



# ANNUAL REPORT 2019



รายงานประจำปี  
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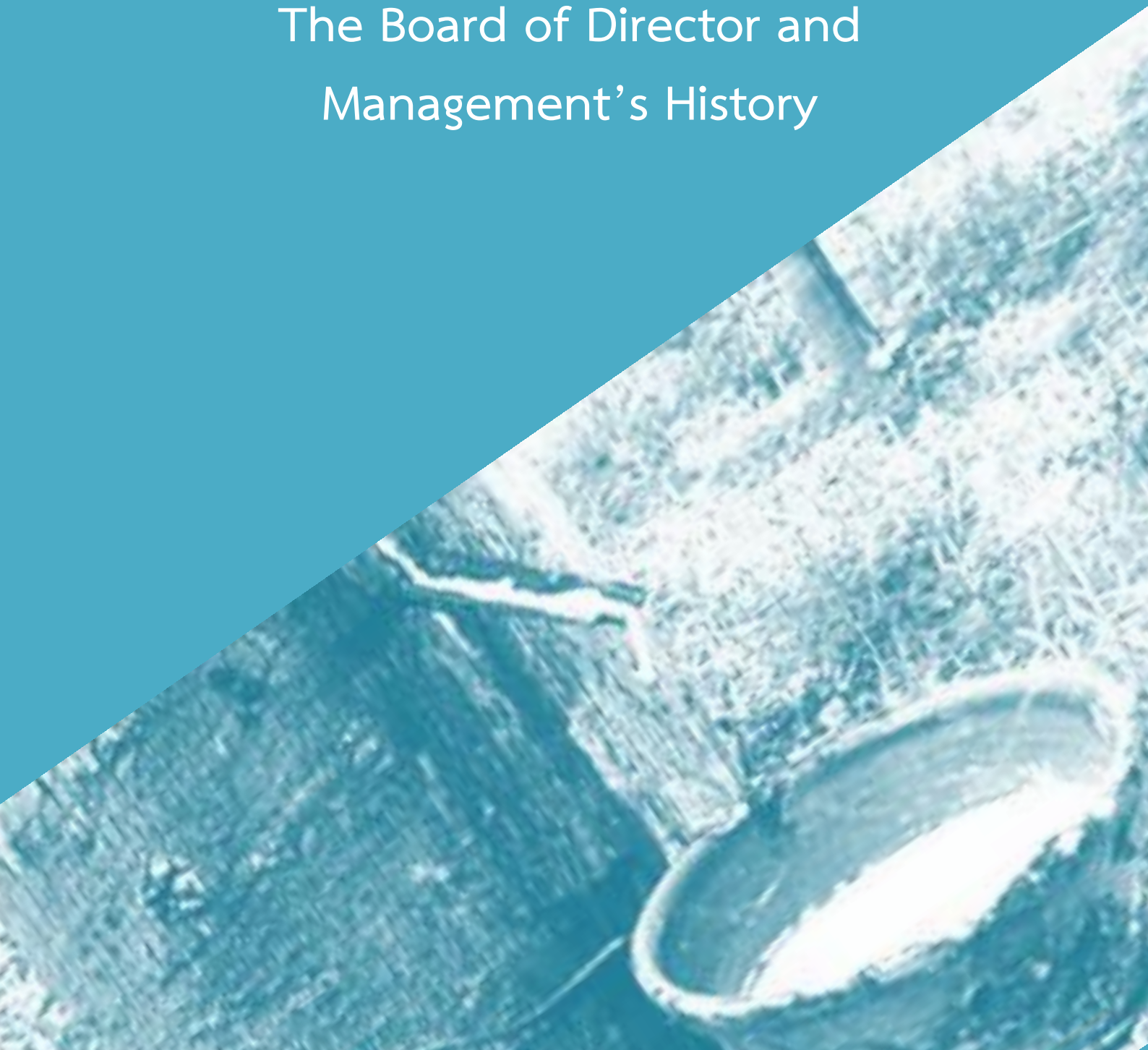


บริษัท ไทยรับเบอร์ลัตেকซ์กรุ๊ป จำกัด (มหาชน)

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# The Board of Director and Management's History





Mr. Vorathep Wongsasuthikul

Share holder 6.38 %

#### Work Experience

- 2008 – present - Chairman of the Board  
Thai Rubber Latex Group PCL.
- 1993 – present - Executive Chairman  
Thai Rubber Latex Group PCL.
- 2017 – present - Compensation Chairman  
Thai Rubber Latex Group PCL.
- 2018 – present - Risk Management  
Committee  
Thai Rubber Latex Group PCL.
- 2005 – present - Director  
Latex System PCL.
- 2002 – present - Chairman of the Board  
World Flex PCL.
- 1994 – present - Executive Committee  
Wangsomboon Rubber Estate  
Co., Ltd
- 1994 – 2017 - President  
Thai Rubber Latex Group  
Co., Ltd

Age 71 Years

#### Position

- Chairman
- Executive Chairman
- Chairman of the Remuneration Committee
- Risk Management Committee

#### Relationship between Directors and Executives

- Father, Mr. Pattarapol Wongsasuthikul
- Father, Miss Chalengkwan Wongsasuthikul

#### Educational Qualifications

- Master of Economics Ramkhamhaeng University
- Bachelor of Economics Ramkhamhaeng  
University

#### Training history

- Executive Program Institute of Capital Market  
Speakers (Version 5)
- Guidelines for establishing and operating for  
effective audits for effective audits  
Thailand Institute of Business Management
- Audit Committee President of the Institute of  
Internal Auditors of Thailand
- Balance Scorecard and practical solutions  
National Productivity Institute
- Certificate of Completion ( Direction Certification  
Program ) Thai Institute of Directors
- Advanced Certificate Course in Public Economics  
Management for Executives, Class 9, King
- Advanced Certificate Course in Politics and  
Governance in Democratic Systems for  
Executives,



Mr. Paiboon Waraprateep

Share holder 1.49 %

Age 81 Years

Position

- Vice Chairman
- Executive Committee
- Risk Management Committee

Relationship between Directors and Executives

- Father, Mr. Prawit Waraprateep
- Father, Mr. Prakrit Waraprateep

Educational Qualifications

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

Work Experience

- 2008 - present - Vice Chairman of the Board of Directors  
Thai Rubber Latex Group PCL.
- 2018 - present - Risk Management Committee  
Thai Rubber Latex Group PCL.
- 1993 - present - Executive Committee  
Thai Rubber Latex Group PCL.
- 2002 - present - Director  
World Flex PCL.
- 1989 - present - Managing Director  
Wangsomboon Rubber Estate Co., Ltd
- 1994 - 2017 - Executive Committee  
Thai Rubber Latex Group PCL.

Training history

- Audit Committee President of the Institute of Internal Auditors of Thailand
- The efficiency of the audit committee President of the Institute of Internal Auditors of Thailand
- Certificate of Completion (Direction Program)  
Thai Institute of Directors



Mr. Prachnon Temritikulchai

Share holder 0.80 %

**Work Experience**

- 2016 - present - President of the Alumni Association King Mongkut's Institute of Technology North Bangkok
- 2018 - 2019 - Risk Management Committee Thai Rubber Latex Group PCL.
- 2008 - 2019 - Vice Chairman Thai Rubber Latex Group PCL.
- 2002 - 2019 - Director World Flex PCL.
- 1997 - 2017 - Executive Committee Thai Rubber Latex Co., Ltd
- 1986 - 2019 - Executive Committee Thai Rubber Latex Group PCL.

Age 74 Years

**Position**

- Vice Chairman
- Executive Committee
- Risk Management Committee ( Resign October 31, 2019 )

**Relationship between Directors and Executives**

- None

**Educational Qualifications**

- Ph.D. Faculty of Business Administration Industrial Business Administration Program, King Mongkut's of Technology North Bangkok
- Master of Education, Mahidol University Industrial Business Program, King Mongkut's of Technology North Bangkok
- Bachelor of Industrial Technology in Industrial Management King Mongkut's Institute of Technology North Bangkok

**Training history**

- Advances in using Balanced Scorecard and problem solving in practice at the Thailand Productivity Institute
- Certificate of Completion ( Directors Certification Program ) Thai Institute of Directors



**Mr. Pattarapol Wongsasuthikul**

Share holder 0.61 %

**Work Experience**

- 2018 - present - Chief Executive Officer  
Thai Rubber Latex Group PCL.
- 2019 - present - Risk Management  
Committee  
Thai Rubber Latex Group PCL.
- 2018 - present - Executive Committee  
Thai Rubber Latex Group PCL.
- .2008 - present - Executive Committee  
World Flex PCL.
- 2006 - present - Executive Committee  
Latex System PCL.
- 2012 – 2017 - Managing Director  
Thai Rubber Latex Group Co.,  
Ltd.
- 2010 – 2016 - Executive Committee  
Thai Rubber HPNR Co., Ltd.

