership Management	* Safety officer for executive level
* Role and responsibility and principle of direction of the Manager	* Goal setting techniques to performance assessment
* Roles and duties of the Board of Directors	* Organizational culture & job description
* TQM Cross-Functional Alignment and coordination	* Awakening the Giant within for Effective work
* Cost-reduction management for everyone involved	* Business analysis and decision making
* Teamwork development and building organizational relationship by Walk	

### Director / Executive Manager in other business

none



## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Miss.Chalongkwan Wongsasuthikul  
**Age** 44 Years  
**Position** Company Secretary and Assistant Managing Director  
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Master of Management, Major Organizational Management  
University of Central Oklahoma, U.S.A.  
Assumption University, Bangkok

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited  
1,813,851 shares, about 0.27 % of total shares

### Relationship between directors and executives

Daughter of Mr.Vorathep Wongsasuthikul

### Biography

**Address** 205/164 Moo 10 Manthana-Srinakarin Soi 9 Srinakarin Road, Bang Mueang  
Mueang Samut Prakan, Samutprakarn 10270  
**Telephone No.** (02)751-7171  
**Fax No.** (02)316-3938

### Work Experience

2014 - Present	Resource Planning and Management Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2012 - Present	Executive Director	Thai Rubber Latex Group Co.,Ltd.
2010 - February 2015	Executive Director	Thai Rubber H P N R Co.,Ltd.
2008 - Present	Executive Director	World Flex Pcl.
2007 - Present	Executive Director	Thai Rubber Land and Plantation Co.,Ltd.
2003 - Present	Assistant Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.

### **Training / Seminar**

- \* Company Secretary Program - Thai Institute of Directors
- \* Attending short-term training provided by Thai Rubber Latex Co, Public Company Limited
- \* Joining student internship program (SIP'21) of Bangkok Bank LTD.
- \* Public Relation of Economic Faculty in Chulalongkorn University Festival 1993
- \* Attending English Club, Chulalongkorn University
- \* Subcommittee of rubber business department - Thai Rubber Association
- \* Balanced Scorecard – Direction to the successful implementation
- \* Leadership Development for Organizational Excellence
- \* Leadership Management
- \* Role and responsibility and principle of direction of the Manager
- \* Roles and duties of the Board of Directors
- \* Awakenning the Giant within for Effective work
- \* Business analysis and decision making
- \* Teamwork development and building organizational relationship by Walk Rally
- \* TQM Cross-Functional Alignment and coordination
- \* Cost of quality
- \* Cost-reduction management for everyone involved
- \* New criteria accordingly to enforcement Act of Security
- \* Safety officer for executive level
- \* Goal setting techniques to performance assessment
- \* Organizational culture & job description

**To attend the meeting of the Board of Directors in 2015 11 occasions ( from 11 Board)**

### **Director / Executive Manager in other business**

none

## Details of Director, Management, Powerful Controller and Company Secretary



**Name** Mr.Pattarapol Wongsasuthikul  
**Age** 42 Years  
**Position** Assistant Managing Director  
 Thai Rubber Latex Corporation (Thailand) Public Company Limited.

### Education

Master of Business Administration Assumption University, Bangkok  
 Bachelor of Business Administration (Major in marketing) Bangkok  
 University Bangkok

### Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited  
 2,024,568 shares, about 0.30 % of total shares

### Relationship between directors and executives

Son of Mr.Vorathep Wongsasuthikul

### Biography

**Address** 50/205 Moo 13 T. Bangkaew, A. Bangplee, Samutprakarn 10540  
**Telephone No.** (02)751-7171  
**Fax No.** (02)316-3938

### Work Experience

2010 - Present	Managing Director	Thai Rubber Latex Group Co.,Ltd.
2010 - February 2015	Executive Director	Thai Rubber H P N R Co.,Ltd.
2008 - Present	Executive Director	World Flex Pcl.
2007 - Present	Executive Director	Thai Rubber Land and Plantation Co.,Ltd.
2006 - Present	Director	Latex Systems Co.,Ltd.
2005 - Present	Assistant Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2003 - 2015	Executive Director	Agrowealth Co.,Ltd.

### Training / Seminar

* Smart Exporter 3 at Department of Export Promotion	* Impact of being Asian Economic Community (AEC)
* Executive Development Program 3 (EDP #3)	* Awaken Motivate the Team.
Thai registered company	* Safety officer for executive level
* Balanced Scorecard – Direction to the successful implementation	* Goal setting techniques to performance assessment
* Leadership Development for Organizational Excellence	* Organizational culture & job description
* Leadership Management	

**Training / Seminar**

- \* Role and responsibility and principle of direction of the Manager
- \* Awakening the Giant within for Effective work
- \* TQM Cross-Functional Alignment and coordination
- \* Teamwork development and building organizational relationship by Walk
- \* Cost-reduction management for everyone involved
- \* Cost of quality

**Director / Executive Manager in other business**

none

# **Business Operations**

## **1. Policy and Overall Business Operations**

### **1.1 The philosophy of business operations, vision, mission, values and strategy**

Thai Rubber Latex Corporation (Thailand) Pcl. “the company” has been incorporated on 6 December 1985, with business operations as the manufacturer and distributor of concentrated latex and latex products. On 29 July 1991, the company has been listed as registered company at the Stock Exchange of Thailand. TRUBB Securities is the trading name of the group, a group called THAITEX. THAITEX has expanded its ongoing investments in businesses related to rubber.

#### **PHILOSOPHY**

THAI RUBBER LATEX CORPORATION (THAILAND) PUBLIC COMPANY LIMITED  
HAS LONG BEEN RECOGNISED AS THAILAND’S LEADING PRODUCER OF  
LATEX CONCENTRATE.

THE COMPANY IS TOTALLY COMMITTED TO MANUFACTURING  
WORLD CLASS PRODUCTS TO MEET

THE REQUIREMENTS OF CUSTOMERS IN THE DOMESTIC  
AS WELL AS OVERSEAS MARKETS.

OUR PRODUCTS ARE CHARACTERISED BY THEIR HIGH QUALITY  
THAT EASILY MEETS AND

EVEN EXCEEDS THE HIGHEST INTERNATIONAL STANDARDS.  
WE TAKE IT UPON OURSELVES

TO CONTINUALLY STRIVE TO MAINTAIN OUR ABILITY TO CLOSELY  
MATCH THE REQUIREMENTS OF OUR CLIENTS AND

TO CONSISTENTLY ENSURE CUSTOMER SATISFACTION

#### **VISION**

WE ARE COMMITTED TO BE THE WORLD LEADER IN LATEX INDUSTRY  
BY ACHIEVING AND MAXIMIZING CUSTOMER’S REQUIREMENTS.

## **MISSION**

TO BE THE PRODUCER OF LATEX CONCENTRATE FOCUSING ON HIGH QUALITY THAT EXCEEDS THE HIGHEST INTERNATIONAL STANDARDS AND ENSURES TO ACHIEVE CUSTOMER'S REQUIREMENTS AND UTMOST SATISFACTION

## **THAITEX's VALUES**

**T = TEAMWORK**

**H = HIGH QUALITY**

**A = ACCOUNTABILITY**

**I = INTEGRITY**

**T = TRANSPARENCY**

**E = EFFICIENCY AND ENVIRONMENT**

**X = EXCELLENCE**

## **STRATEGY**

1. To find cheaper raw material sources with adequate supply and less competition in order to achieve lower product cost and better profitability.
2. To increase efficiency in back-office system, improve and make IT system up-to-date, reduce inefficient manpower and resize to a smaller and tidier organization.
3. To increase sales volume by clearly identifying the market segmentation.
4. To develop varieties of innovative products through intensive R & D to distinguish ourselves from other competitors, to satisfy customers' requirements and to avoid price war.
5. To stop production of our factories, those are not breaking-even.



## 1.2 Significant Changes and Development

The authority of corporate control resides in the founders of the firm, which serve as members of the Executive Committee and the Board of Directors.

The committee appointed new executives to study the business and alleviate the workload of the Board of Directors. At present, there were 3 appointed deputy executive officers, with assistant deputy executive officers and other new generation managers appointed as executive officers in business affiliates to streamline management and boost effectiveness.

In 2014, there were 2 newly appointed top executives – President and Chief Marketing Officer. The President is responsible for supporting and operational activities, while the Chief Marketing Officer is responsible for managing marketing and sales. The purpose of the appointments was to alleviate the workload of the Chief Executive Officer.

Significant changes in business operations over the past 3 years were as follow:

- Expanding Investments to AEC In 2013, the company established a new business subsidiary known as Myanmar Thai Rubber Joint Corporation Limited. Located in Myanmar, the subsidiary has a registered capital of 80 million baht. The company holds 64 percent of shares in the subsidiary, equivalent to an investment value of 51.20 million baht, paid in the year 2014. The subsidiary manages a rubber plantation, rubber smoked sheet facilities, and a concentrated latex facility in Marid city, Tawai district. Myanmar possesses a strong agriculture industry, with rubber plantations capable of providing long-term supplies of raw materials for the company's business. Receiving tax benefits from investing in AEC, the company was the first to receive a certificate of approval and investment for rubber businesses from the Board of Investment of Myanmar. The concentrated latex factory has started to commence operations in 2015.

- Rubber Plantation in Northern Thailand Thai Rubber and Plantation Co., Ltd, "the subsidiary" commenced rubber plantation in Northern Thailand since 2006. The subsidiary has a total of 560,570 rubber trees, including those ready for rubber tapping and those that are still growing. The subsidiary started tapping rubber in the beginning of the year 2013, planning to complete the process with all trees within the year 2019.

- Modifications to the Concentrated Latex Production Plan Thai Rubber Latex Group Co., Ltd. "the subsidiary" halted production at a miniature concentrated latex factory in the year 2013. Located in Bueng Kan province, the factory does to meet the break-even production level. In 2015, the factory was sold to generate revenue and profit. For the remaining production facilities, the company and its subsidiary modified production plans and established new production objectives to increase effectiveness.

- Increasing Shares in the Rubber Mattress Business In the year 2014, the company purchased additional shares of Latex Systems Co., Ltd, increasing its shareholding proportion from 44.93 percent to 56.16 percent. This stemmed from the rubber mattress business' high profitability and significant return on investment
- Selling Investment in Thai Rubber Latex Group Co., Ltd. (Shanghai) China that is the subsidiary of Thai Rubber Latex Group Co., Ltd., from its initial capital of 1 million USD, equivalent to 100 percent of ownership, to 0.55 million USD, equivalent to 55 percent of shareholding in December 2014.
- Increasing capital in Block Rubber Group In 2015, Thai Rubber HPNR Co., Ltd. "the subsidiary" has increased initial capital from 250 million Baht to 500 million Baht for decreasing debt to equity ratio.
- Close down Broker Company in AFET In 2015, the Extraordinary General Shareholders' Meeting of Agowealth Co., Ltd. approved to close down the subsidiary's operation. Due to the decreasing trading volume in AFET, the subsidiary cannot operate with profitability.
- Selling Assets of Block Rubber Group On 24 February 2016, Thai Rubber HPNR Co., Ltd., a subsidiary, signed an agreement of purchase and sale of its property, plant and equipment for block rubber which the rights to be transferred within 30 June 2016.

### **1.3 The shareholding structure of the group**

The operation policy of the group is to be the manufacturer and distributor with the policy to divide its operations into 5 business groups such as; concentrated latex group, block rubber group, latex products group, rubber plantation group and broker group. The main income of the group is from the concentrated latex group. The concentrated latex group will buy the field latex from the farmer to produce concentrated latex and sold to the external customers and business group consist with subsidiary company that produce the rubber thread and the latex mattress. The subsidiaries will manufacture the finished goods from latex and sold to the external customers.

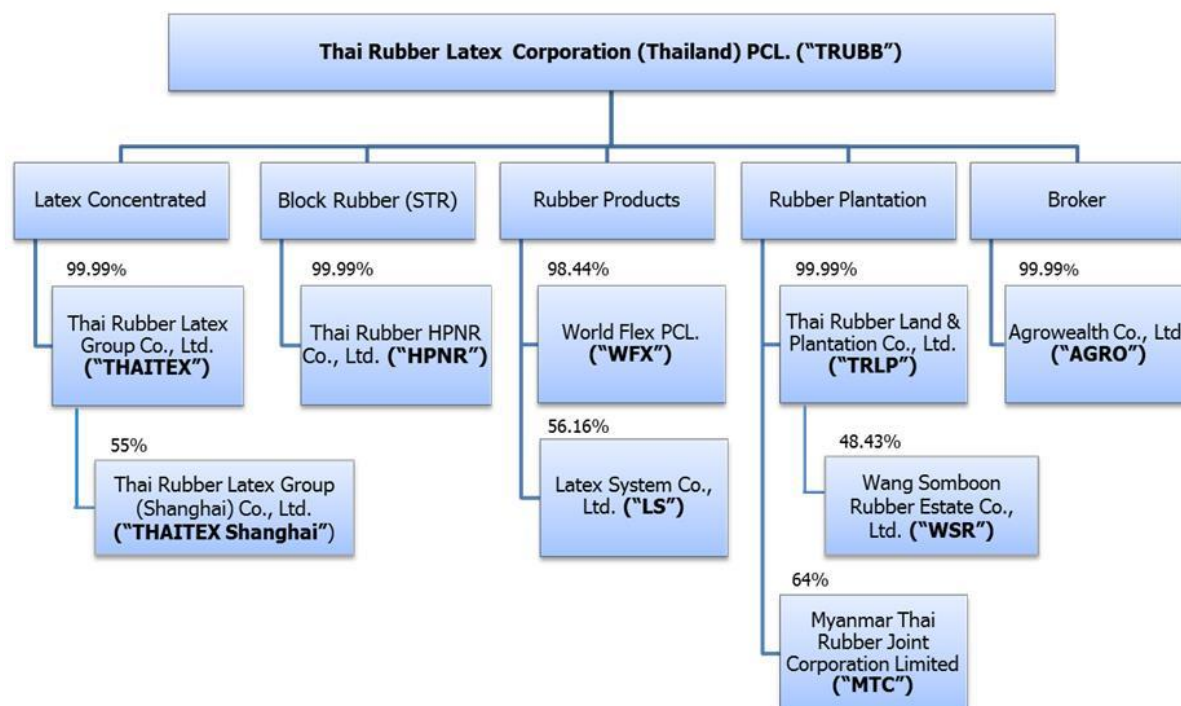
The rubber plantation group will use the field latex from the rubber plantation of the group of the company at the North to manufacture the ADS (Air Dried Sheet) and sold to the related company or external customers or may sell field latex to concentrated latex factory.

The block rubber group will buy the rubber cup lump and rubber sheet from the farmer to manufacture the blocked rubber and sold to the external customers. The broker group will act as the agent at The Agricultural Futures Exchange of Thailand (AFET) which will receive the futures contracts order of the group and external customers.

Names of companies in each group and shareholding in each company in 2015 are as follows;

<u>Name</u>	<u>Share Holding</u>
<b><u>1. Concentrated Latex Group</u></b>	
1. Thai Rubber Latex Corporation (Thailand) Pcl	
2. Thai Rubber Latex Group Co., Ltd. (Subsidiary) (Thai Rubber Latex Group Co., Ltd. has a subsidiary named Thai Rubber Latex Group Co., Ltd. (Shanghai))	99.99%
<b><u>2. Blocked Rubber Group</u></b>	
1. Thai Rubber H P N R Co., Ltd. (Subsidiary)	99.99%
<b><u>3. Latex Products Group</u></b>	
1. World Flex Pcl. (Subsidiary)	98.44%
2. Latex Systems Co., Ltd. (Subsidiary)	56.16%
<b><u>4. Rubber Plantation Group</u></b>	
1. Thai Rubber Land and Plantation Co., Ltd. (Subsidiary)  (Thai Rubber Land and Plantation Co., Ltd. has an affiliated named Wang Somboon Rubber Estate Co., Ltd.)	99.99%
2. Myanmar Thai Rubber Joint Corporation Limited (Subsidiary)	64.00%
<b><u>5. Broker Group</u></b>	
1. Agrowealth Co., Ltd. (Subsidiary)	99.99%
(The Extraordinary General Shareholders' Meeting No. 3/2015 of Agowearth Co., Ltd. held on December 27, 2015, approved to close down the subsidiary's operation.)	

# SHAREHOLDING STRUCTURE



## 2. Nature of Business

### Income Structure

(Million Baht)

Business group	2015		2014		2013	
	Income	%	Income	%	Income	%
1. Concentrated latex group	8,169.33	70.14%	9,739.26	71.78%	11,989.23	72.38%
2. Latex products group	1,742.00	14.96%	1,539.21	11.34%	1,617.88	9.77%
3. Block rubber group	1,402.28	12.04%	1,979.96	14.59%	2,737.84	0.17
4. Rubber plantation group	58.87	0.51%	1.22	0.01%	23.12	0.14%
5. Broker group	0.96	0.01%	3.39	0.02%	2.56	0.02%
6. Others incomes	274.36	2.36%	305.21	2.25%	158.76	1.10%
<b>Total incomes before related party transa</b>	<b>11,647.80</b>	<b>100.00%</b>	<b>13,568.25</b>	<b>100.00%</b>	<b>16,529.39</b>	<b>100.00%</b>
Minus: Related party transactions	(2,657.52)		(2,027.50)		(2,916.80)	
<b>Total incomes after related party transact</b>	<b>8,990.27</b>		<b>11,540.75</b>		<b>13,612.59</b>	

## **Concentrated Latex Group**

### **2.1 Nature of Products and Services**

The operation of Thai Rubber Latex Corporation (Thailand) Pcl. and Thai Rubber Latex Group Co., Ltd. is manufacturing of concentrated latex which is produced from fresh latex by separating liquid rubber and non-rubber contents by mechanical centrifugation. Concentrated Latex is liquid natural rubber with 60% dry rubber content that can be preserved for a long period of time. With physical and chemical properties suitable to be used as main raw material for manufacturing medical gloves, gloves, condoms, sponge, nipples, rubber thread, glue, balloons etc. The product that can substitute natural latex is synthetic latex. Synthetic rubber cannot be substituted to produce some products such as surgical gloves and condoms.

Thai Rubber Latex Group Co., Ltd. Shanghai has been registered in China, operating for trading of all kinds of rubber products in China, STR20 (Block Rubber) and concentrated latex as mainly products.

Currently Thai Rubber Latex Corporation (Thailand) Public Company Limited has received the Certificate of ISO 9001: 2008, ISO 14001: 2004 and IEC 17025 (Standard Lab), the first company in the industry of concentrated latex in Thailand to receive Certificate of Standard Laboratory in testing latex. Thai Rubber Latex Group Co., Ltd. also has received the Certificate of ISO 9001: 2008 and ISO 14001: 2004.

### **2.2 Marketing and Competition**

#### **(1) Policy and Nature of Marketing**

##### **1. Main Competitive Strategies**

- Receiving forward orders not exceeding 3 months: the cost can be estimated close to the actual cost and selling price to be set competitively at a profitable level, which helps us to make a good production plan.

- Setting selling price at a profitable level and being competitive: our factories located in only 2 main regions i.e. southern and eastern area with slightly different for Wintering period would result in less problem of raw material shortage, which would have led to a capability to control production cost efficiently and being the leader in price setting.

- Our products are sold on a regular basis with punctual delivery time: Being the world's largest rubber latex manufacturer, we can manage to deliver our products to customers throughout the year as per scheduled plan.

- Product quality assurance: We will produce our concentrated latex as per customer's specification, if not, we will adjust the product quality to meet the customer's requirement.

- After sales service: we deliver our products and provide services to our customers with honesty and good consistent care.

## 2. Nature of Customers

Most customers have been dealt with us for a long time with good mutual business relationship since our products and services are delivered to the customers with honesty and sincerity, we provide our help and assistance to solve problems when needed as well as flexibility in terms of deficit or exceeding quantity of the products.

## 3. Target customer's group

Our target customers are those producers of finished rubber products using concentrated latex as raw material for production e.g. rubber gloves, rubber thread, latex nipples, condom, mattress, pillow, balloon and glue, etc.

## 4. Distribution and Sales Channels

Our local & export proportional distribution is 60% and 40% respectively with export market in China, Malaysia, South Korea, Pakistan, India, Europe etc. As the distribution channel and proportional distribution are arranged 80% directly to the rubber consuming companies and 20% to the importers, our latex group should have no risk since our sales are made to each specific customer in proportion not exceeding 30% of sales revenue.

### (2) The competitive conditions in the past year and industry outlook

In year 2015, we saw the global natural rubber market trend followed more or less same pattern as that of 2014, prices continued to fall down to over 20%. As a matter of fact prices were under pressure since the beginning of 2014. The main reason obviously was the slow down in global demand for natural rubber, especially from China, which is the world's biggest consumer of natural rubber. Demand from Europe, America and other parts of the world also substantially decreased mainly because of the severe global economic slow down, specially the economic crisis in European Economic Community. As a matter of fact other commodities also faced the same fate as rubber. Rubber prices remained under pressure from the overhang of stocks of 300,000 plus tons in Thailand and as global rubber production had been outpacing demand since year 2012.

In Japan also things were not rosy at all, even the depreciation of the yen failed to lead to a significant recovery in exports, following the transfer of output to foreign bases by Japanese manufacturers.

The low rubber prices indeed had an adverse effect on global natural rubber production, rubber planters were discouraged by the low income they could earn due to the low rubber prices and were not very keen to tap the rubber trees. Global rubber production more or less remained flat in 2015. The initial global production figure of Natural Rubber in 2015 is estimated to be 11.81 million tons (LMC Rubber Bulletin) as compared to 11.62 million tons of year 2014, a slight increase of 1.02%.



On the demand side, China's total NR imports during the year 2015 is anticipated to have increased by about 3% to approximately 4.1 million tons (although it is too early to confirm) from 3.809 million tons in year 2014. However China, which buys more than one third of world natural rubber production, is expected to have slowed its consumption growth to 2.9% in 2015 as compared to 13 percent in 2014, according to Association of Natural Producing Countries (ANRPC).

## **2.3 Supply of Product**

### **(1) Nature of Supply**

Presently there are 7 factories of concentrated latex group in Thailand, scattered in eastern 4 factories and 3 factories in southern with full production capacity about 230,000 tons per year. In addition, the group has purchased the product from 3 allied factories that is corresponding the policy to increase the production of the factories within the concentrated latex group. It is regarded that the group are the major manufacturer of the world.

The groups has the significant production policy; that is to produce under the requirement demanded by the customer and the concentrated latex could maintain its concentrated under the standard even longer. Moreover, in supplying the main raw material such as field latex which purchase in Thailand 100%. It is purchase from the rubber planters and distributor along the nearby areas of the plant to obtain the raw materials at low prices. As well as the procurement of field latex from areas in other provinces to get more raw materials. The secondary raw materials is chemicals to maintain the condition of latex that will be purchased in the country 100%. There are 15 distributors in the country. In the part of purchase, the concentrated latex group has no risk relying the major distributor because there is no purchase from any distributor in the proportion higher than 30% of the total purchase. In 2015, the purchase price of field latex has reduced to 18% from last year.

For Thai Rubber Latex Group Co., Ltd. Shanghai, China the trading operations is to sell-purchase all kinds of rubber products such as block rubber, rubber sheet, and concentrated latex. By focusing on the distribution of block rubber purchased from the manufacturer in Thailand and China and distributed in China Market. The result of the performance has the tendency to raise the continuous profit.

### **(2) Environmental Impact**

The production of concentrated latex group has recognizing the environmental impact. During the past 3 years ago the amount has been apportioned for investment and the expenses of waste water pond total of Baht 5.56 million. So the environmental control system shall complying the laws and international standard. The group can control the BOD cost for wastewater treatment system at the level below the standard of the Ministry of Industry and there is no problems during the past 3 years.

## **Block Rubber Group**

Thai Rubber HPNR Co., Ltd. “the subsidiary” produces Block Rubber STR20 (Standard Thai Rubber 20) as the major product. Main raw materials is natural rubber cup lump, natural rubber sheet, which is passed through the processing line of Pre-breakers, Cutters, Shredders etc to make into rubber crumbs, then dried by passing through burner and pressed into blocks. Block rubber is mainly consumed by the Tire Industry.

The subsidiary has started to manufacture the STR20 in January 2012. The factory is located in Chumporn. The production capacity in 2013 is 42,000 tons and in 2014-2015 is to increase its production capacity to 50,000 tons per year.

On 24 February 2016, the subsidiary signed an agreement of purchase and sale of its property, plant and equipment for block rubber which the rights to be transferred within 30 June 2016. At present, the subsidiary has already received the deposit payment.

## **Latex Products Group**

### **Rubber Thread**

#### **2.1 Nature of Products and Services**

World Flex Pcl. “the subsidiary” has rubber thread as main product. Main raw material of rubber thread is latex and most of the products are mainly use in textile industry. The customers will buy rubber thread as raw material in fabricating another textile to weave with polyester thread to produce elastic band for readymade garment for ladies underwear, elastic waist pants, socks edge etc.

The products that use renewable natural rubber thread are synthetic rubber. If the price of synthetic rubber thread is cheaper up to a certain level. The customer will switch to use the synthetic rubber thread instead of natural rubber. Moreover, in 2015 the price of oil has continuously dropped so the price of natural rubber thread has also dropped in accordingly. However, currently group of the customers that use both types of product has somewhat divided.

#### **2.2 Marketing and Competition**

##### **(1) Policy and Nature of Marketing**

###### **1. Main Competitive Strategies**

- Accommodating the needs of both small and major customers.
- Reassuring the clients by delivering the products on time.
- Providing the after-sales service by local representative that look after the market.

- To periodically visit the customers for adding more confidence to the customers.
- A product warranty and deliver to the consumers
- Having products in every demand cover small size to big size

## 2. Distribution and Sales Channels

The proportion of domestic sales is accounted to 5% of the total sales and it has directly sold to the users and through distributors. The foreign markets has the proportion of sales accounted up to 95% of the total sales. Distributed through the local distributors. The important market are China, South Asia and countries in South America. The rubber thread group has no risk on depending on major customers because no sales to any customers in higher percentage than 20% of the revenues.

### (2) The competitive conditions in the past year and industry outlook

The rubber thread industry is an industry continually concentrate latex that classified as the products of natural rubber. The semi-finished products of textile industry. The subsidiary is one of the major manufacturers in the country out from 5 companies. Most of the competitors are the domestic producers and manufacturers in Malaysia and China. In 2015, the demand of rubber thread has reduced because of the sluggish economic condition in China and world market. In addition, natural rubber price is continuous lower. The customers still delay buying and do not brave to buy in the big volume.

While the world market is highly competitive but the demand use is decreasing. But in 2015, the subsidiary can increase sales of 2% because the quality has been improved and increase the volume of production, also increase the marketing team which the market can be expanded to other market apart from China such as South America, Europe and Muslim countries, and that market has better price than Chinese market.

## **2.3 Nature of Products**

### (1) Nature of Supply

The factory of the subsidiary is located in Rayong with full production capacity of 24,000 tons per year. The important production policy is to manufacture the products according to the demand of the customer using the local raw materials. The supply of raw materials is concentrated latex that entirely purchase within the country which purchase from related companies and some bought from domestic traders. For the chemical is mainly purchased from importer. The rubber thread group has the risk on depending the major supplier such as the concentrated latex group of THAITEX group. Because the purchase of raw material from any supplier in higher percentage than 30% of the total purchase. But it is a guarantee that the company has raw material for production throughout the year.

## **(2) Environmental Impact**

The production process should have the good water treatment system. The subsidiary has aware of the permanent water treatment system using the production process and focusing on reducing the use of water in the production. There is also the process to reuse some chemicals used in the production process. To reduce the amount of chemicals that make the treatment system become more efficient and reduce the pollution of waste water, and at the same time it reduced the utility costs. During past 3 years there is no environmental problems. The expenses and environmental investment for the past 3 years is amount of 37.72 million baht.

### **Latex Mattresses**

Latex Systems Co., Ltd. “the subsidiary” has produced latex mattresses as a key product. In 2015, the subsidiary had better performances than the projection because of several factors. The first factor was the lower price of concentrated latex caused to the lower cost of production and higher profit. The second factor was rubber the latex mattresses market has higher demand due to the increasing of Chinese, Korean and Japanese tourists from opening AEC. Thus, hotel, apartment and condominium industry has expanded business. The third factor was the increasing of healthy lifestyle caused to demand for good sleeping. The last factor was the expansion of furniture shop and fair.