Age 46 Years

**Position**

- Chief Executive Officer
- Executive Committee
- Director
- Risk Management Committee

**Relationship between Directors and Executives**

- Son, Mr. Vorathep Wongsasuthikul

**Educational Qualifications**

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

**Training history**

- Smart Exporter 3 at Department of Export  
Promotion
- EDP class 3 Of Thai listed companies
- Balanced Scorecard Guidelines for effective  
implementation
- Leadership Development To strengthen  
Organization excellence
- Leadership Management
- Roles and responsibilities of managers and  
supervisors
- Awaken your power, motivate the team
- Coordination between departments TQM  
guidelines
- Impact of ASEAN Economic Community
- Techniques for setting goals for performance  
evaluation
- Corporate culture, important matters & duty  
writing
- Management to reduce the cost that everyone  
has shared
- Advanced Security Management Program  
Director Certification Program 229/ 2016



**Mrs. Suchada Sodthibhapkul**

Share holder 0.00 %

Age 66 Years

**Position**

- Risk Management Committee Chairman
- Independent Directors

**Relationship between Directors and Executives**

- None

**Educational Qualifications**

- Master of Business Administration Chulalongkorn University

**Work Experience**

- 2016 – Present - Risk Management Committee Chairman Thai Rubber Latex Group PCL.
- 2008 – Present - Independent Directors Thai Rubber Latex Group PCL.
- 2014 - Present - Executive Committee KGI Securities (Thailand) PCL.
- 2012 – 2015 - Risk Management Committee Thai Rubber Latex Group PCL.
- 2008 – 2015 - Compensation Committee Thai Rubber Latex Group PCL.
- 2001 – 2014 - Managing Director KGI Securities (Thailand) PCL.
- 2001 – 2017 - The committee Thai Bond Market Association
- 1997 – 2001 - Assistant Managing Director KGI Securities (Thailand) PCL.
- 1990 – 1997 - Assistant Managing Director Eak Asia Securities PCL.

**Training history**

- Director Certification Program 38/ 2003 Thai Institute of Directors Association (IOD)
- Chief Executive Program, Capital Market Academy, Class 2/2





**Mr. Yanyong Tawarorit**

Share holder 0.00 %

Age 81 Years

**Position**

- Chairman of the Audit Committee
- Independent Director

**Relationship between Directors and Executives**

- None

**Educational Qualifications**

- Bachelor of Commerce, Accounting, Thammasat University
- Bachelor of Law, Thammasat University

**Work Experience**

- 2015 - Present - Chairman of the Audit Committee  
 Thai Rubber Latex Group PCL.
- 2009 - Present - Independent Directors  
 Thai Rubber Latex Group PCL.
- 2011 – 2015 - Audit Committee  
 Thai Rubber Latex Group PCL
- .2002 - 2008 - Director  
 World Flex PCL.

**Training history**

- Education for National Security Project Internal Security Operations Division
- Executive Development Seminar, Class 3, National Institute of Development Administration
- Annual performance evaluation Office of the Auditor General of Thailand
- Security, Class 73 (Region) Executive Intelligence Agency
- Plan and Project (Senior) Class 7, National Institute of Development Administration
- Financial Audit Management Into Sai Development Initiative and Supervision Bangkok Thailand.
- Meeting of accountants And the certified auditor of Thailand Senior Officers, Class 31, College of Governance
- Techniques for being an office auditor Check the state
- Strategy of the Office of the Auditor General Check the state
- Knowledge of high-level accounting examination office Check the state
- Meeting of problems, comments, according to the practice policy 1999 Office of the Auditor General of Thailand Udon Thani Province
- Adjustment of audit directions according to organic law Office of the Auditor General of Thailand



Mr. Chyut Sueptrakul

Share holder 0.00 %

**Work Experience**

- 2016 - 2019 - Risk Management Committee  
 - Independent Directors  
 Thai Rubber Latex Group PCL.
- 2018 - 2019 - Audit Committee  
 Thai Rubber Latex Group PCL.
- 2002 - 2019 - Legal counsel  
 Areeya Property PCL.
- 2009 - 2017 - Investment committee  
 Chairman And the committee  
 Country Group Holding PCL.
- 2013 - 2015 - Vice Chairman and  
 Chairman of the Audit  
 Committee  
 Electronics industry PCL.
- 2008 - 2016 - The committee  
 Country Group Holdings PCL

Age 67 Years

**Position**

- Audit Committee
- Independent Director
- Independent Director  
 ( Resigned May 8, 2019 )

**Relationship between Directors and Executives**

- None

**Educational Qualifications**

- Bachelor of Law Ramkhamhaeng University
- Master of Public Administration (MPA) in Public  
 Administration National Institute of Development  
 Administration NIDA

**Training history**

- Director Accreditation Program DAP77 / 2009)  
 and Director Certification Program (DCP115 /  
 2009) by the Thai Institute of Directors  
 Association (IOD).
- Advanced Certificate Course in Politics and  
 Governance in Democratic Systems for  
 Executives, Class 10, Politics and Governance  
 College Pra Por King Institute.
- Advanced Certificate in Administrative Justice  
 Program High level, College of Administrative  
 Justice, Office of the College of Administrative  
 Justice, Office of the Administrative Court 2nd  
 generation.
- Certificate, Senior Executive Program in Urban  
 Development 2nd generation metropolis
- Advanced Certificate in Public Administration  
 National Institute of Development Administration



Mr. Suraphon Kwunchaithunya

Share holder 0.00 %

**Work Experience**

- 2019 - Present - Remuneration Committee  
Thai Rubber Latex Group PCL.
- 2018 - Present - Independent Director  
- Audit Committee  
Thai Rubber Latex Group PCL.
- 2016 - Present - Chairman  
Country Group Securities PCL.
- 2014 - Present - Vice chairman  
Country Group Holding PCL.
- 2012 - Present - The committee  
Thai Trade and Industry Association
- 2011 - Present - Director/Executive Committee  
- Chairman of the Nominating Committee and determine compensation  
- Member of the Corporate Governance Committee  
MFC Asset Management PCL.
- 2003 - Present - Chairman of the Audit Committee  
Tycoons worldwide group (Thailand) PCL.

Age 68 Years

**Position**

- Remuneration Committee
- Audit Committee
- Independent Director

**Relationship between Directors and Executives**

- None

**Educational Qualifications**

- Master of Business Administration (MBA) By the University of Washington U.S.A.
- Bachelor of Engineering Industrial Engineering By the University of Washington U.S.A.
- Bachelor of Engineering, Electrical Engineering University of Washington U.S.A

**Training history**

- Corporate Governance for capital Market, Intermediaries (CGI) Class 8/2015 By the Thai Institute of Directors Association (IOD) And the Securities and Exchange Commission (SEC)
- Role of chairman Program (RCP), Class 32/2013 by the Thai Institute of Directors Association (IOD)
- Director Certification Program (DCP), Class 44/2004, by the Thai Institute of Directors Association (IOD)
- Director Accreditation Program (DAP), Class 14/2004, by the Thai Institute of Directors Association (IOD)
- Executive Program, Class 11 By the Institute of Capital Market Speakers of the Stock Exchange of Thailand



Miss Chalongkwan Wongsasuthikul

Share holder 0.45 %

#### Work Experience

- 2017 - Present - Director  
Thai Rubber Latex Group PCL.
- 2018 - Present - Executive Committee  
Managing Director of  
Planning and resource  
management  
Thai Rubber Latex Group PCL.
- 2005 - Present - Secretary Board of  
Directors  
Thai Rubber Latex Group PCL.
- 2003 - Present - Procurement manager  
Thai Rubber Latex Group PCL.
- 2008 - Present - Executive Committee  
World Flex PCL.
- 2007- Present - Executive Committee  
Thai rubber land and  
plantation Co. Ltd
- 2012 – 2017 - Executive Committee  
Thai Rubber latex Co., Ltd

Age 48 Years

#### Position

- Director
- Executive Committee
- Managing Director of Planning And resource  
management
- Secretary Board of Directors

#### Relationship between Directors and Executives

- Daughter, Mr.Vorathep Wongsasuthikul

#### Educational Qualifications

- Master of Business Administration University of  
Central Oklahoma, U.S.A
- Master of Organization Management &  
Development Assumption University, Bangkok
- Bachelor of Economics major in International  
Economics Chulalongkorn University Bangkok

#### Training history

- Director Certification Program รุ่น 229/2559
- Company Secretary Program Thai institute of  
Directors Association
- Attending short -term training provided by  
Rubber Latex Public Company Limited
- Joining student internship program (SIP 21) of  
Bangkok Bank LTD.
- Public Relation of Economic Faculty in  
Chulalongkorn University Festival 1993
- Leadership Management
- Subcommittee on Rubber Business Thai Rubber  
Association
- Balanced Scorecard, Implementation Guidelines
- Leadership Development To enhance the  
excellence of the organization
- Corporate culture, important matters & duty  
writing
- Roles and responsibilities of the Board of  
Directors



**Mr.Prawit Waraprateep**

Share holder 4.92 %

#### Work Experience

- 2018 - Present - Managing Director of Audit Internal and corporate governance  
- Director  
Thai Rubber Latex Group PCL.
- 2019 - Present - Risk Management Committee  
Thai Rubber Latex Group PCL.
- 2017 - Present - Director  
Thai Rubber Latex Group PCL.
- 2010 - Present - Executive Committee  
Thai Rubber HPNR Co., Ltd.
- 2008 - Present - Executive Committee  
World Flex PCL.
- 2006 - Present - Director  
Latex System PCL.
- 2014 - 2017 - Managing Director of Accounting and Finance  
Thai Rubber Latex Group PCL.

Age 48 Years

#### Position

- Managing Director of Audit Internal and corporate governance
- Director
- Executive Committee
- Risk Management Committee

#### Relationship between Directors and Executives

- Son, Mr.Paiboon Waraprateep

#### Educational Qualifications

- Master of Science in Finance, Chulalongkorn University , Thailand
- Master of Business Administration Eastern Michigan University U.S.A
- Bachelor of Architecture King Mongkut's Institute of Technology Ladkrabang Thailand

#### Training history

- Director Certification Program 229/2016
- Balanced Scorecard. Implementation guidelines for To be effective
- Leadership Development To enhance excellence Of the organization
- Leadership Management
- Roles and responsibilities of managers and supervisors
- Roles and responsibilities of the Board of Directors



**Mr. Suwasit Deewan**

Share holder 0.00 %

Age 71 Years

**Position**

- Managing Director of Marketing and Sales

**Relationship between Directors and Executives**

- NONE

**Educational Qualifications**

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

**Work Experience**

- 2018 - Present - Managing Director of Marketing and Sales Thai Rubber Latex Group PCL.
- 2014 - 2017 - Chief Marketing Officer Thai Rubber Latex Group PCL.
- 2010 - 2014 - Marketing and sales consultant Thai Rubber Latex Group PCL.
- 2005 - 2010 - Executive Vice President Thai Rubber Latex Group PCL.
- 2002 - 2005 - Director of the Office of Marketing and Sales Thai Rubber Latex Group PCL.
- 2000 - 2002 - Sales manager Thai Rubber Latex Group PCL.
- 1999 - 2000 - Sales and Marketing Deputy Manager Thai Rubber latex Group Co., Ltd.
- 1992 - 1999 - Executive Director Southern Parawood Co., Ltd.

**Training history**

- Team development and relationship building in an organization By academic walk rally activities
- Management to reduce costs that everyone participates
- Reduce costs but not quality
- Coordination between departments TQM guidelines
- Analysis and decision making in business
- Roles and responsibilities of managers and supervisors
- Roles and responsibilities of the Board of Directors
- Leadership Management
- Leadership Development
- Balanced Scorecard



**Mr. Vanchai Sriherunrusmee**

Share holder 0.00 %

**Work Experience**

- 2014 - present - Chief Executive Officer of Operations Thai Rubber Latex Group PCL.
- 2015 - Present - Risk Management Committee Thai Rubber Latex Group PCL.
- 2014 - present - Director Thai Rubber HPNR Co., Ltd.
- 2014 - present - Director Latex System PCL.
- 2014 - present - Director World Flex PCL.
- 2014 - 2015 - Director Thai rubber land and plantation Co., Ltd.

Age 60 Years

**Position**

- Chief Executive Officer of Operations
- Risk Management Committee

**Relationship between Directors and Executives**

- NONE

**Educational Qualifications**

- 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

**Training history**

- Top Executive Program, Class 5 Institute of Capital Market Speakers
- Thai Institute of Directors Association (IOD) Training
- DCP Program 2003 (IOD)



Mr. Pasithphol Temritikulchai

Share holder 0.0001 %

#### Work Experience

- 2019 - Present - Director  
Thai Rubber Latex Group PCL.
- 2017 - present - Director  
Latex System PCL.
- 2015 - Present - Director  
Mayer Resin Co., Ltd.
- 2015 - Present - Director  
Thai Rubber HPNR Co., Ltd.
- 2016 - 2017 - Director  
Thai Rubber latex Co., Ltd
- 2006 - 2007 - Director  
Innosis Co., Ltd.
- 2003 - 2007 - Assistant Technical  
Director  
Seng Sahamit Chemical Co., Ltd.

Age 38 Years

#### Position

- Director  
(Appointed on November 12, 2019)

#### Relationship between directors and executives

- Son, Mr. Prachnon Temritikulchai

#### Educational Qualifications

- Master of Business Administration, Shinawatra University
- Bachelor of Business Administration University of wollongong ( Australia)

#### Training history

- Director Accreditation Program (DAP) Class 14/2004





**Dr.Sompup Rangubtook**

Share holder 0.00 %

**Work Experience**

- 2019 – Present - Audit Committee  
 - Independent Director  
 Thai Rubber Latex Group PCL.
- 2012 – Present - lawyer
- 2016 - 2017 - Local Sub-Committee  
 Advisor Special shape  
 Thailand Driving Council
- 2015 - 2016 - Chairman of the  
 Election Commission  
 Bangkok Metropolitan  
 Administration
- 2013 - 2014 - Advisor to the Sub-  
 Commission of Commerce  
 senate
- 2013 - 2014 - Sub-committee on  
 Election Investigation  
 Office of the Election  
 Commission
- 2010 - 2014 - Advisor to the participation  
 working group  
 National Economic and  
 Social Advisory Council
- 2011 - 2012 - Deputy Permanent  
 Secretary for Bangkok  
 Bangkok administrative area

Age 69 Years

**Position**

- Audit Committee
- Independent Director

**Relationship between Directors and Executives**

- NONE

**Educational Qualifications**

- Doctor of Philosophy Political Science,  
 Ramkhamhaeng University
- Master of Political Science Thammasat University
- Bachelor of Law Ramkhamhaeng University

**Training history**

- Lecturer in Political Science Program  
 Mahamakut University College
- Advanced certificate Politics and government  
 Democratic King Prajadhipok's Institute
- Diploma of Strategic Management for Executives  
 The Prevention and Suppression of Corruption
- Certificate of Senior Executive in Urban  
 Development Bangkok
- Certificate of Governing Law, Office of  
 Educational Training Law of the Thai Bar  
 Association
- Public Law Certificate Thammasat University
- Research certificate Sukhothai Thammathirat  
 Open University

## Part 1

### Company's Business

#### 1. Policy and overall business operations.

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

Thai Rubber Latex Group Public Company Limited, former name “Thai Rubber Latex Corporation (Thailand) Public Company Limited” “The Company” has been incorporated on December 6, 1985 with business operations as the manufacturer and distributor of concentrated latex and latex products. On July 30<sup>th</sup>, 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 Group Public Company Limited has long been recognized 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 characterized 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
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 Key Changes and Developments**

The controlling authority of the company remains in the hands of the company's founders, who currently hold positions on the company's Board of Directors and Board of Executives.

The Board of Directors has appointed a new generation of executives to learn about the work and share the workload of the Board of Executives. The Board of Directors currently has three additional members. Furthermore, the company has appointed other new executives as managing directors in the company's subsidiaries to increase flexibility and work effectiveness.

Over the past two years, significant changes have been made in business operations from 2018 to 2019 as follows:

- Building the concentrated latex factory in Chiang Rai Province: In order to increase the production value of rubber plantations in the company's group, a latex concentrate factory was constructed near the company's rubber plantations. This will allow fresh field latex from the group's own plantations to be supplied over a short period of time and distance to the factory with less use of chemicals in latex. This can lead to the production of a special grade of latex concentrate to be sold at a higher price. Furthermore, up to 5 Baht per kilogram fresh field latex transportation costs can be saved. In the past, it was necessary to deliver the latex to the company's factory in the eastern region. The factory in Chiang Rai Province starts fully in 2019.
- Latex tapping commenced in rubber plantations in the northern region: Thai Rubber Land and Plantation Company Limited, a subsidiary, has been planting rubber trees in the northern region since 2006. These rubber trees are currently producing field latex, and maturing trees are soon to generate returns. In 2013,

the rubber trees were test-tapped for the first time and have been tapped continuously.

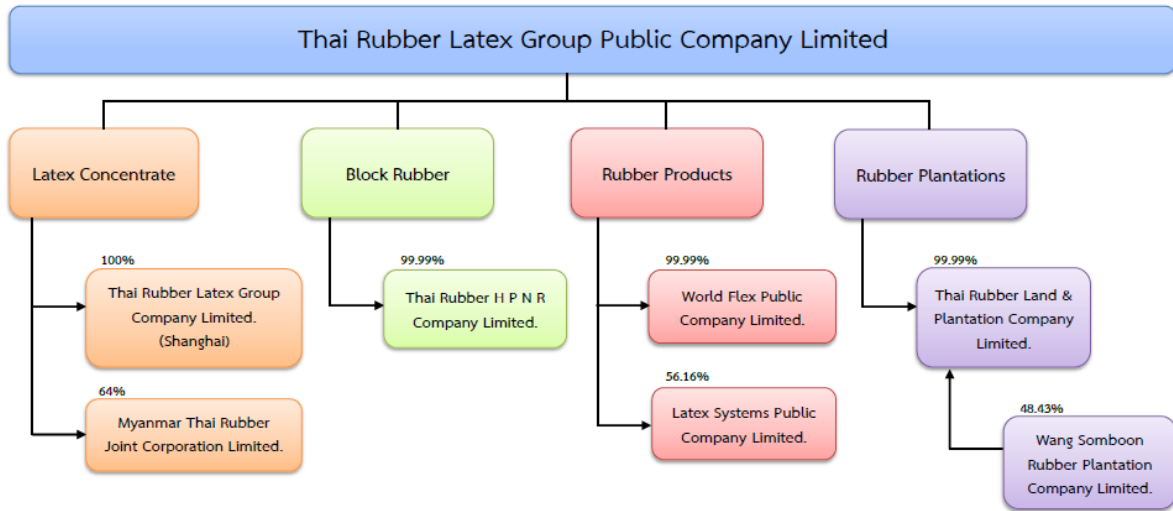
- Increased production in the Company's subsidiaries: World Flex Public Company Limited has been generating more revenue in the rubber thread business, which is good for its parent company. It has increased production capacity based on increased product demand, and opened the third and fourth factories in the same region.

The list of companies in the company's group and the share structure in 2019 is as follows:

<u>Company Name and Group</u>	<u>Share Holding</u>
<b>1. <u>Latex concentrate Group</u></b>	
1. Thai Rubber Latex Group Public Company Limited *	
2. Thai Rubber Latex Group (Shanghai) Company Limited (subsidiary)	100.00%
3. Myanmar Thai Rubber Joint Corporation Limited (subsidiary)	64.00%
<b>2. <u>Block Rubber Group</u></b>	
1. Thai Rubber HPNR Company Limited (subsidiary)	99.99%
<b>3. <u>Rubber Product Group</u></b>	
1. World Flex Public Company Limited (subsidiary)	99.99%
2. Latex Systems Public Company Limited (subsidiary)	56.16%
<b>4. <u>Rubber Plantation Group</u></b>	
1. Thai Rubber Land and Plantation Company Limited (subsidiary) (Thai Rubber Land and Plantation Company Limited has one joint company, namely, Wang Sombun Rubber Plantation Company Limited.)	99.99%

\*Former name 'Thai Rubber Latex Corporation (Thailand) PCL.'