The subsidiary has future plan about producing new latex products; bolster pillow, neck pillow and back support pillow. These products can reduce injury problem from office syndrome very well. In 2016, the subsidiary has the business plan to increase 100% production capacity of latex pillow to 100,000 pieces per month.

## **Rubber Plantation Group**

### **2.1 Nature of Products or Services**

Thai Rubber Land and Plantation Co., Ltd. “the subsidiary” has operated the rubber plantation in Chiangrai, Phayao, Nan and Chainat. The plantation has started since 2003 until at present with the total of plantation area of 11,795 rais that consist with;

1. The plantation area in Chiangrai 8,748 rais had been planted since 2007 to 2015 and began tapping followed by one another since 2013.
2. The plantation area in Nan 1,062 rais had been planted since 2003 to 2013 and began tapping followed by one another since 2013.
3. The plantation area in Phayao 1,033 rais had been planted since 2008 to 2010 and will be tapped followed by one another since 2015.
4. The plantation area in Chainat is 952 rais had been planted since 2013 to 2014 and will be tapped followed by one another since 2019.

## **2.2 Marketing and Competition**

### **(1) Policy and Nature of Marketing**

In 2016, the subsidiary will sell the rubber products to the factory of Thai Rubber Latex Corporation (Thailand) Pcl. located in Chonburi province for producing premium grade concentrated latex. The parent company can well control raw material because of using raw material from rubber plantation of the related company.

### **(2) The competitive conditions for the past year and outlook of industry**

The rubber plantation in the northern part grown in new rubber plantation has started giving production. There is no market competitor due to the subsidiary can send total productions from its rubber plantation and others one in the northern part to the companies in THAITEX Group for increasing both sales and profit of the group company.

## **Broker Group**

Agrowealth Co., Ltd. “the subsidiary” started operation on 14 August 2003 with the goal to become a leading futures broker on the Agricultural Futures Exchange of Thailand (AFET). The company is a registered broker member of the exchange (Broker No. 2013) and is under the regulation of the Agricultural Futures Trading Commission (AFTC).

Due to the decreasing trading volume in AFET, the subsidiary cannot operate with profitability. On 27 December 2015, the Extraordinary General Shareholders’ Meeting of Agowearth Co., Ltd. approved to close down the subsidiary’s operation.

### **3. Risk Factor**

#### **3.1 Risk in volume and cost of raw rubber material**

The quantity of raw material-rubber is the agricultural products from the rubber plantation but the amount of rubber launch to the market have many factors that will impact such as;

- (1) The product of rubber plantation- the rubber tree have season to produce and stop its production (seasonally loss their leaves), which on average is falls during March to May. But it depends to the climatic condition of each region whether it is shorter or longer season. If featuring like this, it resulting that during no production it will be lessen due to the reduction of production capacity.
- (2) Climate Condition such as; if too much drought in the area of rubber plantations there will less production or in the regions with high rainfall, it has less harvest. In the end of 2015 to the beginning of 2016 is expected to have El Nino phenomenon that may cause to drought in rubber producer countries included Thailand. The rubber production volume may be lower in that period.

Price of Rubber- rubber is commodity product so the price will fluctuate depending on many factors;

- (1) Supply and demand of natural rubber - since the demand of natural rubber is mainly used for production of tires and other vehicles. Although rubber is used in producing other various products. But tires are the main products. Therefore the demands of tires will significantly affect to the needs of rubber and, the supply of rubber will depend on the number of rubber plantation area for tapping as the main factor.
- (2) Competition with substitute products - the substitute product is any kinds of synthetic rubber. If too much production of synthetic rubber the more competition of producing product using the synthetic rubber as substitute.
- (3) Guidance of rubber price in The Agricultural Futures Market - Since rubber is traded at the Agricultural Futures Market in Thailand, Japan and China, which the buyers are in several groups such as the seller that wanted to prevent the risk and any investor group. So the volume of futures contract of sales in each year (representing the amount of rubber) is more than the production of rubber several times, so the price of rubber in the futures market will affect the trading of rubber.

### **3.2 Risk in Exchange Rate**

The company will export the rubber to overseas customers. So the revenue is in foreign currency. However, the costs and expenses mostly incurred in the country, so the revenues will be converted into Thai currency. Which the exchange rate of Thai baht has fluctuation and may result to more or less income if not to prevent the risk. All the year 2015, the Thai currency has been weakened due to preparing interest rate increase of FED and Thai economic was depressed.

### **3.3 The risk of government policy**

Thailand is the largest producer of rubber in the world and exports of rubbers are one of the major revenues of the country which has many farmers are in this sector. Therefore the policy of the government is likely intervention the price of rubber if the government sees that the farmers will be suffered from low revenues. In such as 2012-2014, it has impact on the business operations of the private sector because the capital will be higher and could not compete with the price with other exporting countries. Since the world market prices may not increase according to the sanctions of any country if the competitive conditions are unfavorable.

## **4. Assets use for business**

### **4.1 Fixed Assets**

The company and its subsidiaries are operated the complete business likely in production, distribution and rubber export. The main fixed assets used for production are the property, plant and machineries. The groups of the company are the owner of these fixed assets as elaborated below;

(1) Fixed Assets for Production and Sales

Type of Asset	Ownership	Book Value (MB)	Obligations
1. Land and Land improvement	Owned by Group Company	904	Partial mortgage with financial institutions
2. Building and Building Improvement			
2.1 Three Office Buildings in Bangkok, Samutprakarn and Chiang Rai	Owned by Group Company	657	2 office buildings mortgaged with financial institutions
2.2 Seven Concentrated Latex Production Factories (Chonburi, Rayong, Chantaburi, Surat Thani, Songkla, and Pang Nga)	Owned by Group Company		Mortgaged with financial institutions
2.3 A Block Rubber Production Factory at Chum Porn	Thai Rubber H P N R Co., Ltd		Mortgaged with financial institutions
2.4 A Rubber Thread Production Factory at Rayong	World Flex Pcl.		Mortgaged with financial institutions
2.5 A Rubber mattress and pillow production factory at Chachoeng Sao	Latex Systems Co., Ltd		Partial mortgaged with financial institutions
2.6 Four Rubber Plantation Greenhouses (Chiang Rai, Nan, Phayao, and Chai Nat)	Thai Rubber Land and Plantation Co., Ltd		Non mortgaged obligations
3. Machinery			
3.1 Machine for Producing Concentrated Latex	Owned by Group Company and under finance lease	668	Mostly mortgaged with financial institutions
3.2. Machine for Producing Block Rubber	Thai Rubber H P N R Co., Ltd		Partial mortgaged with financial institutions
3.3. Machine for Producing Rubber Thread	World Flex Pcl.		Mostly mortgaged with financial institutions
3.4. Machine for Producing Rubber Pillows and Mattresses	Latex Systems Co., Ltd		Partial mortgage with financial institutions
3.5 Machine for Using in Rubber Plantations	Thai Rubber Land and Plantation Co., Ltd		Non mortgage obligations



On 31 December 2015, the group of the company has pledged fixed assets of land, building, factory, and machinery, which have a net book value of Baht 1,056.50 million as collateral for loans from financial institutions.

Remark: Book Value is revalued amount deducted by accumulated depreciation

(2) Investment properties

On 31 December 2015, Land and an office building for rent, with area of 36.50 square yards, owned by the company, has a book value of 12 million baht. The asset has not mortgaged to financial institution.

Land and 12 factories for rent, with an area of 75 Rai, 2 Ngan and 86 square yards, owned by the company, has a book value of 75 million baht. A non-related company has rent in an annual rental fee of 1.02 million baht (term of lease is 10 years started from 1 February 2011 to 31 January 2021) The assets have mortgaged with financial institutions.

During the year 2015, the group company has transferred some of properties, plant and equipment, land building and factory, to investment properties as follow;

Land for rent with an area of 2,060 Rai and 19 square yards, owned by subsidiary, World Flex Pcl. has a book value of 329 million baht. A non-related company has rent for a sugar cane plantation. The rent contract dated from 1 December 2014 to 31 March 2018, charging a rental fee of 6 million baht. The asset has not mortgaged with financial institution.

Land and 8 factories for rent, with an area of 36 Rai, 2 Ngan and 48 square yards, owned by subsidiary, Thai Rubber HPNR Co., Ltd, has a book value of 112 million baht. A non-related company has rent in an annual rental fee of 6 million baht (term of rent is 5 years started from 15 January 2014). The assets have mortgaged with financial institutions.

On 31 December 2015, investment properties have a book value of 528 million baht (valuated by independent appraisal on 8, 11, 18 and 21 December 2015 as the selling price.)

(3) Assets classified as held for sale

Land use for rubber plantation (owned by Thai Rubber Land and Plantation Co., Ltd.) located at Phetchaboon has an area of 11 Rai, with a book value of 0.44 million baht as of 31 December 2015.

(4) Intangible Assets

As of 31 December 2015, intangible assets relevant to business operations of the company and its subsidiaries are computer software, with a book value of 0.67 million baht.

#### **4.2 Investment Policies of Subsidiary and Associate Company**

The company has policies to invest in manufactured product for sale due to its nature as the mainstream business of the group company. The investment is substantial enough for participate in management and strategic direction establishment of the business.

#### **4.3 Information of Revaluation of asset**

(1) The group of the company has used the policy to record the fixed assets such as property, building and plant and machineries under the fair value since 2007, and will assess the fair value every 5 years. Currently the group of the company has assessed the new fair value in 2011 (except investment properties would be reassessed every year) and another assessment will be conducted in 2016.

Therefore, on 31 December 2015, the book values of land, building, factory, and machinery of the group of company have been stated as fair values.

(2) Appraisal Companies

The company used the services of Agency For Real Estate Affairs Co., Ltd in the year 2011 and First Star Consultant Co., Ltd in the year 2015 to be revalued its assets. The Appraisal companies are in the list of firms or specialist approved by the Securities and Exchange Commission (SEC) and Stock Exchange of Thailand (SET).

(3) The purpose of appraise the value of the group of the company assets is to the properties, plant, building and machineries are stated as the actual fair value.

## **5. Law Dispute**

The company and subsidiaries have no law dispute that its value is more than 5% of shareholders' equity as of 31 December 2015.

## **6. General and Others Important Information**

### **6.1 General Information**

#### **(1) The company**

Name	Thai Rubber Latex Corporation (Thailand) Pcl.
Head office	99/1-3 Moo 13, Bangna-Trad Rd., Km.7, Bangkaew, Bangplee, Samutprakarn 10540
Office telephone	(662) 751-7171 (36 lines), 751-7140 up to 75
Office facsimile	(662) 316-3938
Factory	29 Moo 2, Banbung-Klang Rd., Km.56-57, Nongyai, Nongyai, Chonburi 20190
Factory telephone	(038) 168-529-34
Factory facsimile	(038) 168-529-34 ext.105
Type of business	Producer and distributor of concentrated latex and skim block
Company registration No.	0107536000137
Website	<a href="http://www.thaitex.com">http://www.thaitex.com</a>
Registered capital	749,607,657 common shares, 749,607,657 baht
Paid-up capital	681,479,688 common shares, 681,479,688 baht

#### **(2) Subsidiaries that the company holds more than 10% share**

##### **1. Thai Rubber Latex Group Co., Ltd.**

Office	99/1-3 Moo 13, Bangna-Trad Rd., Km.7, Bangkaew, Bangplee, Samutprakarn 10540
Telephone	(662) 751-7171 (36 lines), 751-7140 up to 75

Facsimile (662) 316-3938

Factory Total 6 Factories have location as follows:

1. 35 Moo 4, Krasom, Takuatung, Phang-nga 82130

Telephone (076) 496-539, 496-324, (081) 840-2835,  
(081) 840-8352

Facsimile (076) 496-325

2. 124 Moo 11, Ban Klongpom, Banpru Hatyai, Songkhla 90250

Telephone (074) 291-171-5, (081) 738-5645

Facsimile (074) 471-633

3. 293/2 Moo 1, Surat-Nasan Road, Khunthalay, Muang, Suratthani  
84100

Telephone (081) 719-4313, (089) 729-2631, (080) 523-6668

Facsimile (077) 355-769

4. 44/5 Moo 8, Krached-Hatyai, Krached, Muang Rayong 21100

Telephone (038) 634-105, 634-306-7

Facsimile (038) 634-308

5. 255 Moo 5 Ku River District, Pluakdaeng, Rayong 21140

Telephone (038) 913-289-92

Facsimile (038) 913-289-92 ext.103

6. 10/5 Moo 3, Patong, Soi Dao, Chantaburi 22180

Telephone (039) 385-147-9, (081) 890-9617

Facsimile (039) 385-147

Type of business Producer and distributor of concentrated latex and skim blocked

Shares holding 99,999,994 common shares, or 99.99% of 100 million shares

Registered capital 1,000 million baht

Paid-up capital 544 million baht

Subsidiary of Thai Rubber Latex Group Co., Ltd.

**Shanghai Runmao International Trading Co., Ltd.**

**or Thai Rubber Latex Group Co., Ltd. (Shanghai)**

Office Shanghai Greentown Room 601 Unit 1, Lane 99 Jinhe Road,  
Pudong, Shanghai 200127 China

Telephone (86) 2138762472

Facsimile (86) 2150454365

Type of business Trader of natural rubber products

Shares holding 55% of 1 million USD investment amount

**2. Woldflex Pcl.**

Office 30 Bangna Complex, Soi Bangna-Trad 25, Bangna-Trad Rd.,  
Km.3, Bangna, Bangkok 10260

Telephone (662) 744-0888

Facsimile (662) 744-0233

Factory 59/1 Moo 5, Pluakdang, Maenamkoo, Pluakdang, Rayong  
21140

Telephone (038) 637-558-9

Facsimile (038) 637-560

Type of business Producer and distributor of rubber thread

Shares holding 75,799,454 common shares, or 98.44% of 77 million shares

Registered capital 308 million baht

Paid-up capital 308 million baht

### **3. Thai Rubber Land and Plantation Co., Ltd.**

Office	121/316 Moo 3, Badoo, Muang Chiang Rai, Chiang Rai 57100
Telephone	(053) 767-650
Facsimile	(053) 767-650
Rubber Plantation	Located in Nan, Phayao, Chiang Rai and Chainat province
Type of business	Rubber Plantation
Shares holding	29,999,994 common shares, or 99.99% of 30 million shares
Registered capital	300 million baht
Paid-up capital	300 million baht

#### Subsidiary Company of Thai Rubber Land and Plantation Co., Ltd.

### **Wang Somboon Rubber Estate Co., Ltd.**

Office	99/1-3 Moo 13, Bangna-Trad Road Km.7, Bangkaew, Bangplee, Samutprakarn 10540
Telephone	(662) 751-7171 (36 lines), 751-7140 up to 75
Facsimile	(662) 751-7015
Rubber plantation	127 Moo 8, Wang Somboon, Wang Somboon, Sa Kaeo 27250
Telephone	(037) 252-084, (081) 916-5834
Facsimile	(037) 252-084
Type of business	Rubber plantation
Shares holding	2,678,000 common shares, or 48.43% of 5,530,000 shares
Registered capital	55.30 million baht
Paid-up capital	55.30 million baht

#### **4. Agrowealth Co., Ltd. (Close down)**

Office	30 Bangna Complex, Soi Bangna-Trad 25, Bangna-Trad Rd., Km.3, Bangna, Bangkok 10260
Telephone	(662) 744-0888
Facsimile	(662) 744-0233
Type of business	Broker in the agricultural futures market of Thailand (AFET)
Shares holding	5,099,992 common shares, or 99.99% of total shares
Registered capital	51.00 million baht
Paid-up capital	39.75 million baht

#### **5. Thai Rubber H P N R Co., Ltd.**

Office	99/1-3 Moo 13, Bangna-Trad Road Km.7, Bangkaew, Bangplee, Samutprakarn 10540
Telephone	(662) 751-7171 (36 lines), 751-7140 up to 75, 751-7212
Facsimile	(662) 751-7212
Factory	126 Moo 8, Phetchkasem Rd., Km.441, Khaochairaj, Patew, Chumporn 86210
Telephone	(077) 651-288
Facsimile	(077) 651-288
Type of business	Producer and distributor of blocked rubber (STR20) and rubber compound
Shares holding	49,999,997 common shares, or 99.99% of 50 million shares
Registered capital	500 million baht
Paid-up capital	500 million baht

## **6. Latex Systems Co., Ltd.**

Office and factory	Ladkabang Industrial Estate Export Processing Zone 1 111 Chalongkrung Rd., Lamphlatew, Ladkabang, Bangkok 10520
Telephone	(662) 326-0886-7
Facsimile	(662) 326-0292
Type of business	Producer and distributor of latex foam mattress
Shares holding	4,790,335 common shares, or 56.16% of 8,529,101 shares
Registered capital	78.81 million baht
Paid-up capital	78.81 million baht

## **7. Myanmar Thai Rubber Joint Corporation Limited**

Yangon Office	No.96 (C), Lanthit Road, Nanthagone Quarter, Insein Township, Yangon, Myanmar.
Office Telephone	951-700942
Office Facsimile	951-644733
Rubber plantation	62/1 Kyae Kyay Taing Pyin Field, Kyae Village Track, Palaw Township, Myeik District, Thanintharyi Region, Myanmar.
Plantation Telephone	959-49902048
Type of business	Rubber Plantation
Shares holding	64%
Registered capital	80 million baht
Paid-up capital	80 million baht



(3) Other References

**1. Registrar**

Name Thailand Securities Depository Co., Ltd.

Address The Stock Exchange of Thailand  
93 Ratchadaphisek Road,  
Dindaeng, Dindaeng, Bangkok 10400

Telephone (662) 009-9385

Facsimile (662) 009-9476

**2. Auditing Firm**

Name KPMG Phoomchai Audit Ltd.

Address 48th Floor, Empire Tower, 1 South Sathorn Road, Bangkok 10120

Telephone (662) 677-2000

Facsimile (662) 677-2222

Auditors 1. Mr.Nirand Lilamethwat CPA Registration No.2316, or  
2. Ms.Nittaya Chetchotiros CPA Registration No.4439, or  
3. Mr.Vairoj Jindamaneepitak CPA Registration No.3565

# Management and Corporate Governance

## **7. Security Information and Shareholder**

### **7.1 Registered and Paid-Up Capital**

The company has registered capital of 749.61 million baht and paid-up capital of 681.48 million baht issued to common stock 681,479,688 shares with book value at 1 baht per share.

### **7.2 Shareholders**

List of major shareholders as of the latest book closing date

(14 March 2016)

- A group of 10 major shareholders

<b>Item</b>	<b>Shareholders</b>	<b>Number of Shares</b>	<b>Percentage of Shareholding</b>
1	Mr. Vorathep Wongsasuthikul's Group	142,564,642	20.92%
2	Mr. Paiboon Waraprateep's Group	100,793,959	14.79%
3	Mr. Prachnon Temritthikulchai's Group	36,336,179	5.33%
4	Thai NVDR Co.,Ltd.	12,731,289	1.87%
5	Mrs. Kunsinan Pongnaruesorn	9,600,000	1.41%
6	Mr. Suchart Charoenpornpanichkul's Group	7,222,300	1.06%
7	Mrs. Ruedee Kankaew	5,000,000	0.73%
8	Mr. Wirach Banyongnan	3,880,100	0.57%
9	Mr. Firm Hongsanun	3,800,000	0.56%
10	Mr. Prawit Jarungpitakkul	3,670,500	0.54%
	<b>Total</b>	<b>325,598,969</b>	<b>47.78%</b>

- A group of major shareholders having important role over the setup of the company's management policy

<b>Item</b>	<b>Shareholders</b>	<b>Number of Shares</b>	<b>Percentage of Shareholding</b>
1	Mr. Vorathep Wongsasuthikul's Group	142,564,642	20.92%
2	Mr. Paiboon Waraprateep's Group	100,793,959	14.79%
3	Mr. Prachnon Temritthikulchai's Group	36,336,179	5.33%
4	Mr. Suchart Charoenpornpanichkul's Group	7,222,300	1.06%
	<b>Total</b>	<b>286,917,080</b>	<b>42.10%</b>

### **7.3 Others Issued Security**

The company's convertible security is "Warrant No. 1" or "TRUBB-W1" issued to 54,516,949 warrants. They have a term of 3 years from the date of issue and exercise dates are on the last business day of each June and December, beginning on the last business day of December 2011, with a final exercise date on 7 August 2014. The warrants can be exercised at a price of 3.20 baht per share, with an exercise ratio of 1 warrant to 1.25 new ordinary shares. On 8 August 2014, the warrant holders exercise right to buy 25,869 ordinary shares. Therefore, the total amount of the unexercised warrants was expired.

### **7.4 Dividend Policy**

The company's dividend policy is depending on the performance of the company, at a rate not less than 1/3 of the annual net profit, after accumulated loss (if any), from the separate financial statement of the company. Subsidiaries and associated companies have dividend policy not to pay more than 100% of net profit.

## 8. Management Structure

### 8.1 Board of Directors

As of 31 December 2015, the company's BoD has 11 members, as follows;

#### **Name List of the Board of Directors**

Names	Position	11 <sup>th</sup> Annual Meeting of the Board of Directors in 2015	9 <sup>th</sup> Annual Meeting of Audit Committee in 2015
1. Mr. Vorathep Wongsasuthikul	Chairman and Chief Executive Officer	11	
2. Mr. Paiboon Waraprateep	Vice Chairman	11	
3. Mr. Prachnon Temritikulchai	Vice Chairman	11	
4. Mr. Suchart Charoenpornpanichkul	Director and Member of the Risk Management Committee	10	
5. Dr. Tiwa Sappakit	Independent Director and Member of Audit Committee	11	9
6. Mr. Erwin Muller	Independent Director, Chairman of the Remuneration Committee and Member of Audit Committee	8	7
7. Ms. Suchada Sodthibhapakul	Independent Director, Member of the Remuneration Committee and Member of the Risk Management Committee	9	
8. Mr. Yanyong Tararorit	Independent Director and Chairman of Auditing Committee	11	9
9. Mr. Somkad Sueptrakul	Independent Director and Member of the Risk Management Committee	11	5
10. Mr. Pakhawat Kovithvathanaphong	Independent Director, Member of the Remuneration Committee and Chairman of the Risk Management Committee	10	
11. Mr. Rachai Wattanakasaem	Independent Director, Member of Audit Committee and Member of the Risk Management Committee	6	5

Note: 1. The BoD's meetings were included with 2 extra-meetings.

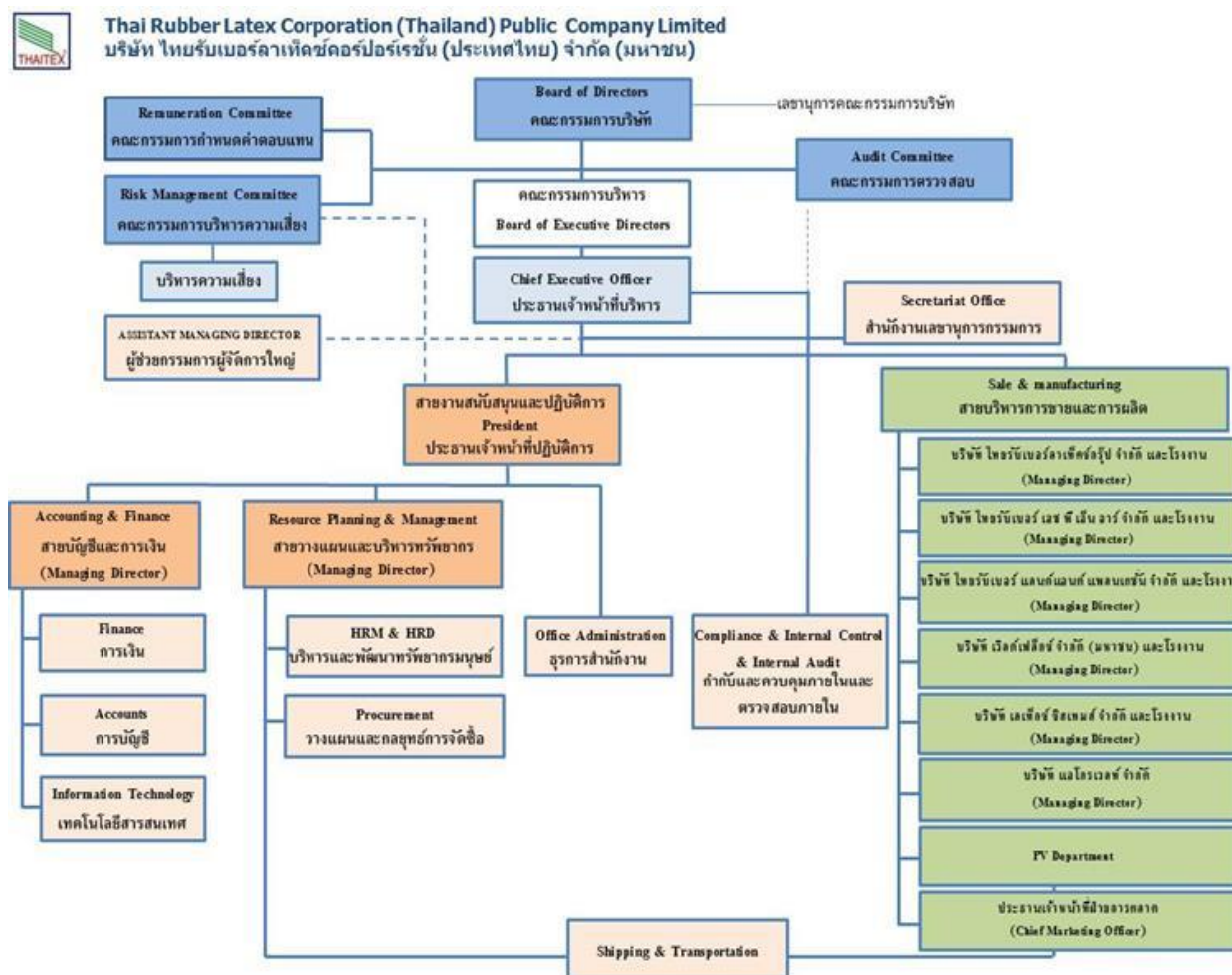
2. Mr. Rachai Wattanakasaem has been the company's director since 1 May 2015.

## 8.2 Management

Name list of the company's management as of 31 December 2015, as follows;

Names of Management	Position
1. Mr. Vorathep Wongsasuthikul	Chief Executive Officer
2. Mr. Paiboon Waraprateep	Executive Director
3. Mr. Prachnon Temritikulchai	Executive Director
4. Mr. Suchart Charoenpornpanichkul	Executive Director
5. Mr. Vanchai Sriherunrusmee	President
6. Mr. Suvasitthi Dewan	Chief Marketing Officer
7. Mr. Prawit Waraprateep	Assistant Managing Director and Accounting and Finance Managing Director
8. Ms. Chalongkwan Wongsasuthikul	Assistant Managing Director Resource Planning and Management Managing Director
9. Mr. Patrapol Wongsasuthikul	Assistant Managing Director

### Management Structure of the Compa



### 8.3 Secretary of the company

Ms. Chalongkwan Wongsasuthikul, Assistant Managing Director is the Secretary of the company.

### 8.4 Remuneration of Directors and Executives

#### (1) Monetary compensation

- Remuneration of the directors includes salary and the meeting allowance that had approved from the Meeting of Shareholder in 2015 (detail in the below table) in the amount of 11.718 million baht. Actual remuneration was 9.170 million baht.

No.	Names (Position in the above table)	Executive Director	Director	Audit Committee	Remuneration Committee	Risk Management Committee	Total
1	Mr. Vorathe Wongsasuthikul	70,000	30,000	0	0	0	100,000
2	Mr. Paiboon Waraprateep	70,000	30,000	0	0	0	100,000
3	Mr. Prachnon Temritikulchai	70,000	30,000	0	0	0	100,000
4	Mr. Suchart Charoenpornpanichkul	70,000	30,000	0	0	30,000	130,000
5	Dr. Tiwa Sappakit	0	30,000	40,000	0	0	70,000
6	Mr. Erwin Muller	0	30,000	40,000	20,000	0	90,000
7	Ms. Suchada Sodthibhapkul	0	30,000	0	20,000	30,000	80,000
8	Mr. Yanyong Tavarorit	0	30,000	40,000	0	0	70,000
9	Mr. Somkad Sueptrakul	0	30,000	40,000	0	0	70,000
10	Mr. Pakhawat Kovithvathanaphong	0	30,000	0	20,000	30,000	80,000
11	Mr. Rachai Wattanakasaem	0	30,000	40,000	0	30,000	100,000
	Total	280,000	330,000	200,000	60,000	120,000	990,000

- Remuneration of the management consists of salary, bonus and traveling expenses. In 2015, the management received the remuneration from the company and the subsidiaries in the amount of 30.531 million baht.

(2) Other remunerations

- Other remuneration of directors

None

- Other remuneration of management is Provident Fund. The company has provided the provident fund. The contribution of the company is in rate of 3% and 5% according to the age of the employee (as specified in the regulations of the company) of the salary which in 2015 the company and the subsidiaries had paid the provident fund for 5 persons of management in the amount of 0.723 million baht.

### **8.5 Personnelt**

In 2015, the company had 92 persons of the management and employees, the primary department had 75 factory workers. The total return was the amount of 36.724 million baht. The compensation are includes the salary, daily wage, overtime, bonus, provident fund and incentive pay. The personal development policies of the company are;

(1) Policy of Human Resources

The policy of the company on human resources management for the benefits of the employees as well as the company are as follows;

1. The procedure under the philosophy, vision, mission and intimate values of the company
2. Give priority to the employees as valuable resources for the sustainable growth of the company
3. Aimed in recruiting the personnel with knowledge, potential and attitude that is appropriate to the business of the company
4. Continously promote the development of knowledge and skills of the employees in accordance the level of position, responsibility and needs of the company, awareness and good attitude towards the values of being "THAITEX."
5. Enhancing the employee's satisfaction with regard to the appropriateness of the management, management on compensation, welfare and safety that is rationally and fairly.
6. Promote good relationship between the staff and employees, and employees between the company for continous contentment both employees and company.

## (2) Policy of Labor Relationship

Under the policy of Human Resources management. The company has implemented the labor relationship in following event;

1. To practice the legal regulations of the government and company strictly
2. To respect the right of the employees under the several laws, rules and regulations for the peace in conducting the business of the company and orderliness of the nation.
3. Promote the activities for good relationship between the staff and employees and employees between the company base on good understanding and rationally.
4. Regularly promote the social responsibility of the employees and company both in terms of preserving the environment, social activities, religion and local communities.

The company has considered that the personnel of the company are extremely valuable to the success of company. So it is important to continuously develop to provide knowledge to the employees and ability that suit to their assigned duty and responsibility to its maximum potentiality by developing knowledge, ability to work in different work procedure. Also create the awareness, fair, moral, ethics towards the corporate, co-workers and business partners at work.

In 2015, the company has conducted the knowledge development, skill and ability at work. By organizing the training within the company and regularly sent the employee to have an external training as necessary and appropriate according to their department and level covering all departments.



## **9. Good Corporate Governance**

The company has systematically organized structures for the management and supervision or operations related to management and supervision and delegated responsibilities commensurate with knowledge, skills and experience in the business and products of each of the parent company's departments and subsidiaries to improve competitive capacity leading to long-term growth and enhanced value for shareholders with consideration of all stakeholders.

### **9.1 Governance Policy**

Thai Rubber Latex Corporation (Thailand) Pcl. has invested in a total of seven subsidiaries as follows;

1. Thai Rubber Latex Group Co., Ltd. in which the company has a 99.99% shareholding.
2. World Flex Pcl. in which the company has a 98.44% shareholding.
3. Thai Rubber Land and Plantation Co., Ltd. in which the company has a 99.99% shareholding.
4. Agrowealth Co., Ltd. in which the company has a 99.99% shareholding.
5. Thai Rubber HPNR Co., Ltd. in which the company has a 99.99% shareholding.
6. Latex System Co., Ltd. in which the company has a 56.16% shareholding.
7. Myanmar Thai Rubber Joint Corporation Limited in which the company has a 64% shareholding.

The company has sent personnel with knowledge, skills, and experience to manage and supervise each of the company's subsidiaries and the subsidiaries are required to hold meetings together to report on performance at least once per month as follows:

1. The Executive Committee meets with the company and subsidiaries once a month.
2. The Executive Committee and the factory management, sales, marketing and finance divisions meet via video conference every Monday morning.
3. The parent company's Executive Committee monitors progress by regularly visiting each of the factories as deemed fitting to do so.

### **9.2 Subcommittees**

The company has created management and supervision structures with subcommittee structures composed of the following five committees:

- (1) Board of Directors with 11 members
- (2) Executive Committee - 4 members
- (3) Audit Committee - 5 members
- (4) Remuneration Committee - 3 members

(5) Risk Management Committee - 4 members.

In addition, the Board of Directors has appointed four management officers with a high level of skills, knowledge and experience as assistant managing director to perform duties as directed and instructed by the chief executive officer and management. The assistant managing director's names are as follows;

1. Mr. Prawit Waraprateep
2. Ms. Chalengkwan Wongsasuttikul
3. Mr. Pattarapol Wongsasuttikul

The appointment of the four assistants managing director eases the workload of the chief executive officer and Executive Committee in practically every aspect. Although the committee has more free time, the committee remains unable to find suitable people for appointment. Hence, there are no problems with performance or the law. The committee has clearly specified the powers and responsibilities of the Board of Directors and the Executive Committee for the assistant managing director to follow as the opportunity arises and as deemed fitting.

In 2014, the company has appointed 2 new managements to assist CEO's duties, there names are as follows;

1. Mr. Vanchai Sriherunrusmee as President to take responsibilities in managing support and operation unit
2. Mr. Suvasitthi Dewan as Chief Marketing Officer to take responsibilities in managing sale and marketing unit

(1) Board of Directors

Article 6 of the Public Company Limited Act of 1992 on directors in Clauses 67 – 97 stipulates the number of directors, qualifications, elections, meetings, and the directors' release from office, specifying the authority and function of the Board of Directors pursuant to Clause 77 for management of the company in line with the objectives, regulations, and resolutions of the shareholders' meetings. Moreover, Clause 85 has specified the responsibilities in the company's business performance and directors are required to perform duties in compliance with the laws, objectives and regulations of the company together with the resolutions of the shareholders' meetings with integrity and care in addition to protecting the interests of the company.

Apart from management duties, certain prohibitions have been specified along with liability for damages incurred by the company.

Scope of the Board of Directors' Authority and Duties

1. Set the policies and direction of the company's performance for compliance with the law, objectives and regulations of the company, and the resolutions of the shareholders' meetings.

2. Effectively regulate and supervise the management division to ensure performance in line with set policies to protect the interests of the company, shareholders, policyholders and other stakeholders.

3. Coordinate between shareholders and management to prevent conflicts of interest between the company and the directors.
4. Direct and manage investments, expansion, procurement, sales, or transfers of assets with significant impact on the company.
5. Attend Board of Directors' meetings, appoint and remove high-ranking executives; select and nominate for consideration of director appointments by the shareholders.
6. Propose auditors to shareholders for consideration of appointment and disclose accurate information in compliance with the law.
7. Hold authorities as set forth in the memorandum of association, regulations and the tenets of the law.

The company's Board of Directors requires approval from the shareholders' meeting before performing work, in the following cases:

1. Specifications of the law require a resolution of the shareholders' meeting.
2. To carry out connected transactions with values equal to or more than Baht 20 million, or 3% of NTA, whichever amount is higher.
3. The buying or selling of important assets with values from 50% of the company's total registered assets.
4. Providing financial assistance to connected persons equal to or more than 100 million baht, or 3% of NTA, whichever amount is lower.

Remarks: NTA (Net Tangible Assets)

= total assets – total liabilities – intangible assets – shareholders' minority interests (if any)

## (2) Executive Committee

The Board of Directors has formed one Executive Committee composed of no fewer than three of the company's directors. In 2015, the Executive Committee had four members as follows;

1. Mr. Vorathep Wongsasuthikul
2. Mr. Paiboon Warapratheep
3. Mr. Prachanon Temritikulchai
4. Mr. Suchat Charoenpornpanichkul

Thai Rubber Latex Corporation (Thailand) Pcl. has set up regulations and executive powers as a management structure in line with the following authority and duties:

### Scope of the Executive Committee's Authority and Duties

1. Consider the annual setting of goals, policies, plans and budgets as proposed by the management division before presenting to the Board of Directors for consideration and approval, including the consideration approval to change and increase the annual budgetary expenditures when there are no meetings of the

company's Board of Directors and notify the company's Board of Directors in the following meeting.

2. Have the managers of different divisions responsible for the performance of various businesses to report on performance to the Executive Committee on a monthly basis.
3. Approve expenditures in line with regulations set by the company
4. Approve investment expenditures as specified in the annual budget or as approved by the company's Board of Directors in the annual budget or as specified in principal by the company's Board of Directors.
5. Approve in principal investments for business expansion and joint ventures with other business operators then present to the Board of Directors for approval at the next meeting.
6. Approve the appointment of persons authorized to sign checks or the company's payment documents.
7. Serve as a consulting committee for the management division on policies involving production, marketing, finance and management of personnel and other operations.
8. Approve employee transfers and terminations.
9. Any actions assigned by the company's Board of Directors.

### (3) Audit Committee

The Board of Directors has selected from the audit committee three independent directors and at least one expert in accounting and finance. In all, the company has five audit directors as follows;

1. Mr. Yanyong Thawarorit
2. Dr. Tiwa Sappakit
3. Mr. Erwin Muller
4. Mr. Somkad Sueptrakul
5. Mr. Rachai Wattanakasaem

With the Internal Audit Department Manager is the secretary. The audit committee formed the Audit Committee Charter, proposed the aforementioned to the Board of Directors for consideration of approval and announcement for enforcement in the performance of duties as assigned by the Board of Directors.

#### Scope of the Audit Committee's Authority and Duties

1. Check to determine the accuracy and adequacy of the company's financial reports.
2. Check to assure the company has internal control and internal audit systems that are effective and appropriate with evaluation of the independence of internal control together with providing consent in considerations of transfers, layoffs/terminations of section chiefs, internal control, or other responsible departments related to internal control.

3. Check the company's performance in compliance with the laws governing securities and the stock exchange, the regulations set forth by the Stock Exchange of Thailand, and laws related to the company's businesses.

4. Consider the selection and proposal of the appointment of independent auditors of the company's accounting and the proposal of remuneration for the auditors with attendance at meetings with the auditor without the attendance of the Management Department at least once per year.

5. Examine related transactions or transactions with potential conflicts of interest for compliance with the laws and regulations of the stock exchange, in order to ensure that the aforementioned transactions are reasonable and in the company's maximum interests.

6. Prepare Audit Committee reports by disclosing in the company's annual report, which requires the signature of the Audit Committee Chairman.

7. Perform any other tasks assigned by the Board of Directors with approval from the Audit Committee.

Mr. Yanyong Tawarorit is an Audit Director with knowledge and experience in reviewing the company's financial statements.

#### (4) Remuneration Committee

The Board of Directors has appointed the Remuneration Committee by selecting from three of the company's directors as follows;

1. Mr. Erwin Muller
2. Mr. Pakhawat Kovithvathanaphong
3. Mrs. Suchada Sotitpakul

With the Secretary of the company's Board of Directors is the secretary.

#### Scope of Authority and Duties of the Remuneration Committee

1. Set policies, criteria and methods for nominating directors and high-ranking executives for proposal to the Board of Directors for consideration of approval.
2. Set policies for payment of remuneration and other benefits, including the amount of remuneration and other benefits to directors and high-ranking executives by the application of clear and transparent criteria for proposal to the Committee for consideration and be able to send policies to relevant governing agencies upon request.
3. Set guidelines for assessing the performance of directors and high-ranking executives in order to consider annual remuneration adjustments by considering the duties, responsibilities and risks involved along with giving importance to long-term increases in shareholders' equity accompanying the consideration and assessments.
4. Perform any other tasks assigned by the Board of Directors.

#### (5) Risk Management Committee

The Board of Directors has appointed the Risk Management Committee by selecting from four of the company's directors as follows;

1. Mr. Pakawat Kowitwattanapong
2. Mrs. Suchada Sotitpakul
3. Mr. Suchat Charoenpornpanichkul
4. Mr. Rachai Wattanakasaem

With the Manager of the Risk Management Department is the Secretary.

The Risk Management Committee has a primary mission to establish the scope of the work system for use in managing significant risks with impacts on the company's performance and prepare strategies for preventing risks which can be appropriately used for proposal to the Executive Committee together with adjusting and supporting various instruments as necessary for improved risk management.

#### Scope of the Risk Management Committee's Authority and Duties

The Risk Management Committee works independently and reports directly to the Executive Committee with the following authority, duties and responsibilities:

1. The Risk Management Committee designates risk management policies and guidelines of the business group for presentation to the Executive Committee in order to consider overall risk management, which must cover various types of significant risks such as credit risks, market risks, liquidity risks, foreign exchange rate risks, product price risks and risks with impacts on the business group's reputation, etc.
2. The Risk Management Committee outlines strategies for concurrence with risk management policies with ability to assess, monitor and manage the business group's risk amounts at suitable levels.
3. The Risk Management Committee controls, monitors, checks and assesses risk management outcomes together with ensuring that companies in the business group comply with set risk management policies.
4. The Risk Management Committee reviews adequacy of risk management policies and systems including system efficiency and compliance with designated policies.

### **9.3 Nomination and Appointment of Directors and High-Ranking Executives**

The company has two methods for nominating and appointing directors and high-ranking executives as follows:

Method 1 – The number of directors in the company depends upon shareholders’ resolutions as deemed fitting by the management. However, the Company must have no less than five directors in compliance with public laws.

Method 2 – The Board of Directors is the Nominating Committee that will nominate persons with experience, knowledge, capabilities and backgrounds in compliance with public laws to replace the company’s directors who are released from office upon the expiration of terms or resignations for other reasons, or in cases of increases or decreases in line with expansions or reductions in business size before proposal to the shareholders’ meeting.

#### **9.4 Governance of Subsidiary and Joint Venture Company Performance**

The company systematically governs the performance of its subsidiaries and joint venture companies as follows:

(1) The company appoints persons with knowledge and capabilities to be directors and executive officers in each subsidiary company in order to designate controlling policies have management power and every company is required to report and meet with the mother company’s Executive Director on a monthly basis. For executive officers at other levels, periodical meetings will be held.

(2) With regard to performance, subsidiaries will send financial statements on a monthly basis to prepare financial statements for every month with the parent company in order to monitor and analyze the monthly performance of subsidiaries.

(3) Every month after merging financial statements with the mother company, the Internal Auditing Department will be sent to analyze and examine various items and issues to be reported to the Audit Committee’s monthly meetings in order to check financial status data and determine whether or not transactions were carried out between the aforementioned companies and related persons, etc., in order to make up-to-date reports to the meeting of the Board of Directors, which will also meet on a monthly basis.

(4) Directors in subsidiaries appointed by the company to manage, control and handle subsidiaries have no authority to decrease capital, increase capital, terminate or expand businesses before receiving permission or approval from the parent company’s Board of Directors.

(5) The company and other shareholders have no written agreements on management of subsidiaries and joint venture companies. This issue must only be entered in shareholders’ meetings or meetings of the Board of Directors.

## 9.5 Supervising the Use of Inside Information

The company forbids executives or agencies with knowledge of inside information from disclosing inside information to outside persons or persons without duties involving the aforementioned inside information.

## 9.6 Auditors' Remuneration

The company and its subsidiaries have selected auditors from KPMG Phoomchai Audit Co., Ltd. to audit the financial statements of 2015 with the following auditing fees:

No.	Name of Payer Company	Name of Auditor	Audit Fee (Baht)
1	Thai Rubber Latex Corporation (Thailand) Pcl.	Mr. Vairoj Jindamaneepitak	1,010,000
2	Thai Rubber Latex Group Co., Ltd.	Mr. Vairoj Jindamaneepitak	1,840,000
3	Worldflex Pcl.	Mr. Yuthapong Suntarinka	780,000
4	Thai Rubber Land and Plantation Co., Ltd.	Mr. Yuthapong Suntarinka	500,000
5	Agrowealth Co., Ltd.	Mr. Vairoj Jindamaneepitak	170,000
6	Thai Rubber HPNR Co., Ltd.	Mr. Yuthapong Suntarinka	470,000
7	Wang Somboon Rubber Estate Co., Ltd.	Mr. Vairoj Jindamaneepitak	90,000
8	Latex Systems Co., Ltd.	Mr. Yuthapong Suntarinka	120,000
Total Audit Fees			4,980,000

## 9.7 Other Service Fees

- None -



## **10. Corporate Social Responsibilities: CSR**

Throughout the business operation of Thai Rubber Latex Corporation (Thailand) Pcl. and its subsidiaries are intends participate the responsibility in supporting and helps the living condition of local communities where the company is located for its business operation. Through the joint support of the public environment, support the development of education, assisting the relief of casualty; participate to promote the religious activities. Also to make livelihood for the people in the community as a private enterprise, with the intention to provide a happy community around and a community that builds the happiness by promoting the project.

### **10.1 Promote the Youth Development and Education**

The Project “**Thai Rubber Solution to Indigent, people are happy with bright environment**” is a project that the company recognizes the importance that the school will have its own income, and it can be applied to improve the quality of life for the education of the students better. Also to increase the green area for local community. It is conducted by the school to find the area of 20 hectares as the area of the school or area donated by the community and the company will plant the rubber tree, and will look after under the procedure of rubber planting for a period of not less than 6 years or until the tapping of latex production. The company is responsible to the total cost over the period which the school and community are in cooperation to look after the rubber tree. The company will buy that production and the income or profits from selling the product will belong to the school. The school and the community will take care of the proceeds as appropriate.

#### Objectives

1. To permanently promote the life quality of the community
2. To help the school have regular and long term income that lead to various developments without depending the state budget
3. To promote the knowledge, planting and take care the rubber plantations integrated with the teachers, students and people in the community near the school
4. To increase the green area for the locality and to reduce the global warming
5. To promote the life quality of the student, teacher and community which they can earn by their own long-term and permanent income.

#### Period to carry the Project

- up to 6 years from September 2009-2016 or until the tapping.

#### Project Participants

- Thai Rubber Latex Corporation (Thailand) Pcl. and its subsidiaries
- The School that participated the project by the teachers and students
- The community where the school is located
- Local government where it is located

### Place of the Project

- |                                 |  |
|---------------------------------|--|
| 1. Ban Mae Lua School           | Address: Moo 1, Ban Mae Lua, Tha Khao Plueak, Mae Chan District, Chiangrai       |
| Planted areas                   | 10 Rais approximate cost = Baht 160,000  |
| 2. Ban Mae Pang School          | Address: Moo 5, Ban Daen-Tha Khao Plueak Rd., Mae Chan District, Chiangrai       |
| Planted areas                   | 20 Rais approximate cost = Baht 320,000  |
| 3. Ban Tub Kumantong School     | Address: Moo 8, Ban Tab Kumantong, Tha Khao Plueak, Mae Chan District, Chiangrai |
| Planted areas                   | 20 Rais approximate cost = Baht 320,000  |
| 4. Ban Mae Lak Nein Tong School | Address: Moo 6, Tha Khao Plueak, Mae Chan District, Chiangrai                    |
| Planted areas                   | 6 Rais approximate cost = Baht 96,000  |

### Results of Performance

- |                                 |  |
|---------------------------------|--|
| 1. Ban Mae Lua School           | started to conduct Year 2009 up to Present |
| 2. Ban Mae Pang School          | started to conduct Year 2009 up to Present |
| 3. Ban Tub Kumantong School     | started to conduct Year 2009 up to Present |
| 4. Ban Mae Lak Nein Tong School | started to conduct Year 2009 up to Present |

## **10.2 Promotes the knowledge and building the livelihood of the community**

### **Training “Basic Rubber Tapping”**

The company has recognized the importance of strengthening the livelihood of the community. The training programs is to educate people in the community where the plantation of the company is located or for those interested individuals in general to take as their main occupation or part-time job that could raise their family in a regular basis income. The company is ready to accepts the participants to tap the rubber of the company at present or be listed as the tapper of the company and in the future at the rubber plantation that are offering to tap the rubber. As the issues to increase their income to create the stability in the community and contribute the wellness of the community itself.

### Objectives

1. To allow public in general understand and recognize the correct method of how to tap the rubber
2. To encourage people in the community and individuals to have a livelihood and as an skilled labor
3. As an alternatives for the people in the community or public in general to have more choice of occupation
4. To let the people in the community and the public in general can earn the regular income or special income out from main occupation
5. The people in the community will not longer find a living far from the original habitation

#### Period to carry the Project

- The training will be conducted at least 2 season or as appropriate

#### Project Participants

- Local community and nearby places
- Interested people in general
- Company and subsidiaries
- Local government sector

#### Details of Activities

- Provide the lecturer of theory and practical
- Provide the place for actual training of rubber trees
- Evaluate and advice of how to solve the problem
- To be listed as tapper of the rubber company
- Awarding the certificate according to the courses of the company

### **10.3 Promote the charitable activities**

To promote Buddhism preservation for the soul of all people in the community and build good relationship between community and company at the business area operation. The company has seen the importance of the activities that promote Buddhism by merit-making together with the community. The project of Thot Kathin is annually organized at the area where the company operated.

#### Objectives

1. To build harmony and good relationship between the company and the community
2. To promote Buddhism preservation
3. To build the local events with the community themselves
4. Focus on making benefits as a whole towards community

#### Operation

- The company will select the needy temple or with factor that preserves Buddhism
- To choice the temple at the community where the company operates its business
- Organize an annual Thot Kathin at least 1 temple or more
- The company will act as the host of Thot Kathin through the cooperation of the individual at the community and people in general
- The ceremony of Thot Kathin is cooperated with the community at the area of the temple itself.

Result of Project Performance : Holding a religious ceremony as follows;

2010 At Wat Tha Khao Plueak, Mae Chan District, Chiangrai

2011 At Wat Na Lai, Wiangsa District, Nan

2012 At Wat Mae Lak, Mae Chan District, Chiangrai

2013 At Wat Phrathat Chommok Kaew Dhummaram, Mae Lao, Chiangrai

2014-2015 At Wat Sresakorn, Mae Sakorn, Mueang District, Nan

## **11. Internal Control**

### **11.1 Summary of the Board of Directors' Opinion on the company's Internal Control**

In the Board of Directors' meeting no.2/2016 on 26 February 2016, the Board of Directors agreed that the company has sufficient and appropriate internal corporate control to conduct its business. The control system is free of significant loopholes, being capable of protecting the company and its assets from harm. The system also has checks and balances to underscore transparency and credibility.

By having organizational structure that has company directors and 4 sub-units of directors and the top management having the objective to set up an organizational structure by dividing according to various functions and duties of administration, management and authority, and responsibilities to perform management functions and duties efficiently whereby the top management shall have the responsibilities to make sure that all aspects of company's policies and objectives are carried out and achieved accordingly.

#### **(1) High-Ranking Executives**

The company has clear fields of operation. The chain of command is balanced with sub-committees governing and overseeing internal auditing under the Audit Committee.

#### **(2) Employee and Operational Staff Management**

The company has clearly set qualifications for employees in each position with duties and responsibilities, remuneration structures and growth structures for employees in every position, including consideration of ongoing training both inside and outside the corporation with a system for assessing performance using Key Performance Indicators (KPI).

#### **(3) Communications Inside and Outside the Corporation**

The company communicates to ensure that all levels of employees, executive officers and directors are aware of various policies, specifications, penalties and measures together with control of the scope of authority and duties at each step via notifications and electronic media.

## Report of the Audit Committee

In the fiscal year 2015, the Audit Committee has been delegated by the Board of Directors of the company to perform their duties. The Audit Committee consists of experts in financial accounting and organization management namely;

Mr. Yanyong Tavarorit	Chairman of the Audit Committee
Dr. Tiwa Sappakit	Audit Committee
Mr. Erwin Muller	Audit Committee
Mr. Somkad Sueprakul	Audit Committee
Mr. Rachai Wattanakasaem	Audit Committee

And Mr. Bundit Hongsuwan, Senior Manager of Internal Audit is the secretary.

The Audit Committee is responsible for the procedure of the management including to prepare and disclosures the financial information, internal audit, internal control in compliance the rules and regulations and related laws. A regular checking, monitoring and report from the Board of directors as elaborated below;

- (1) In 2015, the meeting of the audit committee had conducted 9<sup>th</sup> times.
- (2) It has considered the importance of financial statement report and review the reliability of financial statements including the quarterly financial statements and annual financial statement covering the accounting policies, and disclosures of financial statement to assure it has conducted under the accounting standard following the Notification of the Office of the Securities and Exchange Commission, Notification of The Stock Exchange of Thailand and related laws for the benefits of the investor or users of financial statements in deciding to invest. Thus, the Audit Committee has reviewed the quarterly financial statements and annual financial statement, and financial budget together with the board of the company every quarter. Also invited the auditor to attend the Annual General Meeting of the Shareholder so the shareholder can raise their questions about the financial statements.
- (3) To select the auditor and fixed the audit fee propose to the board of directors for the approval at the annual general meeting of the shareholders.
- (4) To consider the annual audit plan of the Internal Audit Department and recommend the practices. For the operation of the company be transparent, honest, neutral and legal under the objectives and rules and regulations of the company in compliance the operation of the company under the guidelines of the board of director that are involved in determining the vision, mission and strategy. To make the operation more efficient and effective to increase the economic value that will provide the maximum stability to the shareholders.

- (5) The meeting of the audit committee has invited the top executives to provide the information and ask about the management and invite the auditor to attend the meeting without the management of the company attended the meeting 1 time.
- (6) The appointment, removal and transfer to take the post of chief of internal audit committee must be approved by the audit committee each time.
- (7) The audit committee has considered that Mr. Bundit Hongsuwan is qualified and suitable as the chief of internal audit. He earned the degree in accountancy, finance, related laws and has experience about this work.

### **Adequacy of internal controls and internal audit**

The audit committee has reviewed the adequacy of internal control systems of the company from the assessment of internal controls that the auditor has reported on a monthly basis. Including the evaluation of internal control systems that has an impact on financial statements of the company. The opinion of the auditor coherent that found no issues or defects that is significant. Therefore the audit committee has considered that the company has the adequate, effective internal control system and appropriate to its business operation.

The particular of internal audit, the audit committee has reviewed the performance of internal auditor ensuring that the process of internal audit has efficiently and effectively according to the approved annual plan. As well as improve the charter of internal audit department according to international standards that overseeing the development of internal audit to increase the value more enduring and continuously such as the development of knowledge, skill of the auditor to be more professional, and development in auditing in accordance the principles of international standard to achieve the expected goals. As well as the constant improving for the quality of auditing, personnel and the operation shall in accordance the international standard in the profession of internal auditing.

### **In compliance the law of the Securities and Exchange Commission, regulations of the Stock Exchange of Thailand and laws related with the business of the company.**

The audit committee has reviewed the performance of the company in accordance the Securities and Exchange Commission, rules and regulations of the Office of the Securities and Exchange Commission, laws of the Stock Exchange of Thailand, Capital Market Supervisory Board and laws related with the business operation of the company. Including the binding requirements that could have happened from the agreement entered with third party and other demands. Therefore the audit committee has considered that the company has complying the laws and related laws correctly, accurately and up-to-date.

### **Suitability of the Auditor, considered to select and propose to nominate the auditor**

The Audit Committee has considered to select and nominate the auditor. By considering the independency, skill-knowledge and experience of the auditor including the appropriateness of fee to ensure that the duty of the auditor is satisfactory and can provide the benefit to all stakeholders. The Audit Committee has considered that the auditor of the KPMG is independent, with knowledge and experience to work the accountancy, attributed to the performance in the past year was found to be satisfactory. Therefore it has proposed to the board of directors to take this matter obtaining the approval from the General Meeting of the Shareholders to appoint 1. Mr. Niran Leelamethawat, Auditor, License No. 2316 and/or 2. Mr. Vairoj Jindamaneepitak, Auditor, License No. 3565 and/or 3. Miss Nitaya Chitachotirot, Auditor, License No. 4439 and/or 4. Mr. Yuthapong Suntarinka, Auditor, License No. 10604 as 2015 auditors of the company and its subsidiaries, by the compensation of the company and its subsidiaries amounting to 4.98 million baht.