### Shareholding Structure



## 2. Business Characteristics

### Revenue Structure

Business Group	2019		2018		2017	
	Revenue	%	Revenue	%	Revenue	%
1. Concentrated Latex	5,633	67.31	5,939	67.30	10,002	77.25
2. Rubber Products	2,634	31.47	2,657	30.11	2,482	19.17
3. Rubber Plantations	54	0.61	48	0.54	56	0.43
4. Other Revenue	50	0.61	181	2.05	408	3.15
<b>Total Revenue before Deduction of Connected Transactions</b>	<b>8,368</b>	<b>100.00</b>	<b>8,825</b>	<b>100</b>	<b>12,948</b>	<b>100.00</b>
Deduction: Connected Transactions	(1,497)		(1,249)		(3,480)	
<b>Total Revenue after Deduction of Connected Transactions</b>	<b>6,871</b>		<b>7,576</b>		<b>9,468</b>	

### Latex concentrate Group

#### 2.1 Products and Services

Thai Rubber Latex Group Public Company Limited is manufacturers of concentrated latex derived from the separation of field latex and rubber by mechanical centrifugation. Concentrated latex is natural rubber that is composed of 60-percent fermented latex. Concentrated latex mixed with the right chemicals provides the primary components for the production of medical gloves, rubber cleaning gloves, condoms, elastic rubber thread, glue, balloons, pacifiers, foam and mattresses. Although synthetic rubber provides an alternative to latex concentrate, it cannot be made into medical and 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. The company is mainly trading TSR#20 (Block Rubber) and Concentrated latex.

Thai Rubber Latex Group Public Company Limited is industrially certified for ISO 9001:2015, ISO 14001:2004 and IEC 17025 (Standard Lab) standards. Furthermore, the company is the first in the concentrated latex industry to have been certified by IEC 17025, which is a certification for standardized rubber testing laboratories. Thai Rubber Latex Group Company Limited is also industrially certified by ISO 9001:2015 and ISO 14001:2004.

## 2.2 Marketing and Competition

### (1) Policy and Marketing

#### 1. Important competitive strategies

- Receiving forward orders not exceeding 3 months:

The company is able to compare purchase prices with cost prices, thereby allowing the company to set profitable prices, which helps with good production planning.

- Setting selling price at a profitable level and being competitive:

Our factories are located in major rubber growing areas so that the company is able to effectively control production as a leader in setting prices.

- Our products are sold on a regular basis with punctual delivery Schedule:

As a major company in the natural rubber business means, the company constantly prepares rubber for delivery to customers year round. This is in line with the company's delivery plans.

- Product quality assurance:

We can produce our concentrated latex as per customer's specification, if not, we can adjust the product quality to meet customer's requirement.

- After sales service:

The company delivers products and services to customers honestly and provides attentive care.

#### 2. Customer group

The majority of the company's customers have contacted and done business with the company for a long time through maintaining good relations. This is because the company delivers products and services honestly and pays attention to customers. Furthermore, the company provides assistance and consultation to solve problems when customers face shortages or surpluses in their products.

### 3. Target customers

The company's main customers are manufacturers and processors of natural rubber products using concentrated latex as the primary ingredient such as rubber gloves, elastic rubber thread, pacifiers, condoms, mattresses, pillows, balloons and glue.

### 4. Distribution Channels

Domestic and international sales are divided into 60 percent and 40 percent respectively. Products are exported to China, Malaysia, South Korea, Pakistan, India, Europe, etc. Meanwhile, shares of sales are divided into 80 percent in direct sales to natural rubber processing businesses and 20 percent in sales to exporters. The concentrated latex group has no risks because products are not sold to a customer by volumes exceeding 30 percent of total sales.

#### (2) Industry Competition and Trends

Like year in 2018, the global natural rubber market remained under pressure throughout the year 2019 also, mainly due to the Trade tension between USA and China. As a matter of fact the trade friction between the two countries resulted in general economic slowdown globally. Rubber prices remained depressed and low throughout the year. China's export to the U.S. decreased substantially, which is the major export market for Chinese manufactured goods. Consequently China's demand and import of natural rubber decreased significantly as manufacturing activities in most factories producing rubber products were at minimum level, there were even some temporary shutdowns. China is the biggest consumer of rubber in the world.

Like in 2018 AETS was also implemented last year by ITRC countries (Thailand, Indonesia and Malaysia) to withdraw total of 350,000 tons of natural rubber by withholding exports from January to May 2019 (Thailand 234,810 tons, Indonesia 95,190 tons and Malaysia 20,000 tons), temporarily increased the rubber prices to comfortable levels but failed to sustain for long, after a brief period prices went back to heading downward.

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. Resultantly the global natural rubber production in year 2019 was comparatively lower than that of 2018. At the time writing this, we still do not have the actual figure but expected to be far less than 13.635 million tons produced globally in 2018. Also according to International Tripartite Rubber Council (ITRC), rubber production of the world's leading producers namely Thailand, Indonesia and Malaysia (ITRC member countries) is forecast to have decreased by 800,000 tons due to Mycosis disease of rubber trees and low rubber prices.

Although we are yet to get the actual figures, natural rubber consumption is estimated to have dropped by 1.5% in 2019 as compared to 13.5 million tons of 2018.

Natural rubber prices in 2020 are expected to improve, firstly because of the less rubber stock brought forward from year 2019. Secondly the weather condition in main rubber producing countries is expected to be very hot and dry during the wintering period in 2020. Therefore we probably will have a shorter peak season and longer and severe wintering period this year. Also hopefully the global eco-political conditions will improve and be better in 2020.

However the problem of strong Thai Baht is expected to persist in the year 2020 also. Therefore our marketing strategy for 2020 will be to sell more in the domestic market and sell less to the export market. We target to increase our present Domestic to Export sales ratio of 60:40 to a minimum ratio of 70:30. Of course we will try utmost to sell more than 70 percent in the domestic market in 2020.

### 2.3 Factory and production facility

Presently, the Group has a factory to manufacture concentrated latex in Thailand, including 6 factories located in the southern 3 factories consisting of factories in Hat Yai District, Songkhla, Surat Thani and Phang Nga in the eastern 2 factories consisting of in Chonburi, Rayong and a new factory in Chiang Rai with fully operation.

The company also has a concentrated latex production plant in Myanmar under the name Myanmar Thai Rubber Joint Corporation currently has a production capacity of 10,000 tons per year.

## Rubber Products Group

### Rubber Thread

#### 2.1 Products and Services

World Flex Public Company Limited, a “subsidiary”, mainly manufactures’ elastic rubber thread using concentrated latex as the primary raw material. The majority of products are used in the textile industry. Customers purchase elastic rubber thread as a raw material for use in textile production in combination with polyester fiber to produce elastic bands for ready-to-wear apparel such as women’s underwear, elastic waistbands, sock bands, etc. Synthetic rubber can be used as a substitute for natural rubber (Spandex). If synthetic rubber prices drop to a certain level, customers will turn to using synthetic rubber instead of natural rubber. In 2019, as synthetic elastic rubber thread production increased and oil price dropped, the price of synthetic rubber is likely to decline and lead to more users switching over to synthetic rubber. Nevertheless, customers who use the aforementioned products are still separated since the usage of both products remains different.



## 2.2 Marketing and Competition

### (1) Policy and Marketing

#### 1. Important competitive strategies

- Successfully meeting the needs of minor and major customers.
- Building confidence in customers by delivering products on schedule.
- Providing post-sale services with regular local representatives assigned to monitor the market.
- Making regular visits to customers to boost confidence.
- Ensuring the quality of products until they are delivered to consumers.
- Offering products covering every need ranging from small to large numbers.

#### 2. Distribution Channels

Domestic distribution sales for five percent of all sales and involves both direct and agent sales, while international distribution sales for up to 95 percent of total sales through local agents in key markets, such as China, South Asian countries, Middle East, Europe and South America.

### (2) Industry Competition and Trends

The elastic rubber thread industry directly involves concentrated latex. It is classified as a natural rubber product industry. These items are semi-processed products for the textile industry. There are five top manufacturers in this industry nationwide. Most competitors are domestic, while others are found in Malaysia and China. In 2019, the demand for elastic rubber thread declined due to the decrease in private investment. Despite heavy competition and fluctuating demands in 2019, the company has been able to increase sales by 20 percent compared to last year. This was due to continuous quality improvement, increased production and increased marketing, whereupon other markets aside from China were pioneered such as South America, European nations and Muslim countries. These markets are more valuable than China.

## 2.3 Product Procurement

### (1) Procurement

A subsidiary has a factory in Rayong with a full production capacity of 28,000 tons per year. An important production policy is to manufacture products based on customer needs by using domestically available raw materials. The main raw materials for concentrate latex are purchased domestically, partly from related companies and partly from domestic traders. Chemical purchases are largely made from importers. The elastic rubber thread group is at risk for dependence on a major supplier, namely, the THAITEK group, since over 30 percent of total purchases are made from the aforementioned supplier.

However, doing so also guarantees that raw materials are available for year-round production.

## (2) Environmental Impacts

The production process requires an effective water treatment system. The company recognizes this need and permanently uses water treatment systems for every stage of production. Furthermore, processes are set in place for the recycling of certain chemicals in production with the aim of reducing chemical usage in addition to improving water treatment effectiveness, reducing water pollution and cutting public utility expenses. Moreover, the company is more responsible for environment and society.

## Latex Mattresses

### 2.1 Products and Services

Latex Systems Public Company Limited. The Company was incorporated on June 11, 2003. To operate the business of producing and selling mattresses made from natural latex, with the first factory located in Lat Krabang Industrial Estate Bangkok. Discontinued production in November 2018

In 2013, the Factory 2 (production line 2) at Bang Pakong Chachoengsao has started producing natural latex mattresses.