### **Comments and overall observation from the performance under the charter**

The Audit Committee has evaluated the overall performance as a group by evaluating the performance of audit committee manually which consists of 2 parts;

Part 1 perform the duty together with the audit committee and

Part 2 the specific duty of the audit committee by Part 2 is divided into 6 parts such as;

- (1) The review of the company's financial reports are accurate and sufficient
- (2) The review of the company's internal control and internal audit where appropriate and effectiveness
- (3) The review of the company's compliance with the Securities and Exchange Commission, terms of SET and laws relating to the business of the company.
- (4) To nominate the auditor
- (5) To consider the transaction or transactions that may have the conflict of interests and
- (6) the report of the audit committee

The audit committee has the overall opinion that the audit committee has accurately perform their duties according to the charter of audit committee, and according to the role assigned by the board of directors. As well as provide the comments and suggestions pertaining to various stakeholders for the equal benefits of all parties.

-Signature-

(Mr. Yanyong Tavarorit)

Chairman of Auditing Committee

Thai Rubber Latex Corporation (Thailand) Pcl.

## **12. Related Party Transaction**

### **12.1 Related party transaction with who may have conflict in the year 2015**

In 2015, the company had business transaction with its subsidiaries, associated, related companies and related parties. Relationships are by ways of shareholdings, having directors or partial joining executives. The significant business transaction between the company and those companies are summarized below.

#### Abbreviation's Explanation

##### The company

TRUBB = Thai Rubber Latex Corporation (Thailand) Pcl.

##### Subsidiaries

THAITEX = Thai Rubber Latex Group Co., Ltd. (TRUBB holds 99.99% shares)

LS = Latex Systems Co., Ltd. (TRUBB holds 56.16% shares)

##### Associated Companies

WSB = Wang Somboon Rubber Estate Co., Ltd. (TRLP holds 48.43% shares in WSB)

##### Related Person

Mr. Vorathep Wongsasuthikul = Chairman, CEO and TRUBB's Shareholder

Mr. Prakit Waraprateep = Vice Chairman's son, Subsidiaries' Director and TRUBB's Shareholder



**(1) Buying and selling related party transactions which are normal business activities**

<b>Name and Relationship</b>	<b>Transaction Description</b>	<b>Transaction Value (Million Baht)</b>	<b>Necessity and Reasonability</b>
LS (Group of shareholders who collectively hold 3.45% Shares in TRUBB and hold 40.45% shares in LS)	TRUBB sold concentrated latex to LS as raw material for producing latex foam mattress.	8.78	<ul style="list-style-type: none"> <li>- LS bought concentrated latex from TRUBB because TRUBB is LS's parent company.</li> <li>- TRUBB's selling price to LS is the same as to other latex customers.</li> </ul>
LS (Group of shareholders who collectively hold 3.45% Shares in TRUBB and hold 40.45% shares in LS)	THAITEX sold concentrated latex to LS as raw material for producing latex foam mattress.	103.28	<ul style="list-style-type: none"> <li>- LS bought concentrated latex from THAITEX due to being related company of TRUBB.</li> <li>- THAITEX's selling price to LS is the same as to other latex customers.</li> </ul>
WSB (Group of shareholders who collectively hold 21.18% Shares in TRUBB and hold 18.21% shares in WSB)	THAITEX bought field latex from WSB's plantation as production raw material.	13.14	<ul style="list-style-type: none"> <li>- WSB's plantation is located in the same province as THAITEX's factory. It is logistically reasonable to purchase due to reducing transportation cost.</li> <li>- THAITEX's purchasing price from WSB is the same as to other rubber gardeners in the same region.</li> </ul>
SDR (Group of shareholders who collectively hold 35.39% Shares in TRUBB and hold 80.42% shares in WSB)	THAITEX bought field latex from SDR's plantation as production raw material.	3.87	<ul style="list-style-type: none"> <li>- SDR's plantation is located in the same province as THAITEX's factory. It is logistically reasonable to purchase due to reducing transportation cost.</li> <li>- THAITEX's purchasing price from SDR is the same as to other rubber gardeners in the same region.</li> </ul>

<b>Name and Relationship</b>	<b>Transaction Description</b>	<b>Transaction Value (Million Baht)</b>	<b>Necessity and Reasonability</b>
Mr. Prakrit Waraprateep (hold 4.77% shares in TRUBB)	THAITEEX bought field latex from Mr. Prakrit's plantation as production raw material.	0.52	- Mr. Prakrit's plantation is located in the same province as THAITEEX's factory. It is logistically reasonable to purchase from his plantation.  - THAITEEX's purchasing price from Mr. Prakrit is the same as to other rubber gardeners in the same region.

(2) Related Party Service Transactions

<b>Name and Relationship</b>	<b>Transaction Description</b>	<b>Transaction Value (Million Baht)</b>	<b>Necessity and Reasonability</b>
Mr. Prakrit Waraprateep (hold 4.77% shares in TRUBB)	THAITEEX's factory in Chantaburi province rent the land from Mr. Prakrit as the site for the latex concentrate factory with five centrifuging machines.	0.10	Renting land is a way to reduce the investment in fixed assets as the small factory such as Chantaburi branch. In addition the rent charged, Baht 8,000 per month, is lower than that of nearby comparable plot of land. Rent duration is 10 years. Contract will be expired in June 2015. In the middle of 2015, renewing a contract with increasing the rent charges to Baht 8,800 per month, 3 years rental period. The new contract will expire in June 2018.

### (3) Related Borrowing Transactions

<b>Name and Relationship</b>	<b>Transaction Description</b>	<b>Transaction Value (Million Baht)</b>	<b>Necessity and Reasonability</b>
Mr. Vorathep Wongsasujthukul (hold 5.66% shares in TRUBB)	Mr. Vorathep Wongsasujthukul has lended money to TRUBB in short term Promissory Note (since 25 December 2015-30 March 2016) with 3% interest rate per year.	20.00	- TRUBB has borrowed Promissory Note from the Director with 3% interest rate per year lower than that borrowed from bank, 3.725%-3.90% per year (3 month period). - TRUBB has benefit from borrowing with lower interst rate than that from bank.

### (4) Related Debt guarantee Transactions

<b>Name and Relationship</b>	<b>Transaction Description</b>	<b>Transaction Value (Million Baht)</b>	<b>Necessity and Reasonability</b>
LS (Group of shareholders who collectively hold 3.45% Shares in TRUBB and hold 40.45% shares in LS)	TRUBB has guaranteed the credit line of LS borrowed from Bangkok Bank Pcl.	30.00	- LS is the subsidiary which TRUBB holds 56.16% shares.

#### Policy in setting up price of related party transaction

Policy details are disclosed in the notes to consolidated financial statements point no.4, in the annual financial statements report of year 2015, which was audited by the Certified Public Accountant.

#### **12.2 Necessary and Justification of Related Party Transaction**

The company describes necessary and justification of related party transaction in the above tables. Board of Directors and Audit Committee certified above related party transactions on 26 February 2016.

#### **12.3 Policy of Future Related Party Transaction**

The company has no policy to create new related transaction, however, if necessary, the company will carry out the transaction in the way that is most beneficial to the shareholder. The transactions carried out in 2015 will continue in 2016.

# Financial Status and Operating Results

## 13. Important Financial Data

### 13.1 Financial Statements Summary

#### Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in Baht)</i>					
<b>Current assets</b>					
Cash and cash equivalents	5	128,622,001	281,316,677	7,916,027	9,598,666
Trade accounts receivable	4, 7	854,760,356	1,126,055,128	413,711,738	447,785,977
Other accounts receivable	4, 8	74,755,610	151,056,474	34,435,790	52,811,213
Short-term loans to related parties	4	-	-	1,298,550,000	1,422,750,000
Short-term loans to other parties		9,732,098	2,303,816	7,224,283	116,665
Inventories	9	1,051,111,573	1,070,004,372	151,881,649	159,621,767
Assets classified as held for sale	15	440,000	440,000	-	-
Other current assets		85,683,668	75,874,091	37,732,794	29,062,042
<b>Total current assets</b>		<b>2,205,105,306</b>	<b>2,707,050,558</b>	<b>1,951,452,281</b>	<b>2,121,746,330</b>
<b>Non-current assets</b>					
Restricted bank deposit		-	2,143,752	-	-
Investments in associates	10	32,768,191	33,242,937	-	-
Investments in subsidiaries	11	-	-	1,893,670,467	1,680,162,619
Other long-term investments	6	-	-	-	-
Long-term loans to other parties		4,185,590	-	4,185,590	-
Investment properties	13	528,610,000	468,648,638	87,400,000	87,400,000
Property, plant and equipment	14	2,594,725,305	2,682,653,486	202,074,098	217,476,328
Assets classified as held for sale	15	-	21,188,598	-	-
Intangible assets	16	665,970	966,377	-	338,569
Land possessory rights	17	192,444,240	181,448,156	6,270,000	6,270,000
Rubber plantation development costs	19	809,549,892	752,147,684	-	-
Withholding tax deducted at source		115,982,131	90,300,520	61,928,011	48,114,473
Deposit for purchase of land		-	350,625	-	-
Advance payment for land possessory rights	18	45,000,000	43,716,586	-	-
Deferred tax assets	20	49,640,022	52,748,140	28,409,107	28,588,856
Other non-current assets		9,347,325	29,005,105	3,280,958	2,519,697
<b>Total non-current assets</b>		<b>4,382,918,666</b>	<b>4,358,560,604</b>	<b>2,287,218,231</b>	<b>2,070,870,542</b>
<b>Total assets</b>		<b>6,588,023,972</b>	<b>7,065,611,162</b>	<b>4,238,670,512</b>	<b>4,192,616,872</b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of financial position**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December	31 December	31 December	31 December
<b>Liabilities and equity</b>		2015	2014	2015	2014
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	21	4,213,604,221	4,408,065,021	1,128,085,651	956,791,159
Trade accounts payable	4, 22	97,354,087	139,508,522	411,553,242	207,155,135
Other accounts payable	4, 23	66,821,423	48,431,161	12,398,529	11,390,165
Short-term loans from related parties	4, 21	28,000,000	8,000,000	1,416,250,000	1,648,550,000
Current portion of long-term loans from financial institutions	21	78,460,000	101,800,000	-	-
Current portion of finance lease liabilities	21	63,211,568	60,381,838	8,589,037	8,113,097
Accrued expenses	4	87,504,095	128,448,387	6,195,441	8,511,600
Income tax payable		7,267,993	2,022,829	-	-
Other current liabilities		7,486,090	37,317,923	1,812,031	5,927,174
<b>Total current liabilities</b>		<b>4,649,709,477</b>	<b>4,933,975,681</b>	<b>2,984,883,931</b>	<b>2,846,438,330</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	21	6,940,000	95,400,000	-	-
Finance lease liabilities	21	150,280,234	212,631,612	22,051,875	30,640,912
Employee benefit obligations	24	59,540,489	44,414,859	7,820,492	6,476,230
Deferred tax liabilities	20	43,564,951	39,886,309	-	-
Other non-current liability		3,000,000	-	-	-
<b>Total non-current liabilities</b>		<b>263,325,674</b>	<b>392,332,780</b>	<b>29,872,367</b>	<b>37,117,142</b>
<b>Total liabilities</b>		<b>4,913,035,151</b>	<b>5,326,308,461</b>	<b>3,014,756,298</b>	<b>2,883,555,472</b>
<b>Equity</b>					
Share capital:					
Authorised share capital	25	749,607,657	749,607,657	749,607,657	749,607,657
Issued and paid-up share capital	25	681,479,688	681,479,688	681,479,688	681,479,688
Additional paid-in capital					
Premium on ordinary shares	25	342,170,431	342,170,431	342,170,431	342,170,431
Retained earnings (deficit)					
Appropriated					
Legal reserve	26	121,136,453	119,189,486	58,650,000	58,650,000
Unappropriated (deficit)		(319,733,634)	(292,371,212)	33,827,153	111,864,924
Other components of equity		684,301,155	756,178,332	107,786,942	114,896,357
<b>Equity attributable to owners of the Company</b>		<b>1,509,354,093</b>	<b>1,606,646,725</b>	<b>1,223,914,214</b>	<b>1,309,061,400</b>
Non-controlling interests	12	165,634,728	132,655,976	-	-
<b>Total equity</b>		<b>1,674,988,821</b>	<b>1,739,302,701</b>	<b>1,223,914,214</b>	<b>1,309,061,400</b>
<b>Total liabilities and equity</b>		<b>6,588,023,972</b>	<b>7,065,611,162</b>	<b>4,238,670,512</b>	<b>4,192,616,872</b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2015	2014	2015	2014
<i>(in Baht)</i>					
<b>Income</b>					
Revenue from sales of goods and rendering of services	36	8,855,544,674	11,392,295,523	2,253,443,028	2,226,219,153
Other income	28	134,724,764	148,454,110	78,492,495	85,101,951
<b>Total income</b>		<b>8,990,269,438</b>	<b>11,540,749,633</b>	<b>2,331,935,523</b>	<b>2,311,321,104</b>
<b>Expenses</b>					
Cost of sales of goods and rendering of services		8,072,364,909	10,761,433,606	2,144,535,508	2,153,121,430
Selling expenses	29	346,778,680	370,925,341	45,167,799	47,289,266
Administrative expenses	30	343,604,842	365,200,238	51,440,966	92,415,473
Other expenses	31	60,595,561	-	72,113,259	-
Finance costs	34	165,680,567	198,504,376	103,166,387	117,933,250
<b>Total expenses</b>		<b>8,989,024,559</b>	<b>11,696,063,561</b>	<b>2,416,423,919</b>	<b>2,410,759,419</b>
Share of profit (loss) of investments in associates	10	(394,966)	5,981,362	-	-
<b>Total</b>		<b>(394,966)</b>	<b>5,981,362</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) before income tax expense</b>		<b>849,913</b>	<b>(149,332,566)</b>	<b>(84,488,396)</b>	<b>(99,438,315)</b>
Income tax benefit (expense)	35	(36,040,509)	25,296,066	(275,558)	21,335,317
<b>Loss for the year</b>		<b>(35,190,596)</b>	<b>(124,036,500)</b>	<b>(84,763,954)</b>	<b>(78,102,998)</b>
<b>Other comprehensive income</b>					
<i>Items that will never be reclassified to profit or loss</i>					
Revaluation of property, plant and equipment					
- Transfer to investment properties		-	182,932,665	-	-
- Under sales and leaseback transaction		-	231,466,564	-	42,021,647
- Others		-	(2,053,091)	-	(2,103,436)
Income tax on other comprehensive income	20	1,492,789	(88,670,371)	95,808	(9,644,392)
Defined benefit plan actuarial losses	24	(7,463,943)	-	(479,040)	-
		(5,971,154)	323,675,767	(383,232)	30,273,819
<i>Items that are or may be reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations					
		(4,332,859)	(4,080,638)	-	-
Adjustments of revaluation surplus on assets					
		(12,628,876)	-	-	-
Share of comprehensive income (loss) of investments in associates					
	10	(79,780)	-	-	-
		(17,041,515)	(4,080,638)	-	-
<b>Other comprehensive income for the year, net of income tax</b>		<b>(23,012,669)</b>	<b>319,595,129</b>	<b>(383,232)</b>	<b>30,273,819</b>
<b>Total comprehensive income for the year</b>		<b>(58,203,265)</b>	<b>195,558,629</b>	<b>(85,147,186)</b>	<b>(47,829,179)</b>
<b>Loss attributable to:</b>					
Owners of the Company					
		(76,195,240)	(123,367,836)	(84,763,954)	(78,102,998)
Non-controlling interests					
	12	41,004,644	(668,664)	-	-
<b>Loss for the year</b>		<b>(35,190,596)</b>	<b>(124,036,500)</b>	<b>(84,763,954)</b>	<b>(78,102,998)</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company					
		(97,292,632)	195,164,266	(85,147,186)	(47,829,179)
Non-controlling interests					
	12	39,089,367	394,363	-	-
<b>Total comprehensive income for the year</b>		<b>(58,203,265)</b>	<b>195,558,629</b>	<b>(85,147,186)</b>	<b>(47,829,179)</b>
<b>Loss per share</b>					
Loss per share <i>(in Baht)</i>					
	37	(0.11)	(0.18)	(0.12)	(0.11)

## Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

### Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Loss for the year	(35,190,596)	(124,036,500)	(84,763,954)	(78,102,998)
<b><i>Adjustments for</i></b>				
Depreciation and amortisation	211,667,872	159,043,013	16,801,734	12,566,180
Amortisation of rubber plantation development costs	8,203,693	99,221	-	-
Provision for (reversal of) doubtful accounts and bad debts expenses	41,142,093	56,094,137	(9,600)	33,306,920
Investment income	(2,027,013)	(3,106,319)	(66,196,501)	(62,015,774)
Finance costs	165,680,567	198,504,376	103,166,387	117,933,250
Impairment loss on investment in subsidiary	-	-	12,492,152	-
Increase in fair value adjustment of investment properties	(59,961,362)	(529,562)	-	(529,562)
Adjustments of revaluation surplus on assets	(12,628,876)	(14,131,818)	-	-
Unrealised foreign exchange (gain) losses	(8,101,408)	(3,725,400)	(263,780)	997,069
Gain on disposal of property, plant and equipment	(15,453,770)	(387,557)	(560,648)	-
Loss on written-off of property, plant and equipment	18,368	494,345	-	-
Gain on disposal of assets classified as held for sale	(28,027,298)	(21,534,002)	-	-
Provision for employee benefits	7,926,543	6,622,354	865,222	754,656
Share of (profit) loss of investments in associates, net of income tax	394,966	(5,981,362)	-	-
Written-off of withholding tax	-	7,378	-	-
Gain recognised as a result of remeasuring of fair value of the previously held interest	-	(5,922,650)	-	-
Income tax expense (benefit)	36,040,509	(25,296,066)	275,558	(21,335,317)
	309,684,288	216,213,588	(18,193,430)	3,574,424
<b><i>Changes in operating assets and liabilities</i></b>				
Trade and other accounts receivable	311,912,541	356,683,308	52,362,353	66,748,353
Inventories	18,892,799	346,677,205	7,740,118	14,361,103
Other current assets	(18,620,352)	(39,819,889)	(8,654,207)	(21,577,751)
Other non-current assets	18,219,367	5,886,456	(761,261)	1,832,787
Trade and other accounts payable	(25,643,321)	(83,461,191)	205,658,392	(50,110,690)
Accrued expenses	(40,944,292)	33,762,698	(2,316,159)	1,385,502
Other current liabilities	(29,831,833)	29,701,118	(4,115,143)	3,531,926
Provision for employee benefits	(264,856)	(4,593,650)	-	(283,200)
Other non-current liability	3,000,000	-	-	-
Cash generated from operating activities	546,404,341	861,049,643	231,720,663	19,462,454
Income tax received	-	85,172,202	-	83,513,879
Income tax paid	(48,197,407)	(54,692,358)	(13,813,539)	(16,200,724)
<b>Net cash from operating activities</b>	<b>498,206,934</b>	<b>891,529,487</b>	<b>217,907,124</b>	<b>86,775,609</b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Interest received	2,173,993	3,050,732	63,682,988	62,757,779
Dividends received	-	1,606,800	2,874,202	3,596,455
(Increase) decrease in restricted bank deposit	2,143,752	(33,582)	-	-
Repayment of short-term loans to related parties	-	-	(1,126,400,000)	(862,536,615)
Proceeds from short-term loans to related parties	-	-	1,250,600,000	657,870,000
Increase in short-term loans to other parties	(11,613,872)	(47,665)	(11,293,208)	(47,665)
Purchase of property, plant and equipment	(142,110,228)	(267,120,696)	(1,061,035)	(23,764,544)
Proceeds from sale of property, plant and equipment	39,228,968	329,096,066	560,748	60,276,526
Proceeds from sale of assets classified as held for sale	49,215,896	114,768,766	-	-
Purchase of intangible assets	(551,044)	(26,750)	-	-
Purchase of land possessory rights	(353,199)	(1,072,775)	-	-
Increase in rubber plantation development costs	(41,446,427)	(142,431,753)	-	-
Decreased in deposit for purchase of land	350,625	8,162,742	-	-
Increase in advance payment for land possessory rights	-	(43,716,586)	-	-
Proceeds from sale investment in subsidiary	-	14,898,010	-	-
Payments for investment in subsidiaries - net cash received	-	(8,267,588)	(226,000,000)	(67,609,975)
<b>Net cash from (used in) investing activities</b>	<b>(102,961,536)</b>	<b>8,865,721</b>	<b>(47,036,305)</b>	<b>(169,458,039)</b>
<b><i>Cash flows from financing activities</i></b>				
Interest paid	(185,807,378)	(220,655,301)	(102,807,060)	(114,848,197)
Other finance costs paid	(4,899,732)	(6,243,801)	(627,793)	(654,901)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(194,460,800)	(437,106,875)	171,294,492	(429,024,262)
Finance lease payments	(60,528,746)	(9,213,274)	(8,113,097)	(1,729,042)
Proceeds from short-term loans from related parties	20,000,000	13,000,000	765,260,000	1,297,500,000
Repayment of short-term loans from related parties	-	(5,000,000)	(997,560,000)	(678,950,000)
Proceeds from short-term loans from other party	5,000,000	-	-	-
Repayment of short-term loans from other party	(5,000,000)	(19,000,000)	-	-
Proceeds from long-term loans	-	4,000,000	-	-
Repayment of long-term loans	(111,800,000)	(95,150,000)	-	-
Proceeds from issue of ordinary shares	-	82,782	-	82,782
Share received of subsidiary from non-controlling interest	-	28,800,000	-	-
Dividends paid of subsidiaries to non-controlling interest	(6,110,615)	(2,804,073)	-	-
<b>Net cash from (used in) financing activities</b>	<b>(543,607,271)</b>	<b>(749,290,542)</b>	<b>(172,553,458)</b>	<b>72,376,380</b>
Decrease in translation difference	(4,332,859)	(4,080,638)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(152,694,732)</b>	<b>147,024,028</b>	<b>(1,682,639)</b>	<b>(10,306,050)</b>
Cash and cash equivalents at 1 January	281,316,677	130,747,057	9,598,666	19,904,716
Effect of exchange rate changes on balances held in foreign currencies	56	3,545,592	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>128,622,001</b>	<b>281,316,677</b>	<b>7,916,027</b>	<b>9,598,666</b>
<b><i>Supplemental disclosures of cash flow information</i></b>				
<b>Non-cash transactions</b>				
Depreciation on revalued portion	54,316,427	25,957,151	8,886,768	4,790,755
Assets acquired under financial lease and hire purchase agreements	1,007,098	356,457,140	-	55,362,870
Land possessory rights	9,827,320	-	-	-



## 13.2 Financial Ratio

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

### Financial Ratio

	<b>Consolidated</b>	
	<b>financial statements</b>	
	<b>2015</b>	<b>2014</b>
<b><u>LIQUIDITY RATIO</u></b>		
Current Ratio (times)	0.47	0.55
Quick Ratio (times)	0.21	0.29
Operating Cash Flow to Current Liabilities Ratio (times)	0.10	0.17
Accounts Receivable Turnover (times)	8.94	8.58
Average Collection Period (days)	40.26	41.94
Inventory Turnover (times)	7.61	8.85
Inventory Conversion Period (days)	47.30	40.67
Accounts Payable Turnover (times)	68.16	68.52
Average Payment Period (days)	5.28	5.25
Cash Cycle (days)	82.28	77.35
<b><u>PROFITABILITY RATIO</u></b>		
Gross Profit Margin	8.84%	5.54%
Operating Profit Margin	1.88%	0.38%
Others Profit Margin	1.49%	1.34%
Operating Cash Flow to Operating Profit Ratio	298.46%	2064.18%
Net Profit Margin	-0.39%	-1.07%
ROE	-2.06%	-7.83%
<b><u>EFFICIENCY RATIO</u></b>		
ROA	-0.52%	-1.77%
Return on Fixed Assets	5.12%	1.04%
Fixed Assets Turnover (times)	2.49	3.41
Total Assets Turnover (times)	1.32	1.65
<b><u>FINANCIAL POLICY RATIO</u></b>		
Debt to Equity Ratio (times)	2.93	3.06
Interest Coverage Ratio (times)	3.79	5.62
Cash Flow Coverage Ratio (Cash Basis) (times)	1.58	2.39
Dividend Payout Ratio	n/a	n/a

## **14. Analyze and Explanation of the Management**

### **14.1 Overall Performance**

The company had net loss (on the equity holder of the company basis) 76.20 million Baht, compare to 2014 the company had 47.17 million Baht or 38% less loss.

The situation of rubber industry in 2015 had been continuously contracting. Average concentrate latex price was 35.68 Baht/kg, comparing to 2014, decrease 9.39 Baht/kg or 20.8% and average price of block rubber was 47.56 Baht/kg, decrease 8.82 Baht/kg or 15.56% (Source: Rubber Research Institute of Thailand – FOB Price)

### **14.2 Performance and Profitability**

Comparing operation result of 2015 and 2014, the company had sales and service income 8,856 million Baht; decrease 2,536 million Baht or 22% due to the lower latex (-20%) and block rubber (-16%) price. The company's selling price of latex was in line with the world market price, however, the block rubber selling price decreased greater than the world market price due to the subsidiary less competitiveness with competitors in the industry.

Cost of sales and service was 8,072 million Baht, decreased 2,689 million Baht or 25%, as a result of lower raw material price, more effective production cost control, and improving of rubber thread production which caused greater output and higher quality of rubber thread produced. The company had gross margin 783 million Baht, increased 152 million Baht or 24%. Gross profit margin was 8.84% which is higher comparing to 5.54% in 2014 due to higher utilization of production capacity of latex and rubber thread group which increase 3% and 10% respectively.

The company had net profit before tax 1 million Baht, increased 150 million Baht from 2014 and had net loss after tax 35 million Baht, decreased 89 million Baht, due to performance of each group as follow:

Latex and pre-vulcanized latex group had 18 million Baht profit before tax, increase 40 million Baht from 2014 due to 3% higher production volume and cost control, which make cost per unit and cost of goods sold lower. Nevertheless, our

average selling latex price was 39.67 Baht/kg, decreased 8.92 Baht/kg or 18% still higher than industry's average latex price aforementioned at 35.68 Baht/kg due to company's ability to markup as the leader in latex industry .

Block rubber group had 101 million Baht loss before tax, increase 43 million Baht from 2014 due to 10% lower production volume. Although, the strict cost control help improve gross profit margin to 3.04 from 1.69% in 2014. However, the profit margin incurred could not cover fixed cost.

Finished product group had 146 million Baht profit before tax, increased 232 million Baht from 2014 due to 10% higher production volume. Income from sales increased 203 million Baht or 13% due to more demand for our products in China after quality improvement.

Rubber plantation group had 59 million Baht loss before taxed, increase 77 million Baht from 2014 due to tapped trees proportion which is 43% or approximately 0.24 million trees, combining with declining rubber price, caused incomes not enough to cover fixed cost. However, tapped trees proportion will increase to 63% in 2016. Therefore if the rubber price is higher in the future, plantation should have higher income to cover its fixed cost and be profitable.

### **14.3 Asset Management**

#### **(1) Asset Components**

- Current Assets were valued at 2,205 million baht, a decline of 502 million baht (19 percent). This was due to a decrease of accounts receivable by 271 million baht, a decrease of other receivable by 76 million baht and a decrease of inventory by 291 million baht. The decline in rubber prices allowed the company to reduce usage of funds in accounts receivable and inventory.

- Non-current assets was valued at 4,383 million baht or an increase of 24 million baht. This was due to an increase valuation in real estate assets for investment of 60 million baht in 2015 and an increase in rubber plantation development costs of 57 million baht. On the other hand, occurring a decrease in land and equipment building of 88 million baht from selling assetes not generate income.

## (2) Impairment of Assets

The company's existing assets are reported in their fair value, without intention to deliberately impair their value. If impairments take place, the company reserves an amount to compensate for such impairments, accurately reflecting the asset quality corresponding to its true market value based on accepted accounting principles.

(3) Accounts Receivable: Accounts receivables from other businesses value at 911 million baht and net accounts receivables was 855 million baht (after deducting allowance for doubtful). In 2015, the company's accounts receivables had better quality. By considering from the following structure:

- Accounts receivable not reaching their maturity dates at 673 million baht or 68 percent of total accounts receivables from other businesses, rising from 65 percent of last year's figure

- Accounts receivable exceeding their maturity at 317 million baht or 32 percent, decreasing from the previous year's figure of 35 percent

- Accounts receivable allocated as bad debt at 136 million baht or 11 percent, by no allowance for doubtful increase in 2015

## **14.4 Liquidity and Capital Sufficiency**

### (1) Sources and Uses of Cash

- The company experienced changes to sources and uses of cash in the year 2015. The net cash flow from operating activities was worth 498 million baht, stemming from a decrease in usage of cash from accounts receivable and other receivable totaled 312 million baht. This was due to a decline in rubber prices.

- Appropriateness of capital structure: The company's capital structure mostly comprises of debt, with a debt to equity ratio of 2.93 times in 2015 decreasing from 3.06 times of last year's figure. The debt to equity ratio at the last day of the year will usually be the highest, whereas ratio values during the last days of Q1 and Q2 are significantly lower. In 2015, a decreasing of short and long-term loans occurring from a decline in rubber prices and selling assets not generate income of 88 million baht.

- Changes in shareholding structure: A decline of 98 million baht in equity attributable to owners of the company due to unappropriated accumulated deficits increased by 28 million baht and other components of equity reduced by 72 million baht.

### (2) Investment Expenditures

Net cash flow used in investing activities in 2015 was 103 million baht. The major sources of used cash were purchasing of land, building and equipment by 142 million baht. The company's machineries improvement is to increase production efficiency. In addition, a concentrated latex factory construction in Myanmar and an increase in rubber plantation development cost of 41 million baht. Henceforward, developing rubber plantations will use smaller budget.

Proceeds from sale of property, plant and equipment by 39 million baht and that from sale of assets classified as held for sale by 49 million baht, totaled 88 million baht of net cash from assets not generate income. The selling can reduce cash used in investing activities.

### (3) Liquidity Management

The company's use of cash for managing its concentrated latex business varies according to the seasons of tapping rubber. Thus, the amount of cash needed for liquidity purposes vary according to the time of the year. The amount of cash needed at the end of the year is usually high, whereas the amount needed at Q2 is usually low especially during periods of low rubber selling prices. Thus, the company has sufficient cash for effective liquidity management.

## **14.5 Factors Affecting Future Performance**

(1) Rubber Prices and Demand: Since the company and its affiliates conduct business covering all aspects of the rubber industry, an increase in rubber demand will drive up selling prices, leading to increase production, sales, and profitability.

(2) Governmental Influences on Rubber Prices: The government's belief that low rubber prices negatively affect the agriculturalists' quality of life led to the issuing of many policies to drive up rubber prices. If the policies are unanticipated by the market, rubber prices and the company's profitability will be mutually affected.

(3) Weather conditions: Weather conditions affect the amount of rubber tapped from the plantations, which are essential raw materials of the business. For example, droughts decrease latex production while frequent precipitation washes away latex from the trees, decreasing the total amount collected.

(4) Oil Prices: Although oil prices do not directly affect the volatility of rubber prices, but having some indirect influence. Due to synthetic rubber requires petrochemicals from oil for production, which is a substitute product of natural rubber.

## Details of the Subsidiaries' Directors

The company's name Director Name	Subsidiary						
	1	2	3	4	5	6	7
Mr.Vorathep Wongsasuthikul		X				/	/
Mr.Paiboon Waraprateep		/					/
Mr.Prachnon Temritikulchai		/					/
Mr.Vanchai Sriherunrusmee	/	/		/	/	/	
Mr.Prawit Waraprateep	//	//		//	//	/	
Miss Chalongkwan Wongsasuthikul	//	//			//		
Mr.Pattarapol Wongsasuthikul	//	//		//	//	/	/
Mr.Prakit Waraprateep	/				//		
Mr.Kowit Wongsasuthikul	/				//	/	
Dr.Paitoon Wongsasutthikul				//			
Mr.Nat Wongsasuttikul		//					
Mr.Pasithphol Temritikulchai	/				//	/	
Mrs.Pathumporn Trivisavavet						//	
Mrs.Ratana Techaphangam						/	
Mr.Tiwat Siricsaitawan						//	
Mr.Trivit Chainapong			/				
Mr.Adisorn Gomsang			/				
Mr.Surapong Ujgin							/
Daw Nan Yin							/
Kaw Taung (a) Thet Naing Soe							/
Mr.Nikom Nanokpaipipat							/
Ma Kao Yi							/
Mr.Charoenrat Payakkapong							/

**Remark:** / = Director X = President // = Executive Director

**Subsidiary:**

1. Thai Rubber Latex Group Co.,Ltd.
2. World Flex Pcl.
3. Thai Rubber Land and Plantation Co.,Ltd.
4. Agrowealth Co.,Ltd.
5. Thai Rubber H P N R Co.,Ltd.
6. Latex Systems Co.,Ltd.
7. Myanmar Thai Rubber Joint Corporation Limited

## Details of Chief Internal Audit and Chief Compliance

### Chief Internal Audit:

**Name** Mr.Bundit Hongsuwan  
**Age** 60 Years  
**Position** Senior Manager of Internal Audit Department  
 Thai Rubber Latex Corporation (Thailand) Pcl.

#### Education

Bachelor in Accounting Ramkhamhaeng University, Bangkok.

#### Shareholding in company and its subsidiarie

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

\_\_\_ shares, about \_\_\_ % of total shares

#### Biography

**Address** 99/1-3 Moo 13 T. Bangkaew, A. Bangplee, Samutprakam 10540  
**Telephone No.** (02)751-7171  
**Fax No.** (02)316-2485

#### Work Experience

1989 - present Secretary of the Executive Committee Thai Rubber Latex Corporation (Thailand) Pcl.  
 Secretary of the Audit Committee

#### Training / Seminar

- \* "Method of setting and working for efficiency Audit Committee" by SET
- \* "Roles and responsibilities of the Board of Directors and concept of Corporate Governance" by SET
- \* "Audit Committee : Experience and skills"
- \* "Efficiency Corporate by controlling and internal audit" by Thammasat University
- \* "How will the internal audit help audit committee's works?" by Association of Accountant & CAP of Thailand

**Chief Compliance:** None



**Financial Statements**

**Thai Rubber Latex Corporation (Thailand)  
Public Company Limited  
and its Subsidiaries**

Financial statements for the year ended  
31 December 2015  
and  
Independent Auditor's Report

## **Independent Auditor's Report**

### **To the Shareholders of Thai Rubber Latex Corporation (Thailand) Public Company Limited**

I have audited the accompanying consolidated and separate financial statements of Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries (the "Group") and of Thai Rubber Latex Corporation (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated and Separate Financial Statements*

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

#### *Auditor's Responsibility*

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Opinion*

In my opinion, the consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2015 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



(Vairoj Jindamaneepitak)  
Certified Public Accountant  
Registration No. 3565

KPMG Phoomchai Audit Ltd.  
Bangkok  
26 February 2016

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of financial position**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<b>Assets</b>					
		<i>(in Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	5	128,622,001	281,316,677	7,916,027	9,598,666
Trade accounts receivable	4, 7	854,760,356	1,126,055,128	413,711,738	447,785,977
Other accounts receivable	4, 8	74,755,610	151,056,474	34,435,790	52,811,213
Short-term loans to related parties	4	-	-	1,298,550,000	1,422,750,000
Short-term loans to other parties		9,732,098	2,303,816	7,224,283	116,665
Inventories	9	1,051,111,573	1,070,004,372	151,881,649	159,621,767
Assets classified as held for sale	15	440,000	440,000	-	-
Other current assets		85,683,668	75,874,091	37,732,794	29,062,042
<b>Total current assets</b>		<b>2,205,105,306</b>	<b>2,707,050,558</b>	<b>1,951,452,281</b>	<b>2,121,746,330</b>
<b>Non-current assets</b>					
Restricted bank deposit		-	2,143,752	-	-
Investments in associates	10	32,768,191	33,242,937	-	-
Investments in subsidiaries	11	-	-	1,893,670,467	1,680,162,619
Other long-term investments	6	-	-	-	-
Long-term loans to other parties		4,185,590	-	4,185,590	-
Investment properties	13	528,610,000	468,648,638	87,400,000	87,400,000
Property, plant and equipment	14	2,594,725,305	2,682,653,486	202,074,098	217,476,328
Assets classified as held for sale	15	-	21,188,598	-	-
Intangible assets	16	665,970	966,377	-	338,569
Land possessory rights	17	192,444,240	181,448,156	6,270,000	6,270,000
Rubber plantation development costs	19	809,549,892	752,147,684	-	-
Withholding tax deducted at source		115,982,131	90,300,520	61,928,011	48,114,473
Deposit for purchase of land		-	350,625	-	-
Advance payment for land possessory rights	18	45,000,000	43,716,586	-	-
Deferred tax assets	20	49,640,022	52,748,140	28,409,107	28,588,856
Other non-current assets		9,347,325	29,005,105	3,280,958	2,519,697
<b>Total non-current assets</b>		<b>4,382,918,666</b>	<b>4,358,560,604</b>	<b>2,287,218,231</b>	<b>2,070,870,542</b>
<b>Total assets</b>		<b>6,588,023,972</b>	<b>7,065,611,162</b>	<b>4,238,670,512</b>	<b>4,192,616,872</b>

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

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of financial position**

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
<i>(in Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term loans from financial institutions	21	4,213,604,221	4,408,065,021	1,128,085,651	956,791,159
Trade accounts payable	4, 22	97,354,087	139,508,522	411,553,242	207,155,135
Other accounts payable	4, 23	66,821,423	48,431,161	12,398,529	11,390,165
Short-term loans from related parties	4, 21	28,000,000	8,000,000	1,416,250,000	1,648,550,000
Current portion of long-term loans from financial institutions	21	78,460,000	101,800,000	-	-
Current portion of finance lease liabilities	21	63,211,568	60,381,838	8,589,037	8,113,097
Accrued expenses	4	87,504,095	128,448,387	6,195,441	8,511,600
Income tax payable		7,267,993	2,022,829	-	-
Other current liabilities		7,486,090	37,317,923	1,812,031	5,927,174
<b>Total current liabilities</b>		<b>4,649,709,477</b>	<b>4,933,975,681</b>	<b>2,984,883,931</b>	<b>2,846,438,330</b>
<b>Non-current liabilities</b>					
Long-term loans from financial institutions	21	6,940,000	95,400,000	-	-
Finance lease liabilities	21	150,280,234	212,631,612	22,051,875	30,640,912
Employee benefit obligations	24	59,540,489	44,414,859	7,820,492	6,476,230
Deferred tax liabilities	20	43,564,951	39,886,309	-	-
Other non-current liability		3,000,000	-	-	-
<b>Total non-current liabilities</b>		<b>263,325,674</b>	<b>392,332,780</b>	<b>29,872,367</b>	<b>37,117,142</b>
<b>Total liabilities</b>		<b>4,913,035,151</b>	<b>5,326,308,461</b>	<b>3,014,756,298</b>	<b>2,883,555,472</b>
<b>Equity</b>					
Share capital:					
Authorised share capital	25	749,607,657	749,607,657	749,607,657	749,607,657
Issued and paid-up share capital	25	681,479,688	681,479,688	681,479,688	681,479,688
Additional paid-in capital					
Premium on ordinary shares	25	342,170,431	342,170,431	342,170,431	342,170,431
Retained earnings (deficit)					
Appropriated					
Legal reserve	26	121,136,453	119,189,486	58,650,000	58,650,000
Unappropriated (deficit)		(319,733,634)	(292,371,212)	33,827,153	111,864,924
Other components of equity		684,301,155	756,178,332	107,786,942	114,896,357
<b>Equity attributable to owners of the Company</b>		<b>1,509,354,093</b>	<b>1,606,646,725</b>	<b>1,223,914,214</b>	<b>1,309,061,400</b>
Non-controlling interests	12	165,634,728	132,655,976	-	-
<b>Total equity</b>		<b>1,674,988,821</b>	<b>1,739,302,701</b>	<b>1,223,914,214</b>	<b>1,309,061,400</b>
<b>Total liabilities and equity</b>		<b>6,588,023,972</b>	<b>7,065,611,162</b>	<b>4,238,670,512</b>	<b>4,192,616,872</b>

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

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2015	2014	2015	2014
(in Baht)					
<b>Income</b>					
Revenue from sales of goods and rendering of services	36	8,855,544,674	11,392,295,523	2,253,443,028	2,226,219,153
Other income	28	134,724,764	148,454,110	78,492,495	85,101,951
<b>Total income</b>		<b>8,990,269,438</b>	<b>11,540,749,633</b>	<b>2,331,935,523</b>	<b>2,311,321,104</b>
<b>Expenses</b>					
Cost of sales of goods and rendering of services		8,072,364,909	10,761,433,606	2,144,535,508	2,153,121,430
Selling expenses	29	346,778,680	370,925,341	45,167,799	47,289,266
Administrative expenses	30	343,604,842	365,200,238	51,440,966	92,415,473
Other expenses	31	60,595,561	-	72,113,259	-
Finance costs	34	165,680,567	198,504,376	103,166,387	117,933,250
<b>Total expenses</b>		<b>8,989,024,559</b>	<b>11,696,063,561</b>	<b>2,416,423,919</b>	<b>2,410,759,419</b>
Share of profit (loss) of investments in associates	10	(394,966)	5,981,362	-	-
<b>Total</b>		<b>(394,966)</b>	<b>5,981,362</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) before income tax expense</b>		<b>849,913</b>	<b>(149,332,566)</b>	<b>(84,488,396)</b>	<b>(99,438,315)</b>
Income tax benefit (expense)	35	(36,040,509)	25,296,066	(275,558)	21,335,317
<b>Loss for the year</b>		<b>(35,190,596)</b>	<b>(124,036,500)</b>	<b>(84,763,954)</b>	<b>(78,102,998)</b>
<b>Other comprehensive income</b>					
<i>Items that will never be reclassified to profit or loss</i>					
Revaluation of property, plant and equipment					
- Transfer to investment properties		-	182,932,665	-	-
- Under sales and leaseback transaction		-	231,466,564	-	42,021,647
- Others		-	(2,053,091)	-	(2,103,436)
Income tax on other comprehensive income	20	1,492,789	(88,670,371)	95,808	(9,644,392)
Defined benefit plan actuarial losses	24	(7,463,943)	-	(479,040)	-
		(5,971,154)	323,675,767	(383,232)	30,273,819
<i>Items that are or may be reclassified to profit or loss</i>					
Foreign currency translation differences for foreign operations					
		(4,332,859)	(4,080,638)	-	-
Adjustments of revaluation surplus on assets					
		(12,628,876)	-	-	-
Share of comprehensive income (loss) of investments in associates					
	10	(79,780)	-	-	-
		(17,041,515)	(4,080,638)	-	-
<b>Other comprehensive income for the year, net of income tax</b>		<b>(23,012,669)</b>	<b>319,595,129</b>	<b>(383,232)</b>	<b>30,273,819</b>
<b>Total comprehensive income for the year</b>		<b>(58,203,265)</b>	<b>195,558,629</b>	<b>(85,147,186)</b>	<b>(47,829,179)</b>
<b>Loss attributable to:</b>					
Owners of the Company		(76,195,240)	(123,367,836)	(84,763,954)	(78,102,998)
Non-controlling interests	12	41,004,644	(668,664)	-	-
<b>Loss for the year</b>		<b>(35,190,596)</b>	<b>(124,036,500)</b>	<b>(84,763,954)</b>	<b>(78,102,998)</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company		(97,292,632)	195,164,266	(85,147,186)	(47,829,179)
Non-controlling interests	12	39,089,367	394,363	-	-
<b>Total comprehensive income for the year</b>		<b>(58,203,265)</b>	<b>195,558,629</b>	<b>(85,147,186)</b>	<b>(47,829,179)</b>
<b>Loss per share</b>					
Loss per share (in Baht)	37	(0.11)	(0.18)	(0.12)	(0.11)

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

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries**

**Statement of changes in equity**

	Consolidated financial statements												
	Note	Retained earnings				Other components of equity					Total equity attributable to owners of the Company	Non-controlling interests	Total equity
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on assets	Changes in ownership interest in subsidiary	Share of other comprehensive income/(expenses) of investments in associates	Total other components of equity			
<b>Balance at 1 January 2014</b>		<b>681,453,819</b>	<b>342,113,518</b>	<b>119,354,556</b>	<b>(182,584,440)</b>	<b>8,634,442</b>	<b>449,786,587</b>	-	<b>4,333,909</b>	<b>462,754,938</b>	<b>1,423,092,391</b>	<b>6,282,698</b>	<b>1,429,375,089</b>
<b>Change in ownership interests in subsidiaries</b>													
Recognition of non-controlling interests from investment in subsidiaries during the period		-	-	-	-	-	-	-	-	-	-	102,272,494	102,272,494
Partial disposal of interest in subsidiary without a change of control		-	-	(5,538,045)	8,613,988	(3,075,943)	-	(11,412,912)	-	(14,488,855)	(11,412,912)	26,310,922	14,898,010
Transfer to retained earnings of associates		-	-	-	-	-	-	-	(80,231)	(80,231)	(80,231)	-	(80,231)
Transfer of retained earnings from additional investment in an associate that become a subsidiary		-	-	985,127	(2,442,955)	-	4,031,516	-	(2,573,688)	1,457,828	-	-	-
<b>Total change in ownership interests in subsidiaries</b>		<b>-</b>	<b>-</b>	<b>(4,552,918)</b>	<b>6,171,033</b>	<b>(3,075,943)</b>	<b>4,031,516</b>	<b>(11,412,912)</b>	<b>(2,653,919)</b>	<b>(13,111,258)</b>	<b>(11,493,143)</b>	<b>128,583,416</b>	<b>117,090,273</b>
<b>Transactions with owners, recorded directly in equity</b>													
<b>Contributions by and distributions to owners of the Company</b>													
Issue of ordinary shares	25	25,869	56,913	-	-	-	-	-	-	-	82,782	-	82,782
Dividends paid in subsidiary		-	-	-	-	-	-	-	-	-	-	(2,804,072)	(2,804,072)
<b>Total transactions with owners, recorded directly in equity</b>		<b>25,869</b>	<b>56,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,782</b>	<b>(2,804,072)</b>	<b>(2,721,290)</b>
<b>Comprehensive income for the year</b>													
Loss for the year		-	-	-	(123,367,836)	-	-	-	-	-	(123,367,836)	(668,664)	(124,036,500)
Other comprehensive income		-	-	-	-	(3,259,253)	321,791,355	-	-	318,532,102	318,532,102	1,063,027	319,595,129
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(123,367,836)</b>	<b>(3,259,253)</b>	<b>321,791,355</b>	<b>-</b>	<b>-</b>	<b>318,532,102</b>	<b>195,164,266</b>	<b>394,363</b>	<b>195,558,629</b>
Transfer to legal reserve in subsidiaries		-	-	4,387,848	(4,587,419)	-	-	-	-	-	(199,571)	199,571	-
Transfer to retained earnings		-	-	-	11,997,450	-	(11,997,450)	-	-	(11,997,450)	-	-	-
<b>Balance at 31 December 2014</b>		<b>681,479,688</b>	<b>342,170,431</b>	<b>119,189,486</b>	<b>(292,371,212)</b>	<b>2,299,246</b>	<b>763,612,008</b>	<b>(11,412,912)</b>	<b>1,679,990</b>	<b>756,178,332</b>	<b>1,606,646,725</b>	<b>132,655,976</b>	<b>1,739,302,701</b>

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

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries**

**Statement of changes in equity**

	Consolidated financial statements											
	Retained earnings				Other components of equity							
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Currency translation differences	Revaluation surplus on assets	Changes in ownership interest in subsidiary	Share of other	Total other components of equity	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
								income/(expenses) of investments in associates				
<i>(in Baht)</i>												
<b>For the year ended 31 December 2015</b>												
<b>Balance at 1 January 2015</b>	<b>681,479,688</b>	<b>342,170,431</b>	<b>119,189,486</b>	<b>(292,371,212)</b>	<b>2,299,246</b>	<b>763,612,008</b>	<b>(11,412,912)</b>	<b>1,679,990</b>	<b>756,178,332</b>	<b>1,606,646,725</b>	<b>132,655,976</b>	<b>1,739,302,701</b>
<b>Transactions with owners, recorded directly in equity</b>												
<i>Distributions to owners of the Company</i>												
Dividends paid in subsidiaries	-	-	-	-	-	-	-	-	-	-	(6,110,615)	(6,110,615)
<b>Total transactions with owners, recorded directly in equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,110,615)</b>	<b>(6,110,615)</b>
<b>Comprehensive income for the year</b>												
Profit (loss) for the year	-	-	-	(76,195,240)	-	-	-	-	-	(76,195,240)	41,004,644	(35,190,596)
Other comprehensive income	-	-	-	(5,333,625)	(3,055,111)	(12,628,876)	-	(79,780)	(15,763,767)	(21,097,392)	(1,915,277)	(23,012,669)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(81,528,865)</b>	<b>(3,055,111)</b>	<b>(12,628,876)</b>	<b>-</b>	<b>(79,780)</b>	<b>(15,763,767)</b>	<b>(97,292,632)</b>	<b>39,089,367</b>	<b>(58,203,265)</b>
Transfer to legal reserve in subsidiary	-	-	1,946,967	(1,946,967)	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	56,113,410	-	(56,113,410)	-	-	(56,113,410)	-	-	-
<b>Balance at 31 December 2015</b>	<b>681,479,688</b>	<b>342,170,431</b>	<b>121,136,453</b>	<b>(319,733,634)</b>	<b>(755,865)</b>	<b>694,869,722</b>	<b>(11,412,912)</b>	<b>1,600,210</b>	<b>684,301,155</b>	<b>1,509,354,093</b>	<b>165,634,728</b>	<b>1,674,988,821</b>

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



**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

	<i>Note</i>	Issued and paid-up share capital	Share premium	Separate financial statements		Other components of equity Revaluation surplus on assets	Total equity
				Retained earnings			
				Legal reserve	Unappropriated <i>(in Baht)</i>		
<b>For the year ended 31 December 2014</b>							
<b>Balance at 1 January 2014</b>		<b>681,453,819</b>	<b>342,113,518</b>	<b>58,650,000</b>	<b>187,796,068</b>	<b>86,794,392</b>	<b>1,356,807,797</b>
<b>Transaction with owners, recorded directly in equity</b>							
<i>Contributions by owners of the Company</i>							
Issue of ordinary shares	25	25,869	56,913	-	-	-	82,782
<b>Total transactions with owners, recorded directly in equity</b>		<b>25,869</b>	<b>56,913</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>82,782</b>
<b>Comprehensive income for the year</b>							
Loss for the year		-	-	-	(78,102,998)	-	(78,102,998)
Other comprehensive income		-	-	-	-	30,273,819	30,273,819
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(78,102,998)</b>	<b>30,273,819</b>	<b>(47,829,179)</b>
Transfer to retained earnings		-	-	-	2,171,854	(2,171,854)	-
<b>Balance at 31 December 2014</b>		<b>681,479,688</b>	<b>342,170,431</b>	<b>58,650,000</b>	<b>111,864,924</b>	<b>114,896,357</b>	<b>1,309,061,400</b>

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

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

**Statement of changes in equity**

	Issued and paid-up share capital	Share premium	Separate financial statements		Other components of equity Revaluation surplus on assets	Total equity
			Retained earnings			
			Legal reserve	Unappropriated <i>(in Baht)</i>		
<b>For the year ended 31 December 2015</b>						
<b>Balance at 1 January 2015</b>	<b>681,479,688</b>	<b>342,170,431</b>	<b>58,650,000</b>	<b>111,864,924</b>	<b>114,896,357</b>	<b>1,309,061,400</b>
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	(84,763,954)	-	(84,763,954)
Other comprehensive income	-	-	-	(383,232)	-	(383,232)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85,147,186)</b>	<b>-</b>	<b>(85,147,186)</b>
Transfer to retained earnings	-	-	-	7,109,415	(7,109,415)	-
<b>Balance at 31 December 2015</b>	<b>681,479,688</b>	<b>342,170,431</b>	<b>58,650,000</b>	<b>33,827,153</b>	<b>107,786,942</b>	<b>1,223,914,214</b>

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

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2015	2014	2015	2014
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Loss for the year	(35,190,596)	(124,036,500)	(84,763,954)	(78,102,998)
<b><i>Adjustments for</i></b>				
Depreciation and amortisation	211,667,872	159,043,013	16,801,734	12,566,180
Amortisation of rubber plantation development costs	8,203,693	99,221	-	-
Provision for (reversal of) doubtful accounts and bad debts expenses	41,142,093	56,094,137	(9,600)	33,306,920
Investment income	(2,027,013)	(3,106,319)	(66,196,501)	(62,015,774)
Finance costs	165,680,567	198,504,376	103,166,387	117,933,250
Impairment loss on investment in subsidiary	-	-	12,492,152	-
Increase in fair value adjustment of investment properties	(59,961,362)	(529,562)	-	(529,562)
Adjustments of revaluation surplus on assets	(12,628,876)	(14,131,818)	-	-
Unrealised foreign exchange (gain) losses	(8,101,408)	(3,725,400)	(263,780)	997,069
Gain on disposal of property, plant and equipment	(15,453,770)	(387,557)	(560,648)	-
Loss on written-off of property, plant and equipment	18,368	494,345	-	-
Gain on disposal of assets classified as held for sale	(28,027,298)	(21,534,002)	-	-
Provision for employee benefits	7,926,543	6,622,354	865,222	754,656
Share of (profit) loss of investments in associates, net of income tax	394,966	(5,981,362)	-	-
Written-off of withholding tax	-	7,378	-	-
Gain recognised as a result of remeasuring of fair value of the previously held interest	-	(5,922,650)	-	-
Income tax expense (benefit)	36,040,509	(25,296,066)	275,558	(21,335,317)
	<u>309,684,288</u>	<u>216,213,588</u>	<u>(18,193,430)</u>	<u>3,574,424</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade and other accounts receivable	311,912,541	356,683,308	52,362,353	66,748,353
Inventories	18,892,799	346,677,205	7,740,118	14,361,103
Other current assets	(18,620,352)	(39,819,889)	(8,654,207)	(21,577,751)
Other non-current assets	18,219,367	5,886,456	(761,261)	1,832,787
Trade and other accounts payable	(25,643,321)	(83,461,191)	205,658,392	(50,110,690)
Accrued expenses	(40,944,292)	33,762,698	(2,316,159)	1,385,502
Other current liabilities	(29,831,833)	29,701,118	(4,115,143)	3,531,926
Provision for employee benefits	(264,856)	(4,593,650)	-	(283,200)
Other non-current liability	3,000,000	-	-	-
Cash generated from operating activities	<u>546,404,341</u>	<u>861,049,643</u>	<u>231,720,663</u>	<u>19,462,454</u>
Income tax received	-	85,172,202	-	83,513,879
Income tax paid	(48,197,407)	(54,692,358)	(13,813,539)	(16,200,724)
<b>Net cash from operating activities</b>	<b><u>498,206,934</u></b>	<b><u>891,529,487</u></b>	<b><u>217,907,124</u></b>	<b><u>86,775,609</u></b>

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

**Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**  
**Statement of cash flows**

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2015	2014	2015	2014
	(in Baht)			
<b>Cash flows from investing activities</b>				
Interest received	2,173,993	3,050,732	63,682,988	62,757,779
Dividends received	-	1,606,800	2,874,202	3,596,455
(Increase) decrease in restricted bank deposit	2,143,752	(33,582)	-	-
Repayment of short-term loans to related parties	-	-	(1,126,400,000)	(862,536,615)
Proceeds from short-term loans to related parties	-	-	1,250,600,000	657,870,000
Increase in short-term loans to other parties	(11,613,872)	(47,665)	(11,293,208)	(47,665)
Purchase of property, plant and equipment	(142,110,228)	(267,120,696)	(1,061,035)	(23,764,544)
Proceeds from sale of property, plant and equipment	39,228,968	329,096,066	560,748	60,276,526
Proceeds from sale of assets classified as held for sale	49,215,896	114,768,766	-	-
Purchase of intangible assets	(551,044)	(26,750)	-	-
Purchase of land possessory rights	(353,199)	(1,072,775)	-	-
Increase in rubber plantation development costs	(41,446,427)	(142,431,753)	-	-
Decreased in deposit for purchase of land	350,625	8,162,742	-	-
Increase in advance payment for				
land possessory rights	-	(43,716,586)	-	-
Proceeds from sale investment in subsidiary	-	14,898,010	-	-
Payments for investment in subsidiaries - net cash received	-	(8,267,588)	(226,000,000)	(67,609,975)
<b>Net cash from (used in) investing activities</b>	<b>(102,961,536)</b>	<b>8,865,721</b>	<b>(47,036,305)</b>	<b>(169,458,039)</b>
<b>Cash flows from financing activities</b>				
Interest paid	(185,807,378)	(220,655,301)	(102,807,060)	(114,848,197)
Other finance costs paid	(4,899,732)	(6,243,801)	(627,793)	(654,901)
Increase (decrease) in bank overdrafts and short-term loans				
from financial institutions	(194,460,800)	(437,106,875)	171,294,492	(429,024,262)
Finance lease payments	(60,528,746)	(9,213,274)	(8,113,097)	(1,729,042)
Proceeds from short-term loans from related parties	20,000,000	13,000,000	765,260,000	1,297,500,000
Repayment of short-term loans from related parties	-	(5,000,000)	(997,560,000)	(678,950,000)
Proceeds from short-term loans from other party	5,000,000	-	-	-
Repayment of short-term loans from other party	(5,000,000)	(19,000,000)	-	-
Proceeds from long-term loans	-	4,000,000	-	-
Repayment of long-term loans	(111,800,000)	(95,150,000)	-	-
Proceeds from issue of ordinary shares	-	82,782	-	82,782
Share received of subsidiary from non-controlling interest	-	28,800,000	-	-
Dividends paid of subsidiaries to non-controlling interest	(6,110,615)	(2,804,073)	-	-
<b>Net cash from (used in) financing activities</b>	<b>(543,607,271)</b>	<b>(749,290,542)</b>	<b>(172,553,458)</b>	<b>72,376,380</b>
Decrease in translation difference	(4,332,859)	(4,080,638)	-	-
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(152,694,732)</b>	<b>147,024,028</b>	<b>(1,682,639)</b>	<b>(10,306,050)</b>
Cash and cash equivalents at 1 January	281,316,677	130,747,057	9,598,666	19,904,716
Effect of exchange rate changes on balances				
held in foreign currencies	56	3,545,592	-	-
<b>Cash and cash equivalents at 31 December</b>	<b>128,622,001</b>	<b>281,316,677</b>	<b>7,916,027</b>	<b>9,598,666</b>
<b>Supplemental disclosures of cash flow information</b>				
<b>Non-cash transactions</b>				
Depreciation on revalued portion	54,316,427	25,957,151	8,886,768	4,790,755
Assets acquired under financial lease and hire purchase				
agreements	1,007,098	356,457,140	-	55,362,870
Land possessory rights	9,827,320	-	-	-

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

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

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# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 26 February 2016.