In 2017, the Factory 2 (production line 3) at Bang Pakong Chachoengsao has started producing natural latex mattresses.

In September 2018, the company took control of asset and purchased a rubber pillow factory (3rd factory), located at Kong Din Subdistrict, Klaeng District, Rayong Province, under rubber pillow production test. Currently, the company has 2 factories in Bang Pakong District, Chachoengsao Province and In Klaeng District, Rayong Province.

Business operations of the company can be divided into 2 main groups, namely

1) Business of producing and selling products made from natural latex Non-branded

2) The business of producing and selling products made from natural latex under the Company's brand

The main products of the company were divided into 3 groups:

1) Natural latex mattress

2) Natural latex pillow

3) Other products produced from natural latex, such as neck pillow, back cushion, seat cushion, Bolster and baby bedding products, etc.

## 2.2 Marketing and Competition

### (1) Policy and Marketing

The company focuses on the production of mattresses, pillows and other products that are produced from 100% natural latex without any mixture of synthetic rubber and filler substances since Thailand is reputed to be the world's best natural latex production source. Therefore, the raw materials used in the production of natural latex pillows and mattresses are in the standard and reliable. In addition, the company places importance on quality and the environment by being certified company, receiving marks and awards such as the quality management system ISO 9001: 2015, the TIS mark, which a few of manufacturers of bedding products made from 100% natural rubber in Thailand that has been certified. The color industry mark Green Level 2 and international quality standards and the LGA Product and Eco Institute Label from the German accreditation institute make customers confident that they will receive quality and durable products, friendly to the environment at a fair price. The company also received the Thailand Top SME Award 2018 in the manufacturing industry from agricultural products and Asia Pacific Entrepreneurship Award 2019, Corporate Excellence Category (Manufacturing Industry) in September 2019. In addition, the company also emphasizes on creating added value for products through research and development by developing innovative products under the company's own brands.

### (2) Distribution Channels

The company has both domestic and international distribution channels. For the domestic market, the company sells products through the main distribution channels, such as wholesaler group, mattress factory operator group, traders and retail customers, etc.

In term of the international market, the company sells products through partners including wholesaler group (importer) and local distributor in foreign countries (trader)

### (3) Industry Competition and Trends

In term of industry competition, in the domestic area, the company has 5-6 main manufacturing competitors; on the other hand, the main international competitors are located in Sri Lanka, India, Vietnam and Malaysia.

## 2.3 Industry conditions

Because Thailand is being the 1<sup>st</sup> rubber producer in the world, there are raw materials for the production of pillows and latex mattresses and other rubber products. In addition, the quality of natural rubber products from Thailand is highly accepted around the world. Especially, latex pillows and mattresses produced from Thailand are known and have high demand in the world market as well. The company is considered as one of the leaders in the production and distribution of mattresses, pillows, and other natural latex products to

customers both domestic and international. All products of the company are produced from natural latex, which has advantages in pressure distribution, restoring, ventilation and product life longer than 10 years with no dust mites various pathogens, which people in the current social conditions currently pay more attention to their health, especially today's world has turned into aging society. The demand for mattress products made from natural raw materials is therefore constantly expanding and entering the market gap of mattresses and pillows products, which are manufactured from other types of raw materials such as spring mattresses, memory foam mattresses and sponge mattress etc. However, natural latex pillow and mattress products have a higher price, compared to other products produced from other raw materials; therefore, suitable for consumers with moderate income levels or higher.

Currently, the main customers of rubber mattresses exported from Thailand are China, South Korea and Singapore, which these customers are the target as retail sales in Thailand as well. The number of tourists from these countries is high over the past several years and they come to Thailand with demand for high-quality products. Therefore, the main market for rubber bedding products is China and South Korea due to the fact that Chinese and Korean are considered as end customer, believing that the bedding product from natural latex is good for health, liking the softness of the product and suitable for weather conditions of these country, which the 100% natural latex products help a body warmer when it is cold and cooler when it is hot. As Thailand is the first exporter of rubber in the world, the Chinese and Korean have confidence in the quality and standard of the latex mattress products produced from the factory in Thailand which is standardized and also has a positive impact on the rubber mattress industry in Thailand because Chinese tourists prefer to buy mattresses, pillows and other bedding products produced from natural rubber latex as souvenirs or personal items; moreover, it helps rubber planter and upstream industry generate more income.

The situation and trend of the rubber mattress industry is mainly driven by customers in China and South Korea affecting changes in various factors such as higher population, economic growth, income per capita, population structure ratio, the expansion of target customers of real estate industry and the growth of the number of Chinese tourists in Thailand as well as the responsibility for environment, which has an impact directly on the health and everyday life of people. Therefore, the aforementioned are important factors affecting the growth of the company in the future.

## 2.4 Product Procurement

### (1) Raw material procurement

Concentrated Latex is considered the main raw material for producing mattresses, pillows and other products from natural latex because concentrated latex is agricultural commodity; therefore, the latex price fluctuates based on demand and supply in both domestic and international market. In the past 3 years, the average price of latex (FOB) in Bangkok fluctuates between 25 and 60 baht per kg.

The company's business policy gives importance on the quality of products and quality control of raw materials from the procurement process. The policy of the company focuses on quality, price and delivery time. The company procures materials from top-rank domestic companies in order to obtain good quality natural latex with specific quality at the reasonable price. Chemical purchases are made from importers.

### (2) Environmental impact

The company has focused on quality operations to give the best products for consumers along with the preservation of the environment. The company gives importance and sets policy to prevent and control the impact from the operations to communities by visiting people in the communities and persistently inquiring about the impact to the local people who might have effects. From the past, the operation of the company has not have an impact on the environment.

In addition, the company regularly monitors and controls the quality of the environment and produces environmental quality inspection reports, which is conducted by external auditors every year to report to the Department of Industrial Works.

## Rubber Plantation Group

### 2.1 Products and Services

Thai Rubber Land and Plantation Company Limited, "Subsidiary Company", operates a rubber plantation business in Chiang Rai, Pha yao, Nan provinces, starting from 2005 to the present, with a total area of 12,020 rai consisting of

1. Chiang Rai Province, area of 7,293 rai, planted from 2007 to 2015, started tapping from 2015 onwards
2. Nan province, area 2,556 rai, planted from 2005 to 2015, started tapping from 2015 onwards
3. Pha Yao Province, area 1,219 rai, planted since 2008 to 2015, started tapping from 2015 onwards
4. Chai Nat Province, area 952 rai, planted from 2013 to 2014, started tapping from 2019 onwards

## 2.2 Marketing and Competition

### (1) Policy and Marketing

In 2019, the subsidiary sold field latex from rubber plantations to the parent company, which is Thai Rubber Latex Group Public Company Limited at Chiang Rai Province to manufacture premium-grade latex concentrate so the parent company and group companies are able to control raw material quality by buying from companies in the same group.

### (2) Industry Competition and Trends

In 2019, the northern rubber plantations in the new rubber plantation zones began to produce for the market. However, latex rubber in the northern region popularly comes in the form of cup lump rubber. In any case, the subsidiary is considered not to have any business competition because it produces field latex and delivers all crops from the subsidiary's rubber plantations to Thai Rubber Latex Group Public Company Limited in Chiang Rai Province. In the future, the company will try to offer incentives to rubber plantation owners to tap fresh latex rather than produce cup lump rubber in order to increase revenue and ensure consistency with the provincial administration on environmental conservation and reduction of air pollution caused by cup lump rubber. At the same time, production will be boosted for the company's group as the value of fresh latex and profits for the company's group increase.

### 3. Risk Factors

#### 3.1 Risks Involving Natural Rubber Supply and Raw Material Prices

Raw Material Supply – Natural rubber is an agricultural product obtained from rubber plantations. However, the amount of rubber released on the market is dependent on many factors such as the following:

- 1) Rubber Plantation Production: Rubber trees have periods for production and disruption of production (as rubber trees shed leaves). On average, this process lasts from March until May. This period might be shorter or longer, depending on the climate conditions of each region, which can facilitate new leaf growth and allow rubber trees to grow sufficiently healthy for tapping. Accordingly, the aforementioned situation can prevent rubber raw materials from being released on the market and lead to periods without production or diminished production due to decreased production capacity.
- 2) Climate conditions: For example, if a significant drought occurs on a rubber plantation, production drops. On the other hand, heavy rains can result in smaller harvests. In addition, natural phenomena such as El Nino and El Nina have caused excessive droughts and precipitation over the past several years. These conditions affect the volume of latex that can be tapped.
- 3) Shortage of labor in rubber tapping: While rubber prices are low, farmers and rubber plantation owners are more inclined to stop tapping rubber and change their occupations to provide better income. Continued decline in rubber prices can lead to a shortage of rubber tappers, which can in turn lead to production shortages.

Rubber Prices – Since natural rubber is a consumer product, prices might fluctuate due to a number of factors as follows:

- 1) Demand and supply of natural rubber: This is because the demand for natural rubber is mostly in the manufacturing of tires for cars and other vehicles. Although there are many other natural rubber-derived products, tires continue to be the main product. Therefore, the demand for car tires significantly affects the rubber demand. On the other hand, the supply of rubber is largely dependent on the cultivation area of rubber trees that can be tapped.
- 2) Competition with alternative products: Alternative products include various types

of synthetic rubber. With high production of synthetic rubbers, competition might ensue in products switching over to use synthetic rubber instead of natural rubber.

- 3) Oil prices: Natural rubber prices are subject to both direct and indirect impacts because oil prices provide the main component in the capital structure of synthetic rubber production. Hence, periods of low oil prices can lead to lower prices for synthetic rubber, an alternative to natural rubber. On the other hand, oil price crisis also cause a drop in consumer product investment.
- 4) Guidance of rubber price in the Agricultural Future Market: Natural rubber is traded in much agricultural future market, such as Thailand, Japan and China. In these markets, many groups of traders are engaged, namely, rubber sellers who want to prevent risks and various investors. Accordingly, the volume of future contracts each year (as counted in volume of rubber) is several times greater than the actual production of rubber. As a result, the price of rubber in the future market impacts the trading of natural rubber.