### **1 General information**

Thai Rubber Latex Corporation (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at No. 99/1-3 Moo 13, Bangna-Trad Road, K.M. 7, Tambol Bangkaew, Amphur Bangplee, Samutprakarn, Thailand.

The Company was listed on the Stock Exchange of Thailand in July 1991.

The Company’s major shareholders during the financial year were Wongsasuthikul Group (19.74% shareholding) and Woraprateep Group (14.80% shareholding).

The principal activities of the Group are comprehensive rubber businesses covering the whole value chain of rubber and latex products, which are the rubber plantation in Thailand, the producer of latex concentrate and latex rubber, latex rubber thread and latex foam mattress and as a broker in the Agricultural Futures Exchange of Thailand. Details of the Company’s subsidiaries and associates as at 31 December 2015 and 2014 are given in notes 10 and 11.

### **2 Basis of preparation of the financial statements**

#### **(a) Statement of compliance**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2015.

The initial application adoption of these new and revised TFRS has resulted in changes in certain of the Group’s/Company’s accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for financial statements beginning on or after 1 January 2016 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s/Company’s operations are disclosed in note 42.

#### **(b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

<i>Items</i>	<i>Measurement bases</i>
Property, plant and equipment (Land, Building and machinery)	At appraisal
Investment properties	Fair value
Net defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 3 (r)

### (c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

### (d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about significant areas of estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 3(w)	Current and deferred taxation
Note 20	Utilisation of tax losses
Note 21	Accounting for an arrangement containing a lease
Note 24	Measurement of defined benefit obligations
Note 38	Valuation of financial instruments

### *Measurement of fair values*

A number of the Group's/Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group/Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Group/Company Audit Committee.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

When measuring the fair value of an asset or a liability, the Group/Company uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group/Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 13 – Investment properties
- Note 14 – Property, plant and equipment
- Note 38 – Financial instruments

### *Use of going concern basis of accounting*

As a result of significant decrease of latex price during the year 2015, the Group incurred a consolidated net loss of Baht 35.2 million (2014: Baht 124.0 million) and, as of that date, the Group's current liabilities exceeded its current assets by Baht 2,444.6 million (2014: Baht 2,226.9 million). Such circumstances indicate the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going. However, as at 31 December 2015 the Group has available credit facilities in place (*see note 4*).

The Group has implemented policies and procedures in an attempt to manage its liquidity risk and other circumstances. The Group and the Company plan to address the liquidity problem by increasing sales volume, production capacity, restructure of financing plan and the Group's business restructuring.

The consolidated and separate financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will realise its assets and discharge its liabilities in the normal course of business. Therefore, the financial statements have not included any adjustment of the value of assets to realisable value, or of liabilities to the amounts eventually due, and reclassification of accounts, which may be necessary.



# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

#### (a) *Basis of consolidation*

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

##### *Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration. If a business combination results in the termination of pre-existing relationship between the Group and the acquiree, then the lower of the termination amount, as contained in the agreement, and the value off-market element is deducted from the consideration transferred and recognised in other expense.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest (NCI) at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

##### *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

### *Loss of control*

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

### *Interests in equity-accounted investees*

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interests in associates are accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity-accounted investees, until the date on which significant influence ceases.

### *Transactions eliminated on consolidation*

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

## **(b) Foreign currencies**

### *Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Non-current assets and liability measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the date that fair value was determined.

Foreign exchange differences are generally recognised in profit or loss.

### *Foreign operations*

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity in the consolidated financial statements until disposal of the investment.

### **(c) *Derivative financial instruments***

#### *Forward exchange contracts*

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Gains and losses from the translation are included in determining income.

#### *Agricultural futures contracts*

Profit or loss on trading of agricultural futures contracts are recognised as income or expenses on the transaction dates.

### **(d) *Cash and cash equivalents***

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

### **(e) *Trade and other accounts receivable***

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

### **(f) *Inventories***

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, changed, obsolete and slow-moving inventories.

### **(g) *Non-current assets held for sale***

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

### **(h) *Investments***

#### *Investments in associates and subsidiaries*

Investments in associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method less any impairment losses. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Other long-term investments which are not marketable are stated at cost less any impairment losses.

#### *Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

### **(i) *Investment properties***

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### (j) *Property, plant and equipment*

#### *Recognition and measurement*

##### *Owned assets*

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land, buildings and machinery which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

##### *Leased assets*

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

##### *Revalued assets*

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation reserve in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Reclassification to investment property*

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified as investment property. Property that is being constructed for future use as investment property is accounted for at fair value. Any gain arising on remeasurement is recognised in profit or loss to the extent the gain reverses a previous impairment loss on the specific property, with any remaining gain recognised in other comprehensive income and presented in the revaluation reserve in equity. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve relating to the specific property, with any remaining loss recognised immediately in profit or loss.

### *Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Building and building improvements	5 - 50 years
Machinery	5 - 20 years
Office and other equipment	3 - 5 years
Vehicles	5 years
Other fixed assets	5 - 10 years

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

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### **(k) Intangible assets**

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

### *Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are as follows:

Software license	5 years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### **(l) Impairment**

The carrying amounts of the Group's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

### *Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### *Reversals of impairment*

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **(m) Rubber plantation development costs**

Rubber plantation development costs represent the costs of rubber tree plantation, which are amortised over the estimated unit of production arising from the rubber trees. Cost of supplying rubber vacancies and infilling mature areas are expensed in profit or loss as incurred. No amortisation is provided on rubber plantation development costs that are not ready for harvest.

# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

**(n) Land possessory rights**

Land possessory rights are stated at cost less allowance for loss on impairment of assets (if any).

**(o) Deferred costs**

Deferred expenses represent deferred receptacle costs, which are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over a period of 1 - 3 years. The amortisation is recognised in profit or loss.

**(p) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

**(q) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**(r) Employee benefits**

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group/Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.



# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

### *Termination benefits*

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the end of the reporting period, then they are discounted.

### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

### **(s) Provisions**

A provision is recognised if, as a result of a past event, the Group/Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

### **(t) Revenue**

Revenue excludes value added taxes and is arrived at after deduction of trade discounts and volume rebates.

### *Sale of goods and services rendered*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

### *Commission income*

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

### *Investment income*

Revenue from investments comprises rental income from investment properties and interest income from investments and bank deposits.

### *Rental income*

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Dividend income*

Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established.

### *Interest income*

Interest income is recognised in profit or loss as it accrues.

### **(u) Finance costs**

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

### **(v) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

### *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

### **(w) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

### **(x) *Loss per share***

The Group presents loss per share data for its ordinary shares. Loss per share is calculated by dividing the loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

### **(y) *Segment reporting***

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

## **4 Related parties**

For the purposes of these financial statements, parties are considered to be related to the Group/Company if the Group/Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group/Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

Relationships with subsidiaries and associates are described in notes 10 and 11. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company.
Parties or other related parties	Thailand	Directors of related parties

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Sale of goods/raw materials	Market prices
Rendering of service	Contractually agreed
Purchase of goods/raw materials	Market prices less operating expenses at the agreed rate 1.0 - 5.0 baht per kilogram (2014: 1.0 - 5.0 Baht per kilogram)
Receiving of services	Contractually agreed
Other income	Contractually agreed
Interest income	Contractually agreed
Interest expense	Contractually agreed
Dividend income	Declared rate

Significant transactions for the years ended 31 December with related parties were as follows:

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods	-	-	927,205	793,678
Purchases of goods	-	-	1,472,909	933,189
Rental and service income	-	-	2,242	2,507
Service expense	-	-	38	343
Interest income	-	-	62,465	56,291
Interest expense	-	-	63,911	52,101
Dividend income	-	-	2,874	3,593
Other income	-	-	3,108	3,532
<b>Associates</b>				
Sales of goods	-	55,968	-	-
Purchases of raw materials	13,139	18,981	-	-
Rental and service income	-	60	-	60
Interest expense	323	124	-	-
Dividend income	-	1,607	-	-
<b>Key management personnel</b>				
Key management personnel composition	30,531	37,164	11,718	13,006

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
and its Subsidiaries**

**Notes to the financial statements**

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Other related parties</b>				
Purchases of raw materials and supplies	4,384	4,011	-	-
Rental and service income	-	60	-	60
Rental expense	101	96	-	-

Balances as at 31 December 2015 and 2014 with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable - related parties</b>				
Subsidiaries	-	-	219,877	177,938
<b>Total</b>	<u>-</u>	<u>-</u>	<u>219,877</u>	<u>177,938</u>
<b>Other accounts receivable - related parties</b>				
Subsidiaries	-	-	22,473	17,379
Associate	1	4	1	-
Other related parties	1	3	1	-
<b>Total</b>	<u>2</u>	<u>7</u>	<u>22,475</u>	<u>17,379</u>

	<b>Interest rate</b>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014	2015	2014
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Loans to related parties</b>						
<b>Short-term loans</b>						
<b>Subsidiaries</b>						
Thai Rubber Land and Plantation Co., Ltd.	4.0 - 4.2	4.1 - 4.6	-	-	1,287,550	1,187,750
Thai Rubber HPNR Co., Ltd.	4.0 - 4.2	4.1 - 4.6	-	-	11,000	220,000
Latex Systems Co., Ltd.	4.0 - 4.2	4.1 - 4.4	-	-	-	15,000
<b>Short-term loans to related parties</b>			<u>-</u>	<u>-</u>	<u>1,298,550</u>	<u>1,422,750</u>

Movements during the years ended 31 December 2015 and 2014 of loans to related parties were as follows:

	<b>Separate financial statements</b>	
	2015	2014
	<i>(in thousand Baht)</i>	
<b>Subsidiaries</b>		
At 1 January	1,422,750	1,218,083
Increase	1,126,400	862,537
Decrease	(1,250,600)	(657,870)
<b>At 31 December</b>	<u>1,298,550</u>	<u>1,422,750</u>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Trade accounts payable - related parties</b>				
Subsidiaries	-	-	394,150	192,959
Associate	193	389	-	-
Other related parties	62	133	-	-
<b>Total</b>	<b>255</b>	<b>522</b>	<b>394,150</b>	<b>192,959</b>
<b>Other accounts payable - related parties</b>				
Subsidiaries	-	-	8,256	7,220
<b>Total</b>	<b>-</b>	<b>-</b>	<b>8,256</b>	<b>7,220</b>
<b>Accrued expenses - related party</b>				
Subsidiary	-	-	37	13
<b>Total</b>	<b>-</b>	<b>-</b>	<b>37</b>	<b>13</b>

	Interest rate		Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014	2015	2014
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
<b>Short-term loans from related parties</b>						
<b>Subsidiary</b>						
Thai Rubber Latex Group Co., Ltd.	3.9 - 4.0	3.9 - 4.6	-	-	1,396,250	1,648,550
<b>Associate</b>						
Wang Somboon Rubber Estate Co., Ltd.	4.0 - 4.1	4.1 - 4.6	8,000	8,000	-	-
<b>Other related party</b>						
Key management personnel	3.0	-	20,000	-	20,000	-
<b>Short-term loans from related parties</b>			<b>28,000</b>	<b>8,000</b>	<b>1,416,250</b>	<b>1,648,550</b>

Movements during the years ended 31 December of loans from related parties were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Short-term loan from related parties</b>				
<b>Subsidiary</b>				
At 1 January	-	-	1,648,550	1,030,000
Increase	-	-	745,260	1,297,500
Decrease	-	-	(997,560)	(678,950)
<b>At 31 December</b>	<b>-</b>	<b>-</b>	<b>1,396,250</b>	<b>1,648,550</b>
<b>Associate</b>				
At 1 January	8,000	-	-	-
Increase	-	13,000	-	-
Decrease	-	(5,000)	-	-
<b>At 31 December</b>	<b>8,000</b>	<b>8,000</b>	<b>-</b>	<b>-</b>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

<i>Short-term loan from related parties</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Other related party</b>				
At 1 January	-	-	-	-
Increase	20,000	-	20,000	-
<b>At 31 December</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>	<b>-</b>

As at 31 December 2015, a total of Baht 2,547.0 million and USD 116.0 million of credit facilities (2014: Baht 2,911.9 million and USD 199.9 million) and a total of Baht 4,314.0 million and USD 3.0 million of credit facilities used (31 December 2014: Baht 4,490.3 million and USD 9.5 million), and the Company has issued letters of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 5,269.0 million and USD 17.0 million (2014: Baht 5,880.7 million and USD 17.0 million).

## 5 Cash and cash equivalents

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cash on hand	23,195	14,994	322	541
Cash at bank - current accounts	73,658	117,026	1,242	175
Cash at bank - saving accounts	31,769	122,798	6,352	8,883
Highly liquid short-term investments	-	26,499	-	-
<b>Total</b>	<b>128,622</b>	<b>281,317</b>	<b>7,916</b>	<b>9,599</b>

As at 31 December 2015, the interest rate on cash at banks was 0.1% - 0.5% per annum (2014: 0.38% - 0.5% per annum).

The currency denomination of cash and cash equivalents as at 31 December was as follows:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	67,752	154,578	7,916	9,599
Yuan (CNY)	46,727	104,672	-	-
Kyat (MMK)	13,306	21,301	-	-
Yen (JPY)	837	766	-	-
<b>Total</b>	<b>128,622</b>	<b>281,317</b>	<b>7,916</b>	<b>9,599</b>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 6 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Listed security available for sale	1,249	1,249	1,249	1,249
Investment in equity securities:				
Doctor Blue Co., Ltd.	5,100	5,100	5,100	5,100
Universal Steel Drum Co., Ltd.	3,000	3,000	3,000	3,000
Siam Steel Container Co., Ltd.	2,000	2,000	1,000	1,000
<b>Total</b>	<b>11,349</b>	<b>11,349</b>	<b>10,349</b>	<b>10,349</b>
Less allowance for impairment	(11,349)	(11,349)	(10,349)	(10,349)
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 7 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Related parties	4	-	-	219,877	177,938
Other parties		990,504	1,261,816	304,353	380,376
<b>Total</b>		<b>990,504</b>	<b>1,261,816</b>	<b>524,230</b>	<b>558,314</b>
Less allowance for doubtful accounts		(135,744)	(135,761)	(110,518)	(110,528)
<b>Net</b>		<b>854,760</b>	<b>1,126,055</b>	<b>413,712</b>	<b>447,786</b>
Provision for (reversal of) bad and doubtful debts expense for the year, net		(17)	56,068	(10)	33,292

Aging analyses for trade accounts receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Related parties</b>				
Within credit term	-	-	136,073	155,070
Overdue:				
Less than 3 months	-	-	83,618	22,868
3 - 6 months	-	-	186	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
	<b>-</b>	<b>-</b>	<b>219,877</b>	<b>177,938</b>



# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Other parties</b>				
Within credit term	673,053	825,530	139,427	224,903
Overdue:				
Less than 3 months	166,100	282,601	40,480	28,158
3 - 6 months	1,303	768	-	-
6 - 12 months	87	7,241	-	7,241
Over 12 months	149,961	145,676	124,446	120,074
	<b>990,504</b>	<b>1,261,816</b>	<b>304,353</b>	<b>380,376</b>
Less allowance for doubtful accounts	(135,744)	(135,761)	(110,518)	(110,528)
	<b>854,760</b>	<b>1,126,055</b>	<b>193,835</b>	<b>269,848</b>
<b>Net</b>	<b>854,760</b>	<b>1,126,055</b>	<b>413,712</b>	<b>447,786</b>

The normal credit term granted by the Group ranges from 1 day to 180 days.

The currency denomination of trade accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	449,454	498,186	369,534	392,144
United States Dollars (USD)	340,834	627,869	44,178	55,642
Malaysian Ringgit (RM)	31,703	-	-	-
Yuan (CNY)	31,058	-	-	-
Euro (EUR)	1,711	-	-	-
<b>Total</b>	<b>854,760</b>	<b>1,126,055</b>	<b>413,712</b>	<b>447,786</b>

## 8 Other accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Related parties	4	2	7	22,475	17,379
Other parties		115,913	151,049	11,961	35,432
		<b>115,915</b>	<b>151,056</b>	<b>34,436</b>	<b>52,811</b>
Less allowance for doubtful account		(41,159)	-	-	-
<b>Net</b>		<b>74,756</b>	<b>151,056</b>	<b>34,436</b>	<b>52,811</b>
Provision for bad and doubtful debts expense for the year, net		41,159	-	-	-

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

The currency denomination of other accounts receivable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	73,544	126,375	34,309	27,037
United States Dollars (USD)	-	-	127	1,350
Japanese Yen (JPY)	-	24,424	-	24,424
Yuan (CNY)	288	257	-	-
Kyat (MMK)	924	-	-	-
<b>Total</b>	<b>74,756</b>	<b>151,056</b>	<b>34,436</b>	<b>52,811</b>

## 9 Inventories

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Finished goods	892,511	838,733	147,314	155,754
Work in process	6,066	7,798	-	-
Raw materials	126,515	198,797	4,107	2,573
Packing materials	6,047	5,649	31	65
Supplies	19,973	19,027	430	1,230
<b>Total</b>	<b>1,051,112</b>	<b>1,070,004</b>	<b>151,882</b>	<b>159,622</b>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	8,072,365	10,761,434	2,144,536	2,153,121

## 10 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
At 1 January	33,243	100,753	-	37,570
Share of net profit (loss) of associates	(395)	5,902	-	-
Share of comprehensive income (loss) of investments in associates	(80)	-	-	-
Dividend income	-	(1,607)	-	-
Transfer to investment in subsidiary	-	(71,805)	-	(37,570)
<b>At 31 December</b>	<b>32,768</b>	<b>33,243</b>	<b>-</b>	<b>-</b>

During the year ended 31 December 2015 there were no acquisition and disposal of investments in associates.



# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

The following table summarised the financial information of the associate as included in its own financial statements and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this company.

	Wang Somboon Rubber Estate Co., Ltd. 2015 <i>(in thousand Baht)</i>
Revenue	15,548
Profit (loss) from continuing operations	(816)
Other comprehensive income	(165)
<b>Total comprehensive income</b>	<b>(981)</b>
Attributable to NCI	(506)
Attributable to investee's shareholders	(475)
Current assets	17,881
Non-current assets	52,041
Current liabilities	(638)
Non-current liabilities	(1,423)
<b>Net assets</b>	<b>67,861</b>
Attributable to NCI	35,093
Attributable to investee's shareholders	32,768
Group's interest in net assets of investee at 1 January	33,243
Total comprehensive income attributable to the Group	(475)
Group's interest in net assets of investee at end of year	32,768
<b>Carrying amount of interest in investee At 31 December</b>	<b>32,768</b>

None of the Company's associated are publicly listed and consequently do not have published price quotation.

(\*) The Central Bankruptcy Court has ordered the verdict to be bankrupt since 27 September 2010. The Company recognised share of losses from investment in Rosner-Mautby Meditrade (Thailand) Ltd. until the value of the investment reached zero. Subsequent losses incurred by this associate have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this associate.

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
and its Subsidiaries**

**Notes to the financial statements**

**11 Investments in subsidiaries**

	<b>Separate financial statements</b>	
	2015	2014
At 1 January	1,680,163	1,574,982
Acquisition	-	105,181
Increase	250,000	-
Decrease	(24,000)	-
Allowance for impairment	(12,493)	-
<b>At 31 December</b>	<b><u>1,893,670</u></b>	<b><u>1,680,163</u></b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
and its Subsidiaries  
Notes to the financial statements**

Investments in subsidiaries as at 31 December 2015 and 2014 and dividend income for the years then ended were as follows:

<i>Subsidiaries</i>	Nature of business	<b>Separate financial statements</b>											
		Ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend income	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		<i>(%)</i>		<i>(in thousand Baht)</i>									
<b>Direct Subsidiaries</b>													
Thai Rubber Latex Group Co., Ltd.	Production and distribution of products from natural rubber	100.0	100.0	544,000	544,000	544,000	544,000	-	-	544,000	544,000	-	-
World Flex Public Company Limited	Production and distribution of rubber thread	98.4	98.4	308,000	308,000	443,600	443,600	-	-	443,600	443,600	-	-
Thai Rubber Land and Plantation Co., Ltd.	Planting of rubber	100.0	100.0	300,000	300,000	300,000	300,000	-	-	300,000	300,000	-	-
Agrowealth Co., Ltd.	Agricultural forward trading	100.0	100.0	39,750	63,750	25,850	49,850	(24,961)	(12,468)	889	37,382	-	-
Thai Rubber HPNR Co., Ltd.	Production and distribution of STR and compound rubber	100.0	100.0	500,000	250,000	500,000	250,000	-	-	500,000	250,000	-	-
Latex Systems Co., Ltd.	Production and distribution of foam latex mattresses and pillows	56.2	56.2	78,809	78,809	53,981	53,981	-	-	53,981	53,981	2,874	3,593
Myanmar Thai Rubber Joint Corporation Limited	Planting of rubber	64.0	64.0	80,000	80,000	51,200	51,200	-	-	51,200	51,200	-	-
<b>Total</b>						<b><u>1,918,631</u></b>	<b><u>1,692,631</u></b>	<b><u>(24,961)</u></b>	<b><u>(12,468)</u></b>	<b><u>1,893,670</u></b>	<b><u>1,680,163</u></b>	<b><u>2,874</u></b>	<b><u>3,593</u></b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
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Notes to the financial statements**

	Nature of business	Separate financial statements											
		Ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend income	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
		(%)						(in thousand Baht)					
<b>Indirect Subsidiary</b>													
Shanghai Runmao International Trading Co., Ltd. (held by Thai Rubber Latex Group Co., Ltd.)	Trading of products from natural rubber	55.0	55.0	35,399	35,399	19,470	19,470	-	-	19,470	19,470	4,727	29,290
<b>Total</b>						<u>19,470</u>	<u>19,470</u>	<u>-</u>	<u>-</u>	<u>19,470</u>	<u>19,470</u>	<u>4,727</u>	<u>29,290</u>

All subsidiaries were incorporated in Thailand, except Myanmar Thai Rubber Joint Corporation Limited and Shanghai Runmao International Trading Co., Ltd. which were incorporated in the Republic of the Union of Myanmar and People's Republic of China, respectively.

*Increase in share capital*

On 8 December 2015, Thai Rubber HPNR Co., Ltd., a subsidiary, registered additional ordinary shares of 25,000,000 shares, with a par value of Baht 10 per share (call-up of Baht 10 per share). The Company had invested in these additional shares, amounting to Baht 250 million which the Company subscribed to the entire increased capital.

*Capital reduction*

On 22 December 2015, Agrowealth Co., Ltd. ("Agrowealth"), a subsidiary which 100% ownership interest, registered with the Ministry of Commerce to decrease its authorised and paid-up share capital by 2,400,00 shares, with a par value of Baht 10 per share, totalling Baht 24 million.

*Allowance for impairment*

During 2015, The Company's management foresee that investment in Agrowealth may impair and estimate the recoverable amount of investment by compared between investment cost and carrying amount of Agrowealth's equity. As a result, estimate, the Company set up allowance for impairment loss in investment of Agrowealth amounting Baht 12.5 million in the separate statement of comprehensive income for year ended 31 December 2015.

Agrowealth submitted the close down of the Agricultural forward trading business and registered to dissolve with the government officer on 28 December 2015.

None of the Company's subsidiaries are publicly listed and consequently do not have published price quotation.





**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
and its Subsidiaries**

**Notes to the financial statements**

**13 Investment properties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
At 1 January				
- Land	353,472	33,315	42,400	33,315
- Office for rent	115,177	53,555	45,000	53,555
	<u>468,649</u>	<u>86,870</u>	<u>87,400</u>	<u>86,870</u>
Transfer from property, plant and equipment				
- Land	-	311,072	-	-
- Office for rent	-	70,177	-	-
	<u>-</u>	<u>381,249</u>	<u>-</u>	<u>-</u>
Fair value adjustments				
- Land	62,102	9,085	-	9,085
- Office for rent	(2,141)	(8,555)	-	(8,555)
	<u>59,961</u>	<u>530</u>	<u>-</u>	<u>530</u>
As 31 December				
- Land	415,574	353,472	42,400	42,400
- Office for rent	113,036	115,177	45,000	45,000
<b>Total</b>	<u><b>528,610</b></u>	<u><b>468,649</b></u>	<u><b>87,400</b></u>	<u><b>87,400</b></u>

Investment properties of the Group were determined at fair value based on valuations performed by independent valuer who was authorised by the SEC. The fair value of the land and building were determined based on market approach.

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 3 and 10 years for land and building. Subsequent renewals are negotiated with the lessee. No contingent rents are charged. During 2014, land and buildings have been transferred from property, plant and equipment to investment properties, since such land and buildings were no longer used by the Group and as such it was decided that the land and buildings would be leased to a third party.

The Group has pledged investment properties amounting to approximately Baht 187.4 million (2014: Baht 185.9 million) as collateral against credit facilities from financial institutions.

**Measurement of fair value**

*Fair value hierarchy*

The fair value of investment properties were determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's/Company's investment properties portfolio on an annual basis.

As at 31 December 2015, the fair value measurement for investment properties of the Group/Company of Baht 528.6 million and Baht 87.4 million, respectively, has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
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Notes to the financial statements

**14 Property, plant and equipment**

	<b>Consolidated financial statements</b>							Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment <i>(in thousand Baht)</i>	Vehicles	Other fixed assets	Assets under construction and installation	
<b><i>Cost/Revaluation</i></b>								
At 1 January 2014	1,010,662	1,133,580	1,032,881	405,938	126,999	121,291	339,217	4,170,568
Acquisitions of business	40,591	61,279	120,864	14,392	7,750	876	10,764	256,516
Additions	11,311	2,265	16,354	18,224	8,175	447	113,203	169,979
Additions from sales and lease back	-	-	351,294	-	-	-	-	351,294
Surplus on revaluation for investment properties	166,285	16,648	-	-	-	-	-	182,933
Surplus on revaluation for sales and leaseback	-	-	231,466	-	-	-	-	231,466
Transfer to investment properties	(311,072)	(70,177)	-	-	-	-	-	(381,249)
Transfer in (out)	20,537	(24,442)	284,946	(17,687)	945	(557)	(263,742)	-
Write-off	-	-	-	(494)	-	-	-	(494)
Disposals	(1,107)	-	(12,419)	(2,618)	(2,078)	-	-	(18,222)
Disposals for sales and leaseback	-	-	(818,985)	-	-	-	-	(818,985)
<b>At 31 December 2014 and 1 January 2015</b>	<b>937,207</b>	<b>1,119,153</b>	<b>1,206,401</b>	<b>417,755</b>	<b>141,791</b>	<b>122,057</b>	<b>199,442</b>	<b>4,143,806</b>
Additions	2,100	1,041	3,754	22,701	1,317	2,748	113,837	147,498
Transfer to land possessory rights	-	-	-	-	-	(816)	-	(816)
Transfer in (out)	16,723	43,225	41,407	17,280	137	2,169	(120,941)	-
Write-off	-	-	-	(188)	-	-	-	(188)
Disposals	(23,481)	-	(656)	(2,004)	(7,558)	-	-	(33,699)
<b>At 31 December 2015</b>	<b>932,549</b>	<b>1,163,419</b>	<b>1,250,906</b>	<b>455,544</b>	<b>135,687</b>	<b>126,158</b>	<b>192,338</b>	<b>4,256,601</b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited**  
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**Notes to the financial statements**

	<b>Consolidated financial statements</b>							Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment <i>(in thousand Baht)</i>	Vehicles	Other fixed assets	Assets under construction and installation	
<i>Depreciation and impairment losses</i>								
At 1 January 2014	42,185	566,437	703,311	312,886	74,111	82,342	-	1,781,272
Acquisitions of business	-	3,548	29,597	7,405	2,650	418	-	43,618
Depreciation charge for the year	139	38,547	66,331	28,240	18,412	6,118	-	157,787
Impairment (reversal of) losses	(13,547)	(1,348)	763	-	-	-	-	(14,132)
Transfer in (out)	-	(141,969)	172,075	(23,984)	(702)	(5,420)	-	-
Disposals	-	-	(12,419)	(2,618)	(1,683)	-	-	(16,720)
Disposal for sales and leaseback	-	-	(490,673)	-	-	-	-	(490,673)
<b>At 31 December 2014 and 1 January 2015</b>	<b>28,777</b>	<b>465,215</b>	<b>468,985</b>	<b>321,929</b>	<b>92,788</b>	<b>83,458</b>	-	<b>1,461,152</b>
Depreciation charge for the year	139	41,637	114,605	31,262	17,695	5,478	-	210,816
Write-off	-	-	-	(169)	-	-	-	(169)
Disposals	-	-	(598)	(1,945)	(7,380)	-	-	(9,923)
<b>At 31 December 2015</b>	<b>28,916</b>	<b>506,852</b>	<b>582,992</b>	<b>351,077</b>	<b>103,103</b>	<b>88,936</b>	-	<b>1,661,876</b>
<i>Net book value</i>								
<b>At 1 January 2014</b>								
Owned assets	968,477	567,143	329,570	93,052	24,248	38,949	339,217	2,360,656
Assets under finance leases	-	-	-	-	28,640	-	-	28,640
	<b>968,477</b>	<b>567,143</b>	<b>329,570</b>	<b>93,052</b>	<b>52,888</b>	<b>38,949</b>	<b>339,217</b>	<b>2,389,296</b>
<b>At 31 December 2014 and 1 January 2015</b>								
Owned assets	908,430	653,938	386,122	95,826	16,794	38,599	199,442	2,299,151
Assets under finance leases	-	-	351,294	-	32,209	-	-	383,503
	<b>908,430</b>	<b>653,938</b>	<b>737,416</b>	<b>95,826</b>	<b>49,003</b>	<b>38,599</b>	<b>199,442</b>	<b>2,682,654</b>
<b>At 31 December 2015</b>								
Owned assets	903,633	656,567	368,238	104,467	9,324	37,222	192,338	2,271,789
Assets under finance leases	-	-	299,676	-	23,260	-	-	322,936
	<b>903,633</b>	<b>656,567</b>	<b>667,914</b>	<b>104,467</b>	<b>32,584</b>	<b>37,222</b>	<b>192,338</b>	<b>2,594,725</b>

# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

The gross amount of the Group's fully depreciated of plant and equipment that were still in use as at 31 December 2015 amounted to Baht 621.2 million (2014: Baht 460.0 million).

During the year 2014, the Group has transferred certain parts of property, plant and equipment to investment properties which such assets is remeasured to fair value by market approach. The Group determined the fair value based on valuations performed by independent valuer who was authorised by the SEC. The difference on fair value adjustment was recognised under the revaluation of property, plant and equipment under statement of other comprehensive income. World Flex Public Company Limited and Thai Rubber HPCR Co., Ltd., two subsidiaries of the Company, have transferred the land and building to investment properties at the fair value of Baht 381.3 million (*see note 13*).

In December 2014, certain of machinery under concentrated and prevulcanized latex segment is remeasured by depreciated replacement cost ("DRC") under cost approach. The Company and Thai Rubber Latex Group Co., Ltd. ("TRLG"), a subsidiary, determined fair value based on valuations performed by independent valuer who was authorised by the SEC. At the same date, the Company and subsidiary entered into sale and lease back agreements for such machinery of Baht 55.3 million and 351.3 million, respectively (*see note 21*).

During 2015, the Group has transferred certain parts of other fixed assets to land possessory rights which the net book value of Baht 0.8 million (*see note 17*).

Capitalised borrowing costs relating to the acquisition of the building amounted to Baht 0.3 million (2014: Baht 2.5 million), with a recognition interest rate of 4.0% - 4.2% p.a. (2014: 4.1% - 4.6% p.a.) (*see note 34*).

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
and its Subsidiaries**  
Notes to the financial statements

	Separate financial statements						Assets under construction and installation	Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment (in thousand Baht)	Vehicles	Other fixed assets		
<b>Cost/Revaluation</b>								
At 1 January 2014	93,901	127,412	111,706	61,554	25,750	21,577	15,537	457,437
Additions	-	-	-	1,488	-	-	6,440	7,928
Additions from sales and leaseback	-	-	55,363	-	-	-	-	55,363
Surplus on revaluation for sales and leaseback	-	-	42,022	-	-	-	-	42,022
Transfer in (out)	-	(8,200)	24,885	(5,340)	(702)	(1,681)	(8,962)	-
Disposals	-	-	(2,104)	(35)	-	-	(8,534)	(10,673)
Disposal for sales and leaseback	-	-	(129,945)	-	-	-	-	(129,945)
<b>At 31 December 2014 and 1 January 2015</b>	<b>93,901</b>	<b>119,212</b>	<b>101,927</b>	<b>57,667</b>	<b>25,048</b>	<b>19,896</b>	<b>4,481</b>	<b>422,132</b>
Additions	-	-	-	572	-	-	489	1,061
Disposals	-	-	-	-	(6,190)	-	-	(6,190)
<b>At 31 December 2015</b>	<b>93,901</b>	<b>119,212</b>	<b>101,927</b>	<b>58,239</b>	<b>18,858</b>	<b>19,896</b>	<b>4,970</b>	<b>417,003</b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited**  
**and its Subsidiaries**  
**Notes to the financial statements**

	<b>Separate financial statements</b>						Assets under construction and installation	Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment <i>(in thousand Baht)</i>	Vehicles	Other fixed assets		
<b><i>Depreciation and impairment losses</i></b>								
At 1 January 2014	9,813	73,420	93,403	56,381	20,076	16,945	-	270,038
Depreciation charge for the year	-	4,504	1,917	2,362	2,276	1,024	-	12,083
Impairment losses	-	10	763	-	-	-	-	773
Transfer in (out)	-	(12,250)	20,084	(5,619)	(702)	(1,513)	-	-
Disposals	-	-	-	(34)	-	-	-	(34)
Disposals for sales and leaseback	-	-	(78,204)	-	-	-	-	(78,204)
<b>At 31 December 2014</b>	<b>9,813</b>	<b>65,684</b>	<b>37,963</b>	<b>53,090</b>	<b>21,650</b>	<b>16,456</b>	<b>-</b>	<b>204,656</b>
Depreciation charge for the year	-	3,146	8,427	1,670	2,356	864	-	16,463
Disposals	-	-	-	-	(6,190)	-	-	(6,190)
<b>At 31 December 2015</b>	<b>9,813</b>	<b>68,830</b>	<b>46,390</b>	<b>54,760</b>	<b>17,816</b>	<b>17,320</b>	<b>-</b>	<b>214,929</b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
and its Subsidiaries**  
Notes to the financial statements

	Separate financial statements						Assets under construction and installation	Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment (in thousand Baht)	Vehicles	Other fixed assets		
<i>Net book value</i>								
<b>At 1 January 2014</b>								
Owned assets	84,088	53,992	18,303	5,173	5,674	4,632	15,537	187,399
Assets under finance leases	-	-	-	-	-	-	-	-
	<b>84,088</b>	<b>53,992</b>	<b>18,303</b>	<b>5,173</b>	<b>5,674</b>	<b>4,632</b>	<b>15,537</b>	<b>187,399</b>
<b>At 31 December 2014 and 1 January 2015</b>								
Owned assets	84,088	53,528	8,601	4,577	3,398	3,440	4,481	162,113
Assets under finance leases	-	-	55,363	-	-	-	-	55,363
	<b>84,088</b>	<b>53,528</b>	<b>63,964</b>	<b>4,577</b>	<b>3,398</b>	<b>3,440</b>	<b>4,481</b>	<b>217,476</b>
<b>At 31 December 2015</b>								
Owned assets	84,088	50,382	8,601	3,479	1,042	2,576	4,970	155,138
Assets under finance leases	-	-	46,936	-	-	-	-	46,936
	<b>84,088</b>	<b>50,382</b>	<b>55,537</b>	<b>3,479</b>	<b>1,042</b>	<b>2,576</b>	<b>4,970</b>	<b>202,074</b>

The gross amount of the Company's fully depreciated plant and equipment that were still in use as at 31 December 2015 amounted to Baht 68.3 million (2014: Baht 73.4 million).

The Group and the Company have pledged their property, plant and equipment which have a net book value of Baht 1,056.5 million and Baht 181.4 million, respectively (2014: Baht 1,042.5 million and Baht 190.5 million, respectively), as collateral to secure the Group's and the Company's bank overdrafts, trusted receipts, short and long term loans.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Measurement of fair value

#### *Fair value hierarchy*

The fair value of land, building and machinery was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provide the fair value of the Group's/Company's land, building and machinery portfolio over a period of 3 - 5 years.

The fair value measurement for land, building and machinery has been categorised as a Level 2 fair value based on the input to the valuation technique used.

### 15 Assets classified as held for sale

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
At 1 January	21,629	145,103	-	-
Disposals	(21,189)	(123,474)	-	-
<b>At 31 December</b>	<b>440</b>	<b>21,629</b>	<b>-</b>	<b>-</b>
Less : Assets classified as held for sale - current portion	(440)	(440)	-	-
<b>Net</b>	<b>-</b>	<b>21,189</b>	<b>-</b>	<b>-</b>

During 2015, a subsidiary of the Company sold assets classified as held for sale in amounting to Baht 49.2 million and recorded gain on disposal of such assets at Baht 28.0 million which presented under other income in the consolidated statement of comprehensive income for the year ended 31 December 2015. The revaluation surplus from the said assets amounting to Baht 13.1 million is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal (*see note 26*).

As at 31 December 2015, the assets classified as held for sale consisted of land of a subsidiary. The management of the subsidiary has assessed impairment of these assets and believes that allowance for impairment of assets is not required since the assets values was closed to current fair values, and such assets are saleable in the future at prices not less than their carrying values.

### 16 Intangible assets

	Software license	
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
At 1 January 2014	10,656	6,147
Additions	295	-
<b>At 31 December 2014 and 1 January 2015</b>	<b>10,951</b>	<b>6,147</b>
Additions	555	-
Disposals	(184)	-
<b>At 31 December 2015</b>	<b>11,322</b>	<b>6,147</b>



# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Software license	
	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<i>Amortisation</i>		
At 1 January 2014	(8,702)	(5,325)
Amortisation charge for the year	(1,283)	(483)
<b>At 31 December 2014 and 1 January 2015</b>	<b>(9,985)</b>	<b>(5,808)</b>
Amortisation charge for the year	(851)	(339)
Disposals	180	-
<b>At 31 December 2015</b>	<b>(10,656)</b>	<b>(6,147)</b>
<i>Net book value</i>		
At 1 January 2014	<u>1,954</u>	<u>822</u>
At 31 December 2014 and 1 January 2015	<u>966</u>	<u>339</u>
At 31 December 2015	<u>666</u>	<u>-</u>

## 17 Land possessory rights

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
At 1 January	181,448	180,375	6,270	6,270
Transfer from property, plant and equipment	816	-	-	-
Increase	10,180	1,073	-	-
<b>At 31 December</b>	<b><u>192,444</u></b>	<b><u>181,448</u></b>	<b><u>6,270</u></b>	<b><u>6,270</u></b>

As at 31 December 2015, the Group and the Company have land possessory rights of approximately 13,547 rais and 49 rais, respectively (2014: 12,969 rais and 49 rais, respectively). The Group and the Company are currently in the process of legal ownership acquisition.

## 18 Advance payment for land possessory right

During 2013, the Company entered into a Shareholders Agreement with Vantage Co., Ltd. (“Vantage”) to join and invest in the business in the Republic of the Union of Myanmar through the incorporation of Myanmar Thai Rubber Joint Corporation Limited (“MTRJC”) which is or shall be a limited company under the law in the Republic of the Union of Myanmar. MTRJC has registered capital of Baht 80 million in order to develop and produce of concentrated natural latex factory, rubber smoked sheet, air dried sheet, rubber plantation, and other related products in Myeik, Dawei. Under the terms of the above agreement, MTRJC will purchase land possessory rights in the amount of Baht 145 million. During 2014, the subsidiary paid advance payment for land possessory rights in the amount of Baht 43.7 million which is presented in the consolidated statement of financial position as at 31 December 2014. Nevertheless, following to the Addendum of Shareholders Agreement dated 15 December 2015, the subsidiary has ceased condition to purchase such possessory rights. Vantage agreed to repay on advance payment for land possessory rights in amounted of Baht 45 million as stipulated in the agreement.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 19 Rubber plantation development costs

	<b>Consolidated financial statements</b>	
	2015	2014
	<i>(in thousand Baht)</i>	
At 1 January	752,148	582,195
Additions	65,606	171,581
Transfer out	-	(99)
Amortisation	(8,204)	-
Disposal	-	(1,529)
<b>At 31 December</b>	<b><u>809,550</u></b>	<b><u>752,148</u></b>

As at 31 December 2015, the Group and the Company have capitalised borrowing costs related to rubber plantation development amounted to Baht 24.2 million (2014: 29.1 million), with a recognition interest rate of 4.0% - 4.2% p.a. (2014: 4.1% - 4.6% p.a.) (see note 34).

### 20 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Total	204,105	211,926	(198,030)	(199,064)
Set off of tax	(154,465)	(159,178)	154,465	159,178
<b>Net deferred tax assets (liabilities)</b>	<b><u>49,640</u></b>	<b><u>52,748</u></b>	<b><u>(43,565)</u></b>	<b><u>(39,886)</u></b>

	<b>Separate financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Total	58,115	59,316	(29,706)	(30,727)
Set off of tax	(29,706)	(30,727)	29,706	30,727
<b>Net deferred tax assets</b>	<b><u>28,409</u></b>	<b><u>28,589</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

Movements in total deferred tax assets and liabilities during the years ended 31 December 2015 and 2014 were as follows:

	Consolidated financial statements (Charged) / Credited to:				At 31 December 2015
	At 1 January 2015	Profit or loss	Other comprehensive income	Equity	
<b>Deferred tax assets</b>					
Trade accounts receivable ( <i>doubtful accounts</i> )	26,712	124	-	-	26,836
Property, plant and equipment ( <i>sales and leaseback</i> )	52,084	(7,933)	-	-	44,151
Employee benefit obligations	8,927	1,488	1,493	-	11,908
Others	1,838	3	-	-	1,841
Loss carry forward	122,365	(2,996)	-	-	119,369
<b>Total</b>	<b>211,926</b>	<b>(9,314)</b>	<b>1,493</b>	<b>-</b>	<b>204,105</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment ( <i>revaluation</i> )	(158,004)	14,065	-	-	(143,939)
Investment properties ( <i>revaluation</i> )	(39,918)	(13,238)	-	-	(53,156)
Others	(1,142)	207	-	-	(935)
<b>Total</b>	<b>(199,064)</b>	<b>1,034</b>	<b>-</b>	<b>-</b>	<b>(198,030)</b>
<b>Net</b>	<b>12,862</b>	<b>(8,280)</b>	<b>1,493</b>	<b>-</b>	<b>6,075</b>

	Consolidated financial statements (Charged) / Credited to:					At 31 December 2014
	At 1 January 2014	Profit or loss	Other comprehensive income	Equity	Acquired in business combination	
<i>(in thousand Baht)</i>						
<b>Deferred tax assets</b>						
Trade accounts receivable ( <i>doubtful accounts</i> )	15,498	11,214	-	-	-	26,712
Property, plant and equipment ( <i>sales and leaseback</i> )	-	52,084	-	-	-	52,084
Employee benefit obligations	8,269	501	-	-	157	8,927
Others	3,988	(2,150)	-	-	-	1,838
Loss carry forward	137,440	(15,075)	-	-	-	122,365
<b>Total</b>	<b>165,195</b>	<b>46,574</b>	<b>-</b>	<b>-</b>	<b>157</b>	<b>211,926</b>
<b>Deferred tax liabilities</b>						
Property, plant and equipment ( <i>revaluation</i> )	(111,355)	6,921	(52,084)	-	(1,486)	(158,004)
Investment properties ( <i>revaluation</i> )	(3,030)	(301)	(36,587)	-	-	(39,918)
Others	-	(1,142)	-	-	-	(1,142)
<b>Total</b>	<b>(114,385)</b>	<b>5,478</b>	<b>(88,671)</b>	<b>-</b>	<b>(1,486)</b>	<b>(199,064)</b>
<b>Net</b>	<b>50,810</b>	<b>52,052</b>	<b>(88,671)</b>	<b>-</b>	<b>(1,329)</b>	<b>12,862</b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
and its Subsidiaries**

**Notes to the financial statements**

	At 1 January 2015	Separate financial statements (Charged) / Credited to:			At 31 December 2015
		Profit or loss	Other comprehensiv e income (in thousand Baht)	Equity	
<b>Deferred tax assets</b>					
Trade account receivable (doubtful accounts)	22,105	(1)	-	-	22,104
Property, plant and equipment (sales and leaseback)	9,644	(1,483)	-	-	8,161
Employee benefit obligations	1,352	116	96	-	1,564
Others	598	71	-	-	669
Loss carry forward	25,617	-	-	-	25,617
<b>Total</b>	<b>59,316</b>	<b>(1,297)</b>	<b>96</b>	<b>-</b>	<b>58,115</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment (revaluation)	(27,777)	1,732	-	-	(26,045)
Investment properties (revaluation)	(2,950)	(711)	-	-	(3,661)
<b>Total</b>	<b>(30,727)</b>	<b>1,021</b>	<b>-</b>	<b>-</b>	<b>(29,706)</b>
<b>Net</b>	<b>28,589</b>	<b>(276)</b>	<b>96</b>	<b>-</b>	<b>28,409</b>

	At 1 January 2014	Separate financial statements (Charged) / Credited to:			At 31 December 2014
		Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
<b>Deferred tax assets</b>					
Trade account receivable (doubtful accounts)	15,447	6,658	-	-	22,105
Property, plant and equipment (sales and leaseback)	-	9,644	-	-	9,644
Employee benefit obligations	1,201	151	-	-	1,352
Others	598	-	-	-	598
Loss carry forward	22,344	3,273	-	-	25,617
<b>Total</b>	<b>39,590</b>	<b>19,726</b>	<b>-</b>	<b>-</b>	<b>59,316</b>
<b>Deferred tax liabilities</b>					
Property, plant and equipment (revaluation)	(19,673)	1,540	(9,644)	-	(27,777)
Investment properties (revaluation)	(3,019)	69	-	-	(2,950)
<b>Total</b>	<b>(22,692)</b>	<b>1,609</b>	<b>(9,644)</b>	<b>-</b>	<b>(30,727)</b>
<b>Net</b>	<b>16,898</b>	<b>21,335</b>	<b>(9,644)</b>	<b>-</b>	<b>28,589</b>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

Deferred tax assets arising from unused tax losses that has not been recognised in the financial statements were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Loss carry forward	46,271	21,663	14,853	-
<b>Total</b>	<b>46,271</b>	<b>21,663</b>	<b>14,853</b>	<b>-</b>

The tax losses expire in 2016-2024. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

## 21 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Current</b>				
Bank overdrafts - secured	10,974	3,963	4,926	3,211
Short-term loans from financial institutions - secured	4,202,630	4,404,102	1,123,160	953,580
Bank overdrafts and short-term loans from financial institutions	4,213,604	4,408,065	1,128,086	956,791
Short-term loans from related parties - unsecured	28,000	8,000	1,416,250	1,648,550
Current portion of long-term loans from financial institutions - secured	78,460	101,800	-	-
Current portion of finance lease liabilities	63,212	60,382	8,589	8,113
<b>Total current interest-bearing liabilities</b>	<b>4,383,276</b>	<b>4,578,247</b>	<b>2,552,925</b>	<b>2,613,454</b>
<b>Non-current</b>				
Long-term loans from financial institutions - secured	6,940	95,400	-	-
Finance lease liabilities	150,280	212,632	22,052	30,641
<b>Total non-current interest-bearing liabilities</b>	<b>157,220</b>	<b>308,032</b>	<b>22,052</b>	<b>30,641</b>
<b>Total interest-bearing liabilities</b>	<b>4,540,496</b>	<b>4,886,279</b>	<b>2,574,977</b>	<b>2,644,095</b>

Under such long-term loan agreements, the Group must be in compliance with the debt covenants and maintain the required financial ratios and other terms as stated in the agreements such as maintaining the level of authorised share capital and maintaining the debt to equity ratio.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

Long-term loans from financial institutions of the Company and its subsidiaries are secured by the mortgage by the Company's and the subsidiaries' land and premises thereon, plants and machinery, and also guaranteed by the Company and the subsidiaries.

The details of long-term loans from financial institutions are summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<b>Long-term loans of the subsidiaries</b>				
<i>Thai Rubber Latex Group Co., Ltd.</i>				
a) Long-term loan of Baht 80 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 14 installments (Baht 6 million for installment 1-13 and Baht 2 million for installment 14). The repayments are to be made for every 3-month period, commencing October 2013. During 2015, the Company negotiated to repay the installment of Baht 10 million in advance.	16,000	50,000	-	-
<i>Thai Rubber HPNR Co., Ltd.</i>				
a) Long-term loan of Baht 100 million subject to interest at Minimum Loan Rate minus 3% per annum and repayable in 47 installments for 2.1 million per installment. The repayments are to be made for monthly, commencing July 2012.	11,800	37,000	-	-
b) Long-term loan of Baht 150 million subject to interest at Minimum Loan Rate minus 1% per annum and repayable in 47 installments for 3.1 million per installment. The repayments are to be made for monthly, commencing February 2013.	41,500	78,700	-	-

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
<i>Latex Systems Co., Ltd.</i>				
a) Long-term loan of Baht 60 million subject to interest at Minimum Loan Rate minus 1% per annum and repayable in 48 installments for 1.25 million per installment. The repayment are to be made for monthly, commencing November 2012.	12,500	27,500	-	-
b) Long-term loan of Baht 4 million subject to interest at Minimum Loan Rate minus 1% per annum and repayable in 50 installments for 0.08 million per installment. The repayment are to be made for monthly, commencing August 2015.	3,600	4,000	-	-
<b>Total</b>	<b>85,400</b>	<b>197,200</b>	<b>-</b>	<b>-</b>
<i>Less: Current portion of long term loans</i>	<i>(78,460)</i>	<i>(101,800)</i>	<i>-</i>	<i>-</i>
<b>Net</b>	<b>6,940</b>	<b>95,400</b>	<b>-</b>	<b>-</b>

As at 31 December 2015, the Group had utilised credit facilities totaling Baht 394 million (2014: Baht 394 million).

The weighted effective interest rate as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(% per annum)</i>			
Short-term loans	3.1 - 7.5	MOR, MMR	3.1 - 7.5	3.1 - 8.0
Long-term loans	MLR-1 to MLR-3	MLR-1 to MLR-3	-	-
Finance lease	5.1 - 6.5	5.1 - 6.5	5.1	5.1

### *Finance lease liabilities*

Finance lease liabilities as at 31 December were payable as follows:

	Consolidation financial statements					
	2015			2014		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
	<i>(in thousand Baht)</i>					
Within one year	73,903	10,691	63,212	74,652	14,270	60,382
After one year but within five years	160,729	10,449	150,280	233,674	21,042	212,632
<b>Total</b>	<b>234,632</b>	<b>21,140</b>	<b>213,492</b>	<b>308,326</b>	<b>35,312</b>	<b>273,014</b>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

	Separate financial statements					
	2015		2014			
	Future minimum lease payments	Interest	Present value of minimum lease payments <i>(in thousand Baht)</i>	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	10,117	1,528	8,589	10,117	2,004	8,113
After one year but within five years	23,607	1,555	22,052	33,724	3,083	30,641
<b>Total</b>	<b>33,724</b>	<b>3,083</b>	<b>30,641</b>	<b>43,841</b>	<b>5,087</b>	<b>38,754</b>

During December 2014, the Company and TRLG, sold its machinery with the fair value of Baht 51.7 million and Baht 328.3 million, respectively, to a local company and leased them back under finance lease agreements. The finance lease liability was repayable in monthly installments for 52 months commencing from January 2015 to April 2019. Under the lease agreements, the Company and subsidiary must comply with conditions covering the lease assets.

Interest-bearing liabilities of the Group and the Company as at 31 December 2015 and 2014 were denominated entirely in Thai Baht.

## 22 Trade accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Related parties	4	255	522	394,150	192,959
Other parties		97,099	138,987	17,403	14,196
<b>Total</b>		<b>97,354</b>	<b>139,509</b>	<b>411,553</b>	<b>207,155</b>

The currency denomination of trade accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	91,904	106,261	411,553	207,155
United States Dollars (USD)	4,567	33,248	-	-
Kyat (MMK)	883	-	-	-
<b>Total</b>	<b>97,354</b>	<b>139,509</b>	<b>411,553</b>	<b>207,155</b>

## 23 Other accounts payable

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
		<i>(in thousand Baht)</i>			
Related parties	4	-	-	8,256	7,220
Other parties		66,821	48,431	4,143	4,170
<b>Total</b>		<b>66,821</b>	<b>48,431</b>	<b>12,399</b>	<b>11,390</b>



# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

The currency denomination of other accounts payable as at 31 December was as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Thai Baht (THB)	26,806	33,076	11,804	11,390
United States Dollars (USD)	20,219	7,786	595	-
Yuan (CNY)	360	708	-	-
Kyat (MMK)	19,436	6,861	-	-
<b>Total</b>	<b>66,821</b>	<b>48,431</b>	<b>12,399</b>	<b>11,390</b>

## 24 Employee benefit obligations

The Group and the Company have a defined benefit pension plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Present value of unfunded obligations	<b>59,540</b>	<b>44,415</b>	<b>7,820</b>	<b>6,476</b>

Movement in the present value of the defined benefit obligations

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	44,415	41,384	6,476	6,005
Defined benefit obligation assumed upon acquisition of subsidiary	-	1,002	-	-
Benefits paid by the plan	(265)	(4,593)	-	(283)
Current service costs and interest	7,926	6,622	865	754
Actuarial losses	7,464	-	479	-
<b>Defined benefit obligations at 31 December</b>	<b>59,540</b>	<b>44,415</b>	<b>7,820</b>	<b>6,476</b>

Expense recognised in profit or loss

Current service costs	6,244	5,205	633	580
Interest on obligation	1,682	1,417	232	174
<b>Total</b>	<b>7,926</b>	<b>6,622</b>	<b>865</b>	<b>754</b>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

The expense is recognised in the following in the statement of comprehensive income:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Cost of sales and administrative expenses	7,926	6,622	865	754
<b>Total</b>	<b>7,926</b>	<b>6,622</b>	<b>865</b>	<b>754</b>

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(%)</i>			
Discount rate	3	3.4 - 4.3	3	3.4
Future salary increases	3 - 6	3 - 6	3 - 6	3 - 6

Assumptions regarding future mortality are based on published statistics and mortality tables, which are calculated at a 100% rate from the 2008 (“TMO 2008”).