### 3.2 Risks from Currency Exchange Rates

Because the company's group exports the rubber to international customers, revenue is received in foreign currencies. However, most costs and expenses occur domestically. Hence, all foreign currencies are converted into the Thai baht currency. Due to fluctuations in the Thai baht, revenue might increase or decrease if risk preventive measures are not set in place.

### 3.3 Risks from Government Policies

Because Thailand is the world's largest manufacturer of natural rubber, and because natural rubber generates main income for the nation in which many farmers are involved, the government is inclined to subsidize prices if the government views that farmers would suffer from lower income. This has been apparent in previous government projects, such as those from 2012 to 2014, with impact on private sector businesses through cost increases and potential failure to compete with exporters from other nations. In other words, if competitive situations are not facilitative, global prices might not increase with the prices set through intervention by any given nation. Furthermore, when news arrives that the Government intends to release its rubber stock; the prices of rubber in the market will drop due to the pressure to sell. In addition, rubber quantity control occurs through reduction of Rubber cultivation areas by development fund projects in promotion of reduced rubber cultivation. This offers financial assistance to farmers who reduce rubber cultivation or who switch over from rubber to other crops that are suitable to their areas.



### **3.4 Risks from the international trade war between China and the United States**

During the year 2018-2019, the United States has imposed tariffs. This cause many countries concern about the tariffs. China is the one who has most impact on this and has responded to the measure by imposing tariffs as well. This situation has causing the world economic slowdown radically even this does not have the direct impact on the rubber industry, but affecting rubber demand and oil price. The trade war has continued until both of them reach an agreement.

## 4. Business Assets

### 4.1 Fixed Assets

The company and subsidiaries comprehensively operate business in the manufacturing, distribution and export of natural rubber product. The fixed assets used in production consist of land, structures, factories and machinery. The fixed assets owned by the company are as follows:

#### (1) Assets Used in Manufacturing and Distribution

Business Assets	Owner Account	Value (million baht)	Obligations
1. Land, Structures and Land Development	Owned by Group Company.	1,545	Mortgage with financial institutions
2. Structures and Building Development	Owned by Group Company.	978	The two office buildings are under mortgage with financial institutions Mortgage with financial institutions
2.1 Two office buildings Located in the provinces of Samut Prakan and Chiang Rai.	Owned by Group Company.		
2.2 Five concentrated latex manufacturing factories located in the provinces of Chon Buri, Rayong, Surat Thani, Songkhla and Phangnga.	Owned by Group Company.		
2.3 One elastic rubber thread factory located in Rayong Province.	World Flex PCL.		
2.4 One natural rubber mattress and pillow manufacturing factory located in Chachoengsao Province.	Latex Systems PCL.		
2.5 Three rubber plantation facilities located in the provinces of Chiang Rai, Nan, Phayao.	Thai Rubber & Plantation Co., Ltd.	Mortgage with financial institutes.	
3. Machinery	Owned by Group Company contracts.	555	Not under mortgage with financial institutes. Largely under mortgage with financial institutes.
3.1 Machinery in concentrated latex production.	World Flex PCL.		
3.2 Machinery in elastic rubber thread production.	Latex Systems PCL.		
3.3 Machinery in natural rubber mattress and pillow Production.	Thai Rubber & Plantation Co., Ltd		Partial mortgage with financial institutes.
3.4 Machinery used in rubber plantations.			Not under mortgage with financial institutes.

As of 31 December 2019, the company's group had a total net book value of 2,317.8 million baht in land, structures and machinery that are collateral for financial institute loans.

**Remarks:** Book value means appraised asset value less accrued price depreciation.

(2) Real Estate for Investment composed of the following:

On land and factory buildings for rent, Is a one-story factory building With 2-storey office, boiler building located on 75 rai, 2 ngan and 86.0 square wa of land that are owned by the company with a total book value of 108.6 million baht. A related company is currently renting from the company at a rate of 1.02 million baht (with a contract term of 14 years from 3 January 2017 to 31 January 2031). The aforementioned real estate has mortgage obligations with financial institutions.

Land for rent consisting of 2,050 rai, 48 square wa belongs to a subsidiary, namely, World Flex PCL. With a value of 337.9 million baht. This real estate has partial mortgage obligations with financial institutes.

Land and factory buildings consisting of eight buildings and other structures on 36 rai, 2 ngan and 48 square wa belong to a subsidiary, Thai Rubber HPNR Co., Ltd. with a total book value of 101.2 million baht. Currently, an unconnected company is renting this asset at the rate of 6 million baht per year (with a contract term of five years beginning from February 1, 2019). This real estate has no mortgage obligations with financial institutions.

As of 31 December 2019, the aforementioned investments in real estate amounted to 547.7 million baht in total book value (as appraised by an independent appraiser on 30 and 31 January 2020 for sales prices).

#### **4.2 Investment Policy in Subsidiaries and Associate Companies**

The company has a policy to invest in businesses that manufacture products for sale because of its nature as the group's main businesses. In doing so, investments are made in sufficient proportions to allow the company to participate in the management and policy specification of these businesses.

#### **4.3 Information about Asset Appraisals**

(1) The company's group has a policy to record fixed assets in terms of land, structures, factories and machinery at fair value, reevaluated every 5 years (investment real estate is evaluated annually).

(2) **Asset Appraisers of the Company's Group**

In 2019 and 2018, the appraisers were Agency for Real Estate Affairs Company Limited and First Star Consultant Company Limited. These are listed as approved companies in the capital market and accepted as specialists by the Office of the Securities and Exchange Commission.

(3) The purpose of the asset appraisals of the company's group is to ensure that fixed assets in the categories of land, structures, factories and machinery are presented at genuine fair values.

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## 5. Legal Disputes

As of 31 December 2019, the company and subsidiaries had no legal cases or disputes with values exceeding five percent of shareholder equity.

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## 6. General and Other Significant Information

### 6.1 General Information

#### (1) Company

Name:	Thai Rubber Latex Group Public Company Limited. Former name “Thai Rubber Latex Corporation (Thailand) Public Company Limited.”
Head office	99/1-3, Village No. 13, Kritsada Nakhon Village 21, Bang Na-Trat Km. 7 Road, Bang Kaeo Sub-district, Bang Phli District, Samut Prakan Province, 10540
Tel.	+66 2033-2333 (Auto), +66 2033-2310 to 39
Fax.	+66 2033-2339
Factory	29, Village No. 2, Bang Bung-Klaeng Km. 56-57 Road, Nong Yai Sub-district, Nong Yai District, Chon Buri Province, 20190
Tel.	+66 3816 8529-34
Fax.	+66 3816 8529-34 ext. 105
Factory	35, Village No. 4, Krasom Sub-district, Takua Thung District, Phangnga Province 82130
Tel.	+66 7649 6539
Fax.	+66 7649 6325
Factory	198, Village No. 7, Chom Sawan Sub-district, Mae Chan District, Chiang Rai Province 57110
Tel.	+66 5316 0720
Fax.	+66 5316 0730
Factory	124, Village No. 11, Ban Pru Sub-district, Hat Yai District, Songkhla Province 90250
Tel.	+66 7429 1171-3
Fax.	+66 7429 1175
Factory	293/2, Village No. 1, Khun Thale Sub-district, Mueang District, Surat Thani Province 84100
Tel.	+66 7735 5339
Fax.	+66 7735 5769
Factory	44/5, Village No. 8, Kached-Hat Yai Road, Kached Sub-district, Mueang Rayong District, Rayong Province 21110
Tel.	+66 3863 4105
Fax.	+66 3863 4106

Factory	19/52, Village No. 7, Bang Chalong Sub-district, Bang Phli District, Samut Prakan Province
Tel.	+66 740-6386
Factory	680, Village No. 2, Nong Yai Sub-district, Nong Yai, Chon Buri Province (factory-renting offered)
Business Type:	Manufacturing and distribution of concentrated latex and skim block
Business Reg. No.	0107536000137
Website	<a href="http://www.thaitex.com">http://www.thaitex.com</a>
Authorized Capital	681,479,688 ordinary shares and 681,479,688 baht Authorized Capital
Paid-up Capital	681,479,688 ordinary shares and 681,479,688 baht Paid-up Capital

**(2) Companies in which the company holds 10% or more**

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

Thai Rubber Latex Group Company Limited. (Shanghai)  
 Shanghai Greentown, Room 601, Unit 1, Lane 99 Jinhe Road, Pudong,  
 Shanghai, 200127, China

Tel.	+86 2138762472 Fax. +86 2150454365
Business Type	Purchase and sale of natural rubber products
Share Ratio	100 percent or 1,010,000 US dollars
Paid-up Capital	1,010,000 US dollars

**2. World Flex Public Company Limited.**

Office	Bangna Thani Tower No. 1/7 Floor 3 Room 3B Soi Bangna-Trat 34 Bangna Tai Sub-district, Bangna District, Bangkok 10260
Tel	+66 3863 7559 Fax +66 3863 7560
Factory	59/1, Village No. 5, Government Highway No. 3191 Road, Nam Khu Sub-district, Pluak Daeng District, Rayong Province, 21140 +66 2398 7288, +66 2398 7188-9 (Accounting Department ext.192) (Procurement Department ext.184) (Shipping Department ext.181) +66 2398 7187
Business Type	Manufacturing and sale of elastic rubber threads
Share Ratio	76,999,684 shares or 99.99 percent of 77 million ordinary shares
Authorized Capital	308 million baht
Paid-up Capital	308 million baht