### *Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Consolidated financial statements		Separate financial statements	
	<i>(in thousand Baht)</i>			
<b>Defined benefit obligation 31 December 2015</b>	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(5,385)	6,351	(557)	647
Future salary growth (1% movement)	6,102	(5,298)	622	(548)
Employee turnover rate (20% movement)	(4,104)	4,835	(376)	435
Future mortality (1% movement)	278	(310)	27	(30)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 25 Share capital and warrants

### *Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Warrants

On 20 June 2011, the Extraordinary General Shareholder's Meeting of the Company No. 1/2011 passed a resolution to issue 54,516,949 warrants ("Warrant No. 1" or "TRUBB-W1"), for allocation free-of-charge to the existing shareholders who subscribed to the rights offering and were allocated ordinary shares, at the rate of 1 warrant for every 2 newly issued ordinary shares. The warrants can be exercised at the price of Baht 4 per share, with the exercise ratio of 1 warrant to 1 new ordinary share. They have a term of 3 years from the date of issue and exercise dates are on the last business day of each June and December, beginning on the last business day of December 2011, with a final exercise date on 7 August 2014.

On 19 August 2011, the Securities and Exchange Commission and the Stock Exchange of Thailand approved the receipt of securities and warrant to purchase new ordinary share no. 1 ("Warrant No.1" or "TRUBB-W1") to enable the offering of 54,516,637 ordinary shares. Share trading commenced on 23 August 2011.

At the Annual General Meeting of the Company's shareholders No. 1/2012, held on 27 April 2012, approved a stock dividend payment, the Company has to adjust the rights of the warrants of the Company (TRUBB-W1), to be in accordance with the Warrant Covenants of Rights and Duties of the Issuer and Holders of Warrants of the Company.

The Company announced the adjustment of the exercise price and exercise ratio of TRUBB-W1, effective on 8 May 2012 as follows:

	Previous	Present
Exercise price (Baht/share)	4.00	3.20
Exercise ratio (Share(s) per 1 unit of warrant)	1.00	1.25

On 11 August 2014, the Company announced the result of issuance and allocation of TRUBB-W1 to the existing shareholders who subscribed for newly issued ordinary shares and were allocated 54,516,637 units of TRUBB-W1.

Movement of share capital on ordinary shares during the years ended 31 December 2015 and 2014 is as follows:

### Consolidated and Separate financial statements

	Authorised share capital		Issued and paid-up share capital		Additional paid-in capital
	Number	Amount	Number	Amount	(in thousand Baht)
At 1 January 2014					
- ordinary shares	749,608	749,608	681,454	681,454	342,114
Issue of new shares	-	-	26	26	56
At 31 December 2014					
- ordinary shares	749,608	749,608	681,480	681,480	342,170
<b>At 31 December 2015</b>					
- <b>ordinary shares</b>	<b>749,608</b>	<b>749,608</b>	<b>681,480</b>	<b>681,480</b>	<b>342,170</b>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

During 2014, the Company issued 25,869 ordinary shares as a result of the exercise of the warrants of the Company (“TRUBB-W1”) to the existing shareholder in 2011 amounted to 20,701 units with the exercise price of 3.20 Baht per share in the amount of Baht 0.08 million. The increase in issued and paid-up share capital of 25,869 shares, with a par value of Baht 1 per share was registered with the Ministry of Commerce on 18 August 2014.

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

## 26 Reserves

Reserves comprise:

### *Appropriations of profit and/or retained earnings*

#### Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

### *Other components of equity*

#### Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company’s net investment in a foreign operation.

#### Valuation surplus

The valuation surplus account within equity comprises the cumulative net change in the valuation of land, building and machinery included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of. Valuation surplus of land, building and machinery is amortised using the straight-line method according to its remaining useful life and transferred directly to retained earnings.

	Consolidated		Separate	
	financial statements		financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
At 1 January	763,612	449,787	114,896	86,794
Acquisitions of business	-	4,031	-	-
Revaluation of land, building and machinery	-	321,791	-	30,274
Adjustment of revaluation surplus on assets	(12,629)	-	-	-
Amortisation	(43,027)	(11,997)	(7,109)	(2,172)
Disposals	(13,086)	-	-	-
<b>At 31 December</b>	<b>694,870</b>	<b>763,612</b>	<b>107,787</b>	<b>114,896</b>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

### **27 Segments information**

The Group's has five reportable segments, as described below, which are the Group's strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the principal reportable segments, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group's principal reportable segments.

Segment 1 Concentrated and prevulcanized latex

Segment 2 Block rubber

Segment 3 Latex products

Segment 4 Rubber plantation

Segment 5 Broker

There are varying levels of integration between the Segment 1, Segment 2, Segment 3, Segment 4 and Segment 5 reportable segments. This integration includes sales of finished goods and fixed assets. Inter-segment pricing is determined on a arm's length basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group's CODM. Segment profit (loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

**Thai Rubber Latex Corporation (Thailand) Public Company Limited**  
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**Notes to the financial statements**

*Information about reportable segments*

	<b>Concentrated and prevulcanized latex</b>		<b>Block rubber</b>		<b>Latex products</b>		<b>Rubber plantation</b>		<b>Broker</b>		<b>Total</b>	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	<i>(in million Baht)</i>											
External revenue	5,666	7,869	1,417	1,980	1,742	1,539	29	1	1	3	8,855	11,392
Inter-segment revenue	2,503	1,871	(15)	-	-	-	29	-	-	-	2,517	1,871
Total segment revenue	<b>8,169</b>	<b>9,740</b>	<b>1,402</b>	<b>1,980</b>	<b>1,742</b>	<b>1,539</b>	<b>58</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>11,372</b>	<b>13,263</b>
Interest revenue	128	111	-	-	-	-	-	-	-	-	128	111
Interest expense	198	207	40	51	27	31	27	18	-	-	292	307
Depreciation and amortisation	82	49	34	32	79	67	17	11	-	-	212	159
Segment profit (loss) before income tax	18	(22)	(101)	(58)	146	(86)	(59)	18	(3)	(1)	1	(149)
Share of profit of equity accounted investees	-	5	-	-	-	-	-	1	-	-	-	6
Significant income and expenses												
- Selling-related expenses	178	201	33	30	19	35	2	-	-	-	232	266
- Personnel-related expenses	227	270	39	57	151	119	20	1	4	3	441	450
Segment assets	7,722	7,965	839	1,195	1,632	1,522	1,738	1,651	1	47	11,932	12,380
Investment in equity securities	-	-	-	-	-	-	33	33	-	-	33	33
Capital expenditure	20	385	26	16	74	65	109	225	-	-	229	691
Segment liabilities	5,393	5,613	601	1,104	913	921	1,418	1,264	-	19	8,325	8,921
Reportable segment assets at 31 December	2,400	2,709	818	1,103	1,632	1,522	1,738	1,685	-	47	6,588	7,066
Reportable segment liabilities as at 31 December	3,546	3,644	590	883	720	745	57	38	-	16	4,913	5,326

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	2015	2014
	<i>(in million Baht)</i>	
<b>Revenues</b>		
Total revenue from reportable segments	11,372	13,263
Other revenue	274	305
	<u>11,646</u>	<u>13,568</u>
Elimination of inter-segment revenues	(2,656)	(2,027)
<b>Consolidated revenue</b>	<u>8,990</u>	<u>11,541</u>
<b>Profit or loss</b>		
Total loss for reportable segments	(4)	(145)
Share of profit from investments in equity accounted investees	-	6
Elimination of inter-segment profits	5	(10)
<b>Consolidated profit (loss) before income tax benefit</b>	<u>1</u>	<u>(149)</u>
<b>Assets</b>		
Total assets for reportable segments	11,932	12,380
Elimination of inter-segment assets	(5,344)	(5,314)
<b>Consolidated total assets</b>	<u>6,588</u>	<u>7,066</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	8,325	8,921
Elimination of inter-segment liabilities	(3,412)	(3,595)
<b>Consolidated total liabilities</b>	<u>4,913</u>	<u>5,326</u>

<b>Other material items</b>	Reportable segment totals	Adjustments	Consolidated totals
	<i>(in million Baht)</i>		
<b>2015</b>			
Interest revenue	128	(126)	2
Interest expense	292	(126)	166
Capital expenditure	229	-	229
Depreciation and amortisation	212	-	212
<b>2014</b>			
Interest revenue	111	(108)	3
Interest expense	307	(108)	199
Capital expenditure	691	(6)	685
Depreciation and amortisation	159	-	159

### ***Geographical information***

Segment 1, 2, 3, 4 and 5 are managed on a worldwide basis but operate manufacturing facilities and sales offices in Thailand, the People's Republic of China ("PRC") and the Republic of Union of Myanmar ("Myanmar").

In presenting geographical information on the basis, segment revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Geographical information

	Revenues		Non-current assets	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
Thailand	7,701	9,424	4,239	4,225
Myanmar	29	-	109	98
PRC	1,260	2,117	2	3
Investments in equity - accounted investees	-	-	33	33
<b>Total</b>	<b>8,990</b>	<b>11,541</b>	<b>4,383</b>	<b>4,359</b>

### 28 Other income

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Gain on adjustment of fair value in investment properties	59,961	14,661	-	530
Gain on sale of fixed assets	43,543	21,922	561	-
Interest income	2,027	3,106	63,322	58,419
Net gain on foreign exchange	-	36,385	1,074	2,754
Net gain on future rubber contract	-	9,680	-	9,826
Other income	29,194	62,700	13,535	13,573
<b>Total</b>	<b>134,725</b>	<b>148,454</b>	<b>78,492</b>	<b>85,102</b>

### 29 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Distribution expense	236,655	270,795	26,926	28,141
Latex gardener support expense	66,752	53,598	10,403	2,597
Marketing expense - Commission	35,860	40,435	7,558	16,182
Others	7,512	6,097	281	369
<b>Total</b>	<b>346,779</b>	<b>370,925</b>	<b>45,168</b>	<b>47,289</b>

### 30 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Personnel expenses	163,311	192,824	31,105	24,901
Depreciation	58,822	49,089	4,184	7,399
Bad and doubtful debts expense	41,142	56,094	-	33,292
Travelling expense	19,845	20,762	3,376	4,783
Professional fees	17,767	18,176	4,196	9,808
Office expense	17,547	15,707	3,467	6,029
Others	25,171	12,548	5,113	6,203
<b>Total</b>	<b>343,605</b>	<b>365,200</b>	<b>51,441</b>	<b>92,415</b>



# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 31 Other expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Net loss on future rubber contract	58,105	-	59,620	-
Net loss on foreign exchange	2,491	-	-	-
Impairment loss on investment	-	-	12,493	-
<b>Total</b>	<b>60,596</b>	<b>-</b>	<b>72,113</b>	<b>-</b>

### 32 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Salary, wage and overtime expense	360,309	352,535	31,227	25,679
Others	80,398	97,365	5,497	14,852
<b>Total</b>	<b>440,707</b>	<b>449,900</b>	<b>36,724</b>	<b>40,531</b>

#### *Defined benefit plans*

Details of the defined benefit plans are given in note 24.

#### *Defined contribution plans*

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 5% of their basic salaries and by the Group at rates ranging from 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed fund manager.

### 33 Expenses by nature

The statements of income include an analysis of expenses by function. Significant expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht)</i>			
Change in finished goods and work in process	52,046	213,406	(8,440)	14,801
Raw materials and supplies used	3,615,385	5,367,013	209,529	238,338
Purchase of finished goods	3,600,160	4,423,446	1,889,836	1,866,009
Depreciation on building and equipment	201,666	148,994	16,463	12,083
Employee benefit expenses	440,707	449,900	36,724	40,531

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
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**Notes to the financial statements**

**34 Finance costs**

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
<b>Interest expense:</b>					
Subsidiaries	4	-	-	63,911	52,101
Other related parties	4	323	124	-	-
Bank loans and overdrafts		184,934	223,783	38,627	65,177
<b>Total interest expense</b>		<b>188,257</b>	<b>223,907</b>	<b>102,538</b>	<b>117,278</b>
Other finance costs		4,900	6,244	628	655
		<b>190,157</b>	<b>230,151</b>	<b>103,166</b>	<b>117,933</b>
Less: amounts included in the cost of qualifying assets:					
- Property, plant and equipment under construction	14	(317)	(2,498)	-	-
- Rubber plantation development costs	19	(24,159)	(29,149)	-	-
<b>Net</b>		<b>165,681</b>	<b>198,504</b>	<b>103,166</b>	<b>117,933</b>

**35 Income tax expense**

*Income tax recognised in profit or loss*

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<i>(in thousand Baht)</i>					
<b>Current tax expense</b>					
Current year		27,761	29,281	-	-
Adjust for prior years		-	(2,525)	-	-
		<b>27,761</b>	<b>26,756</b>	<b>-</b>	<b>-</b>
<b>Deferred tax expense</b>					
Movements in temporary differences	20	8,280	(52,052)	276	(21,335)
<b>Total income tax expense (benefit)</b>		<b>36,041</b>	<b>(25,296)</b>	<b>276</b>	<b>(21,335)</b>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### Reconciliation of effective tax rate

	Consolidated financial statements			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		850		(149,333)
Income tax using the Thai corporation tax rate	20	170	(20)	(29,867)
Effect of different tax rates in foreign jurisdictions		2,158		964
Income not subject to tax		(1,524)		(9,028)
Expenses not deductible for tax purposes		8,658		3,171
Utilisation of previously unrecognised tax losses		(2,996)		(3,597)
Current year losses for which no deferred tax assets was recognised		27,604		15,303
Recognition of previously unrecognised tax losses		-		(1,398)
Others		1,971		(844)
<b>Total</b>	<b>100</b>	<b>36,041</b>	<b>(17)</b>	<b>(25,296)</b>

	Separate financial statements			
	2015		2014	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Loss before income tax expense		(84,488)		(99,438)
Income tax using the Thai corporation tax rate	(20)	(16,898)	(20)	(19,888)
Income not subject to tax		(575)		(721)
Expenses not deductible for tax purposes		2,549		116
Current year losses for which no deferred tax assets was recognised		14,853		-
Others		347		(862)
<b>Total</b>	<b>-</b>	<b>276</b>	<b>(22)</b>	<b>(21,355)</b>

### Income tax reduction

Royal Decree No. 577 B.E. 2557 dated 10 November 2014 extends the reduction to 20% for the accounting period 2015 which begins on or after 1 January 2015.

On 22 January 2016, The National Legislative Assembly has approved a reduction of the corporate income tax rate from 30% to 20% of net taxable profit for the accounting period which begins on or after 1 January 2016.

The Group/Company has applied the reduced tax rate of 20% in measuring deferred tax assets and liabilities as at 31 December 2015 and 2014 in accordance with the clarification issued by the FAP in 2012.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 36 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to latex concentrate skim crepes, skim blocks, and rubber related products. The privileges granted include:

- (a) Exemption from payment of import duty on machinery approved by the Board of investment; and
- (b) Exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations; and
- (c) A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above; and
- (d) A deduction for a period of ten years of an amount equal to 5% of the increase in income of certain promoted operations over the income from those operations for the previous year.

As promoted companies, the subsidiaries in Thailand must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	<b>Consolidated financial statements</b>					
	2015			2014		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	1,638	3,734	5,372	1,427	5,458	6,885
Local sales	740	2,744	3,484	1,279	3,228	4,507
<b>Total revenue</b>	<b>2,378</b>	<b>6,478</b>	<b>8,856</b>	<b>2,706</b>	<b>8,686</b>	<b>11,392</b>

	<b>Separate financial statements</b>					
	2015			2014		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	-	459	459	-	327	327
Local sales	-	1,794	1,794	-	1,899	1,899
<b>Total revenue</b>	<b>-</b>	<b>2,253</b>	<b>2,253</b>	<b>-</b>	<b>2,226</b>	<b>2,226</b>

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 37 Loss per share

The calculation of loss per share for the years ended 31 December 2015 and 2014 were based on the loss for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in thousand Baht/thousand shares)</i>			
<b>Loss attributable to ordinary shareholders of the Company</b>	<b>(76,195)</b>	<b>(123,368)</b>	<b>(84,764)</b>	<b>(78,103)</b>
Number of issued shares at 1 January	681,480	681,454	681,480	681,454
Effect of shares issues on 18 August	-	9	-	9
<b>Weighted average number of ordinary shares outstanding</b>	<b>681,480</b>	<b>681,463</b>	<b>681,480</b>	<b>681,463</b>
<b>Loss per share (in Baht)</b>	<b>(0.11)</b>	<b>(0.18)</b>	<b>(0.12)</b>	<b>(0.11)</b>

### 38 Financial instruments

#### *Financial risk management policies*

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group/Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

#### *Capital management*

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

#### *Interest rate risk*

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (*see note 21*). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

The effective interest rates of debt securities and loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>2015</b>					
<b>Current</b>					
Loans to other parties	MOR+1%	9,732	4,186	-	13,918
<b>Total</b>		<b>9,732</b>	<b>4,186</b>	<b>-</b>	<b>13,918</b>
<b>2014</b>					
<b>Current</b>					
Loans to other parties	MOR+1%	2,304	-	-	2,304
<b>Total</b>		<b>2,304</b>	<b>-</b>	<b>-</b>	<b>2,304</b>
	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>2015</b>					
<b>Current</b>					
Loans to related parties	4.0 - 4.2	1,298,550	-	-	1,298,550
Loans to other parties	MOR+1, 12	7,224	4,186	-	11,410
<b>Total</b>		<b>1,305,774</b>	<b>4,186</b>	<b>-</b>	<b>1,309,960</b>
<b>2014</b>					
<b>Current</b>					
Loans to related parties	4.1 - 4.6	1,422,750	-	-	1,422,750
Loans to other parties	12	117	-	-	117
<b>Total</b>		<b>1,422,867</b>	<b>-</b>	<b>-</b>	<b>1,422,867</b>

The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>2015</b>					
<b>Current</b>					
Bank overdrafts and short-term loans from financial institutions	3.1 - 7.5	4,213,604	-	-	4,213,604
Loans from related parties	3.0 - 4.1	28,000	-	-	28,000
<b>Non-current</b>					
Loans from financial institutions	MLR-1 to MLR-3	78,460	6,940	-	85,400
Finance lease liabilities	5.1 - 6.5	63,212	150,280	-	213,492
<b>Total</b>		<b>4,383,276</b>	<b>157,220</b>	<b>-</b>	<b>4,540,496</b>

**Thai Rubber Latex Corporation (Thailand) Public Company Limited  
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**Notes to the financial statements**

	Effective interest rate (% per annum)	Within 1 year	Consolidated financial statements		
			After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2014</b>					
<b>Current</b>					
Bank overdrafts and short- term loans from financial institutions	MMR, MOR	4,408,065	-	-	4,408,065
Loans from related parties	4.1 - 4.6	8,000	-	-	8,000
<b>Non-current</b>					
Loans from financial institutions	MLR-1 to MLR-3	101,800	95,400	-	197,200
Finance lease liabilities	5.1 - 6.5	60,382	212,632	-	273,014
<b>Total</b>		<b>4,578,247</b>	<b>308,032</b>	<b>-</b>	<b>4,886,279</b>

	Effective interest rate (% per annum)	Within 1 year	Separate financial statements		
			After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
<b>2015</b>					
<b>Current</b>					
Overdrafts and short-term loans from financial institutions	3.1 - 7.5	1,128,086	-	-	1,128,086
Loans from related parties	3.9 - 4.6	1,416,250	-	-	1,416,250
<b>Non-current</b>					
Finance lease liabilities	5.1	8,589	22,052	-	30,641
<b>Total</b>		<b>2,552,925</b>	<b>22,052</b>	<b>-</b>	<b>2,574,977</b>

<b>2014</b>					
<b>Current</b>					
Overdrafts and short-term loans from financial institutions	7.4 - 8.0	956,791	-	-	956,791
Loans from related parties	3.9 - 4.6	1,648,550	-	-	1,648,550
<b>Non-current</b>					
Finance lease liabilities	5.1	8,113	30,641	-	38,754
<b>Total</b>		<b>2,613,454</b>	<b>30,641</b>	<b>-</b>	<b>2,644,095</b>

*Foreign currency risk*

The Group/Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group/Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Assets (classify by currencies)</b>				
Malaysian Ringgit (RM)	32	48	-	-
United States Dollars (USD)	368	623	44	57
Yen (JPY)	1	25	-	24
Kyat (MMK)	116	119	-	-
Euro (EUR)	2	-	-	-
Taiwan Dollars (TWD)	-	59	-	-
Yuan (CNY)	81	297	-	-
Total	<u>600</u>	<u>1,171</u>	<u>44</u>	<u>81</u>
<b>Liabilities (classify by currencies)</b>				
United States Dollars (USD)	(25)	-	(1)	-
Kyat (MMK)	(26)	(7)	-	-
Yuan (CNY)	(7)	(54)	-	-
Total	<u>(58)</u>	<u>(61)</u>	<u>(1)</u>	<u>-</u>
<b>Gross balance sheet exposure</b>	<b><u>542</u></b>	<b><u>1,110</u></b>	<b><u>43</u></b>	<b><u>81</u></b>

### *Credit risk*

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

### *Liquidity risk*

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/Company's operations and to mitigate the effects of fluctuations in cash flows.



# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### *Fair values of financial assets and liabilities*

Fair values of financial assets and liabilities, together with the carrying values shown in the consolidated and separate statement of financial position at 31 December were as follows:

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>31 December 2015</b>					
<b><i>Current</i></b>					
Forward exchange contract	8,561	-	8,609	-	8,609

As at 31 December 2015 and 2014, the fair value of financial assets and liabilities which are not derivatives is taken to approximate the carrying value as determined in the statement of financial position.

### **Financial instruments carried at fair value**

#### *Fair value hierarchy*

The table above analyses recurring fair value measurements for financial assets. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group/Company can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group/Company and counterparty when appropriate.

The Group/Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer has occurred. There were no transfers between Level 1 to Level 2 of the fair value hierarchy during the year ended 31 December 2015.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 39 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	<i>(in million Baht)</i>			
<b>Capital commitments</b>				
<i>Contracted but not provided for:</i>				
Machinery, buildings and construction in progress	3	10	-	-
<b>Total</b>	<b>3</b>	<b>10</b>	<b>-</b>	<b>-</b>
<b>Non-cancellable operating lease commitments:</b>				
Within 1 year	11	4	-	-
More than one year but not over 5 years	4	1	-	-
<b>Total</b>	<b>15</b>	<b>5</b>	<b>-</b>	<b>-</b>
<b>Other commitments:</b>				
Bank guarantees	15	14	3	2
Forward exchange contract - buy	1	4	-	-
Forward exchange contract - sell	8	308	-	20
Rubber future - net	-	187	-	187
<b>Total</b>	<b>24</b>	<b>513</b>	<b>3</b>	<b>209</b>

As at 31 December 2015 and 2014, the Group and the Company had the following commitments:

- The Group has entered into forward exchange contracts to sell USD 0.13 million and EUR 0.09 million (2014: USD 9.43 million) at the forward rate of Baht 33.69-33.88 per USD (2014: 32.21-33.08 Baht per USD) and Baht 39.60-40.63 per EUR (2014: Nil). These contracts are due between 29 March 2016 to 23 May 2016 (2014: 4 February 2015 to 11 June 2015). No such forward exchange contract during 2015 for the Company (2014: USD 0.63 million, at the forward rate of Baht 33.01-33.04 per USD, due on 2 June 2015).

- During 2015, the Group has entered into forward exchange contracts to buy USD 0.01 million (2014: USD 0.04 million) at the forward rate of Baht 36.3 per USD (2014: 32.92 Baht per USD). The contracts are due on 23 June 2016 (2014: 21 May 2015 to 4 June 2015).

- Commitments in respect of uncalled portion of investments in subsidiaries of Baht 467.3 million (2014: Baht 467.3 million).

- A subsidiary had outstanding commitments of approximately Baht 1.4 million (2014: Baht 0.2 million) in respect of the rental of space for storage of latex.

- Six subsidiaries had outstanding commitments of approximately Baht 3.1 million (2014: Baht 9.9 million), in respect of construction and installation contract of machinery and tools.

- Two subsidiaries had outstanding commitments of approximately Baht 11.5 million (2014: Baht 4.1 million), in respect of factory, warehouse, office rental and the house rental for staff.

- A subsidiary entered into a service agreement with a legal consultant of the Company in respect of land purchase for rubber plantation in the northern area, whereby service fees will be charged at the rates stipulated in the agreement.

# **Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries**

## **Notes to the financial statements**

- The Company and two subsidiaries entered into consulting agreements, from which the group will receive consulting services in respect of their business operations, and shall pay consulting fee at Baht 0.4 million per month (2014: Baht 0.7 million per month).

- The Company entered into purchase agreements with a local company to purchase latex, at quantity and price specified in the agreements.

- A subsidiary entered into an agreement with a group of para rubber planter state enterprises in respect of the distribution of benefits from the harvesting of the field latex as stipulated in the agreement which is for a period of 35 years or until the end of the useful life of the para rubber trees.

In 2010, the subsidiary amended the agreement with a group of para rubber planter state enterprises in respect of the distribution of benefits from the harvesting of the field latex, whereby it is obliged to provide loans in amounts of not more than Baht 20,000 per rai, plus interest at a rate of 8 percent per year. The loan principal and interest are repayable within 10 years from the contract date. The Company has to pay the first installment when the para rubber trees provide latex.

- A subsidiary has outstanding commitments in respect of agreements for issuing of land title deeds with total area of 1,500 rai. The subsidiary is committed to pay commission to the operator at Baht 5,650 per rai.

### **Bank guarantees**

As at 31 December 2015, there were outstanding bank guarantees of approximately Baht 15 million (2014: Baht 14 million) issued by the banks on behalf of the Group and the Company, respectively, in respect of certain performances bonds as required in the normal course of their businesses.

## **40 Other matters**

At the annual general meeting of the shareholders of the Company held on 26 April 2013, the shareholders approved the debenture issuance in the amount of Baht 2,000 million and authorised the Company's Board of Directors and/or other persons authorised by the Board of Directors to determine details of each debenture issuance. As at 31 December 2015, the debentures has not been issued.

A subsidiary had registered with the People's Republic of China to set up a corporate office for a period of 20 years from 9 January 2006 to 8 January 2026.

## **41 Event after the reporting period**

On 24 February 2016, Thai Rubber HPNR Co., Ltd., a subsidiary, signed an agreement of purchase and sale of its property, plant and equipment for block rubber which the rights to be transferred within 30 June 2016. Under the said agreement, a subsidiary must comply with conditions as stipulated in the agreement.

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

### 42 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS have been issued but are not yet effective and have not been applied in preparing these financial statements. Those new and revised TFRS that may be relevant to the Group's/Company's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated, are set out below:

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TAS 1 (revised 2015)	Presentation of Financial Statements	2016
TAS 2 (revised 2015)	Inventories	2016
TAS 7 (revised 2015)	Statement of Cash Flows	2016
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimates and Errors	2016
TAS 10 (revised 2015)	Events After the Reporting Period	2016
TAS 12 (revised 2015)	Income Taxes	2016
TAS 16 (revised 2015)	Property, Plant and Equipment	2016
TAS 17 (revised 2015)	Leases	2016
TAS 18 (revised 2015)	Revenue	2016
TAS 19 (revised 2015)	Employee Benefits	2016
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates	2016
TAS 23 (revised 2015)	Borrowing Costs	2016
TAS 24 (revised 2015)	Related Party Disclosures	2016
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans	2016
TAS 27 (revised 2015)	Separate Financial Statements	2016
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures	2016
TAS 33 (revised 2015)	Earnings Per Share	2016
TAS 34 (revised 2015)	Interim Financial Reporting	2016
TAS 36 (revised 2015)	Impairment of Assets	2016
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets	2016
TAS 38 (revised 2015)	Intangible Assets	2016
TAS 40 (revised 2015)	Investment Property	2016
TAS 41	Agriculture	2016
TFRS 3 (revised 2015)	Business Combinations	2016
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discontinued Operations	2016
TFRS 8 (revised 2015)	Operating Segments	2016
TFRS 10 (revised 2015)	Consolidated Financial Statements	2016
TFRS 12 (revised 2015)	Disclosure of Interests in Other Entities	2016
TFRS 13 (revised 2015)	Fair Value Measurement	2016
TSIC 15 (revised 2015)	Operating Leases – Incentives	2016
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease	2016

# Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

## Notes to the financial statements

<b>TFRS</b>	<b>Topic</b>	<b>Year effective</b>
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease	2016
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment	2016
TFRIC 14 (revised 2015)	TAS 19 (revised 2015) Employee Benefits – The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction	2016

Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.