**3. Thai Rubber Land and Plantation Company Limited.**

Office	121/316, Village No. 3, Ban Du Sub-district, Mueang Chiang Rai District, Chiang Rai Province, 57100
Tel.	+66 53793-456 Fax. +66 053793-462
Rubber Plantations	In the provinces of Nan, Phayao, Chiang Rai and Chai Nat

Business Type	Rubber plantation
Share Ratio	79,999,994 shares or 99.99 percent of 80 million ordinary shares
Authorized Capital	800 million baht
Paid-up Capital	800 million baht

**Joint Company of Thai Rubber Land and Plantation Company Limited.  
Wang Somboon Rubber Plantation Company Limited**

Office	99/1-3 , Village No. 13, Kritsada Nakhon Village 21, Bang Na-Trat Km. 7 Road, Bang Kaeo Sub-district, Bang Phli District, Samut Prakan Province, 10540
Tel	+66 2033-2333 (Auto), +66 2033-2310 to 39 Fax. +66 2033-2339
Rubber Plantation	127, Village No. 8, Wang Sombun Sub-district, Wang Sombun District, SaKaeo Province, 27250
Tel.	+66 81916-5834
Business Type	Rubber plantation
Share Ratio	2.678 million shares or 48.43 percent of 5.530 million ordinary shares
Authorized Capital	55.30 million baht
Paid-up Capital	55.30 million baht

**4. Thai Rubber HPNR Company Limited**

Office	99/1-3 , Village No. 13, Kritsada Nakhon Village 21, Bang Na-Trat Km. 7 Road, Bang Kaeo Sub-district, Bang Phli District, Samut Prakan Province, 10540
Tel.	+66 2033-2333 (Auto), +66 2033-2310 to 39
Fax.	+66 2033-2339
Business Type:	Bar and compound rubber production
Share Ratio	49,999,997 shares or 99.99 percent of 50 million ordinary shares
Authorized Capital	500 million baht
Paid-up Capital	500 million baht

**5. Latex Systems Public Company Limited**

Office & Factory	79/2, Village No. 1, Hom Sin Sub-district,, Bang Pakong District, Chachoengsao Province, 24180
Tel.	+66 2326-0886-7 Fax. +66 2326-0292
Business Type	Manufacturing and distribution of natural rubber mattresses and pillows
Share Ratio	178,368,960 shares or 56.16 percent of 317,567,712 ordinary shares
Authorized Capital	225 million baht
Paid-up Capital	158,783,856 million baht

**6. Myanmar Thai Rubber Joint Corporation Limited**

Office	No. 96 (C), Lanthit Road, Nanthagone Quarter, Insein Township, Yangon, Myanmar.
Office Tel.	951-700942, Fax: 951-644733



Rubber Plantation	62/1, Kyae Kyay Taing Pyin Field, Kyae Village Track, Palaw Township, Myeik District, Thanintharyi Region, Myanmar.
Rubber Plantation	959-49902048
Tel.	
Business Type	Rubber plantation
Share Ratio	64 percent or 68.91 million baht
Authorized Capital	107.67 million baht
Paid-up Capital	107.67 million baht

### **(3) Other Referenced People**

#### **1. Securities Registration**

Name	Thailand Securities Depository Company Limited
Office	The Stock Exchange of Thailand Building, No. 93, Ratchadapisek Road, DinDaeng Sub-district, Din Daeng District, Bangkok Metropolis, 10400
Tel	+66 2009-9385 Fax. +66 2009-9476

#### **2. Auditors**

Name	KPMG Phoomchai Audit Company Limited
Office	48 <sup>th</sup> Floor, Empire Tower, No. 1, South Sathorn Road, Bangkok Metropolis 10120 +66 2677-2000 Fax +66 2677-2222
Auditors' Names	1. Mr. Vairoj Jindamaneepitak Licensed Auditor No. 3565 and/or 2. Mr. Bunyarit Thanormcharoen Licensed Auditor No. 7900 and/or 3. Mr. Yoottapong Soontalinka Licensed Auditor No. 10604

## **6.2 Other information**

- None -

## Part 2

### Management and corporate governance

#### 7. Stock and Shareholder Information

##### 7.1 Number of Authorized Capital and Paid-up Capital

The Company has a total of 681.48 million baht with 681.48 million baht of Authorized Capital, divided into 681,479,688 ordinary shares at 1 baht par value.

##### 7.2 Shareholders

List of Major Shareholders as of book closing date (October 16, 2019)

- Top 10 Shareholders

No.	Name	Shares Hold	Share Ratio (%)*
1	Mr. Vorathep Wongsasuthikul's Group	153,996,741	22.60%
2	Mr. Paiboon Waraprateep's Group	108,837,432	15.97%
3	Mr. Prachnon Temritikulchai's Group	35,343,779	5.19%
4	Mr. Kiet Srichomkwan	15,000,000	2.20%
5	Thai NVDR Company Limited	12,874,740	1.89%
6	Mr. Nan Kittayanuttakul	10,967,000	1.61%
7	Mr. Kansinan Pongnaruesorn	9,600,000	1.41%
8	Mr. Rudee Khankaew	5,000,000	0.73%
9	Mr. Nurak Mahattanaanon	5,000,000	0.73%
10	Mr. Wichapon Sincharoenkul's Group	3,470,500	0.51%
	<b>Total</b>	<b>360,090,192</b>	<b>52.83%</b>

- Major Shareholders with Important Roles in Setting Management Policies

No.	Name	Shares Hold	Share Ratio (%)
1	Mr. Vorathep Wongsasuthikul's Group	153,996,741	22.60%
2	Mr. Paiboon Waraprateep's Group	108,837,432	15.97%
3	Mr. Prachnon Temritikulchai's Group	35,343,779	5.19%
	<b>Total</b>	<b>298,177,952</b>	<b>43.75%</b>

### 7.3 Dividend Payment Policy

The company has a policy to pay dividends by no less than one-third of annual net profit after deduction of accrued losses (if any) according to business-specific financial statements. As for subsidiaries, a policy is in place for dividends to be paid by no more than 100 percent of net profit.

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## 8. Management Structure

### 8.1 Board of Directors

The names of members of the Board of Directors are as follows:

#### Names of Members of the Board of Directors

Director Name	Board of Directors	Audit Committee	Risk Management Committee	Remuneration Committee
1. Mr. Vorathep Wongsasuthikul	Chairman		Director	Chairman
2. Mr. Paiboon Waraprateep	Director		Director	
3. Mr. Prachnon Temritikulchai <sup>*1</sup>	Director		Director	
4. Mrs. Suchada Sodthibhapkul	Director		Chairman	
5. Mr. Yanyong Tawarorit	Director	Chairman		
6. Mr. Chayut Sueptrakul <sup>*2</sup>	Director	Director	Director	
7. Mr. Surabhon Kwunchaithunya <sup>*3</sup>	Director	Director		Director
8. Mr. Sompup Rangubtook <sup>*4</sup>	Director	Director		
9. Mr. Pattarapol Wongsasuthikul <sup>*5</sup>	Director		Director	
10. Miss Chalengkwan Wongsasuthikul	Director			
11. Mr. Prawit Waraprateep <sup>*6</sup>	Director		Director	
12. Mr. Pasithphol Temritikulchai <sup>*7</sup>	Director			

#### Remarks:

1. Mr. Prachnon Temritikulchai resigned from the Board of Directors and member of the Risk Management Committee since October 31, 2019.
2. Mr. Chayut Sueptrakul resigned from the Board of Directors and member of the Audit Committee and the Risk Management Committee since May 8, 2019.
3. Appointed Mr. Surabhon Kwunchaithunya as the member of the Remuneration Committee since February 22, 2019.
4. Appointed Mr. Sompup Rangubtook as the Board of Directors and the member of Risk Management Committee since May 14, 2019.
5. Appointed Mr. Pattarapol Wongsasuthikul as the member of Risk Management Committee since February 22, 2019.
6. Appointed Mr. Prawit Waraprateep as the member of Risk Management Committee since February 22, 2019.
7. Appointed Mr. Pasithphol Temritikulchai as the member of the Board of Directors since November 12, 2019.

Director Name	Position	2019 Board of Directors' Meeting No. in Attendance/No. of Meetings	2019 Audit Committee Meeting No. in Attendance/No. of Meetings	2019 Risk Management Committee Meeting No. in Attendance/No. of Meetings	2019 Remuneration Management Committee Meeting No. in Attendance/No. of Meetings
1. Mr. Vorathep Wongsasuthikul	- Chairman - Executive Director - Member of the Risk Management Committee - Chairman of the Remuneration Director	5/5	-	4/4	1/1
2. Mr. Paiboon Waraprateep	- Vice Chairman - Director - Member of the Risk Management Committee	5/5	-	4/4	
3. Mr. Prachnon Temritikulchai	- Vice Chairman - Director - Member of the Risk Management Committee	3/5	-	3/4	
4. Mrs. Suchada Sodthibhampakul	- Independent Director - Chairman of the Risk Management Committee	5/5		4/4	
5. Mr. Yanyong Tawarorit	- Independent Director - Chairman of the Audit Committee	5/5	6/6		
6. Mr. Chayut Sueptrakul	- Independent Director - Member of the Audit Committee - Member of the Risk Management	2/5	3/6	1/4	
7. Mr. Surabhon Kwunchaithunya	- Independent Director - Member of the Audit Committee - Member of the Remuneration Director	4/5	6/6		1/1
8. Mr. Sompup Rangubtook <sup>*1</sup>	- Independent Director - Member of the Audit Committee	2/5	2/6		
9. Mr. Pattarapol Wongsasuthikul	- Board of Director - Director - Chief Executive Officer	4/5		3/4	
10. Miss Chalongkwan Wongsasuthikul	- Board of Director - Director	5/5			
11. Mr. Prawit Waraprateep	- Board of Director - Director	4/5		3/4	
12. Mr. Pasithphol Temritikulchai <sup>*2</sup>	- Board of Director	1/5			

**Remarks:**

1. Mr. Sompup Rangubtook is Board of Director since May 14, 2019.
2. Mr. Pasithphol Temritikulchai is Board of Director since November 12, 2019.

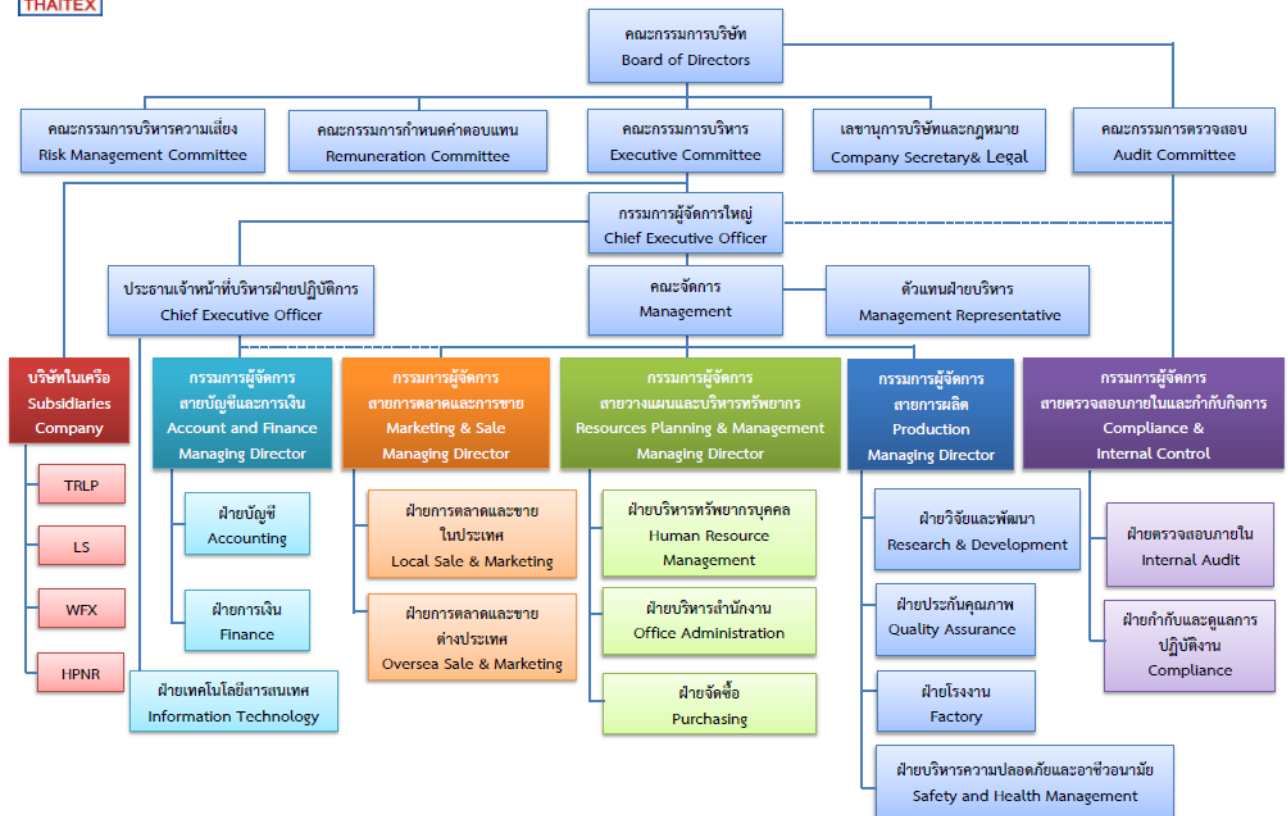
## 8.2 Executives

As of December 31, 2019, the company had the following seven executives:

Executive Name	Position
1. Mr. Vorathep Wongsasuthikul	Chairman
2. Mr. Paiboon Waraprateep	Vice Chairman
3. Mr. Pattarapol Wongsasuthikul	Director / Chief Executive Officer
4. Mr. Vanchai Sriherunrusmee	Chief Executive Officer of Operations
5. Miss Chalongkwan Wongsasuthikul	Director / Managing Director Resource Planning and Management
6. Mr. Prawit Waraprateep	Director / Managing Director Compliance & Internal Control
7. Mr. Suvasitthi Dewan	Managing Director of Marketing & Sales



Organizational Structure Thai Rubber Latex Group Public Company Limited.



## 8.3 Company Secretary

The company has Miss Chalongkwan Wongsasuthikul, the Director and Managing Director Resource Planning and Management, as the company's secretary.

## 8.4 Remuneration for Directors and Executives

### (1) Monetary Remuneration

- Remuneration for directors is composed of salaries and meeting attendance fees as approved by the annual general meeting of shareholders of 2019, which equals a budget of 8,000,000 baht per year. In 2019, the actual remuneration paid to directors was 5,828,500 baht.

Name	Position	Director's Remuneration in 2019
1. Mr. Vorathep Wongsasuthikul	- Chairman - Executive Director - Member of the Risk Management Committee - Chairman of the Remuneration Director	1,205,000
2. Mr. Paiboon Waraprateep	- Vice Chairman - Vice Executive Director - Member of the Risk Management Committee	1,170,000
3. Mr. Prachnon Temritikulchai	- Vice Chairman - Vice Executive Director - Member of the Risk Management Committee	1,068,500
4. Mrs. Suchada Sodthibhampakul	- Independent Director - Chairman of the Risk Management Committee	342,000
5. Mr. Yanyong Tawarorit	- Independent Director - Chairman of the Audit Committee	398,000
6. Mr. Chayut Sueptrakul	- Independent Director - Member of the Audit Committee - Member of the Risk Management	155,000
7. Mr. Surabhon Kwunchaithunya	- Independent Director - Member of the Audit Committee - Member of the Remuneration Director	380,000
8. Mr. Sompup Rangubtook	- Independent Director - Member of the Audit Committee	180,000
9. Mr. Pattarapol Wongsasuthikul	- Board of Director - Director - Chief Executive Officer	310,000
10. Miss Chalangkwan Wongsasuthikul	- Board of Director - Director - Managing Director Resource Planning and Management	290,000
11. Mr. Prawit Waraprateep	- Board of Director - Director - Managing Director Compliance & Internal Control	310,000
12. Mr. Pasithphol Temritikulchai	- Board of Director	20,000
<b>Total</b>		<b>5,828,500</b>

Remarks:

\* Mr. Pasithphol Temritikulchai is appointed as Board of Director since November 12, 2019

- Remuneration for executives is composed of salaries, bonuses and transportation fees. In 2019, the total amount of remuneration for executives for the company and subsidiaries amounted to 33 million baht.

## (2) Other Remuneration

- Other directors' remuneration
- None-
- Other executives' remuneration includes the provident fund. The company established a provident fund in which the company provides 3 and 5 percent reimbursements based on employee work age (as stipulated by the company's regulations) of the employees' salaries. In 2019, the company and subsidiaries paid provident reimbursements to four executives, a total of 963,696 baht.

## 8.5 Personnel

The company has a total of 114 employees and executives. The main line of work is the factory department with 674 employees. Total remunerations for personnel in 2019 amounted to 194 million baht, covering salary, daily wages, overtime fees, bonus and others.

### Human Resources Management Policy

The company has policy concerning human resources management for the mutual benefit of employees and the company as follows:

1. Activities are carried out firmly in line with the business philosophies, vision, mission and values of the company.
2. Priority is given to employees who are recognized as valuable resources contributing to the growth and sustainability of the company.
3. Knowledgeable and competent personnel with potential and good outlooks are sought to become a part of the company's business.
4. The knowledge, abilities and skills of employees are constantly promoted for improvements in line with the required duties, responsibilities and necessities of the company. Furthermore, conscience, attitudes and values in being a part of "THAITEX" are continuously fostered.
5. Employee satisfaction is promoted with consideration to administrative feasibility and reasonable and fair payment of benefits and remunerations.
6. Good relations are promoted between co-workers and between employees and the company in order to ensure lasting contentment in employees and the company.



### Labor Relations Policy

Under the human resources management policy, the company has set in place a labor relations policy covering the following cases:

1. Strictly adhere to the laws and regulations of the government and the company.
2. Respect the rights of employees under various laws and regulations in order to ensure peace and order in the company's business as well as the peace and order of society.
3. Promote activities that facilitate good co-worker and employee-company relations built on good understanding, generosity and reason.
4. Promote social responsibility in employees and the company in regards to environmental conservation and regular participation in social activities, religious activities and community activities.

The company considers the company's employees to be highly valued, essential resources for the success of the company. Thus, the company continuously focuses on the development of the company's personnel in order to provide employees with knowledge, skills and abilities that are suitable for their assigned work duties and responsibilities for the achievement of maximum effectiveness. Employees are developed in terms of knowledge and abilities in work and work processes, while good conscience and morals in their treatment of colleagues, the company and trade partners are fostered.

In 2019, the company engaged in activities to develop and increase work knowledge, skills and abilities by providing training inside the company and regularly sending employees for outside training, as necessary, based on the suitability of personnel in each agency and at every level and line of work.

#### **1. Performance development**

The company arranges the development of personnel in both main lines and the support line, especially the main line, which has organized training course on operational knowledge, both theory and practice, by experts to improve skills and ability to perform each task in order to enhance specific skills. In addition, there is a regular review of key performance indicators to be consistent with the company's policies.

#### **2. Empowering employees' potential development**

The idea is everyone has the potential to be able to be used without limit if they have been supported and got opportunity from the company to demonstrate the potential through quality activities, such as 5S activities and suggestion activities.

#### **3. Maintenance of personnel with potential in the company**

The company has taken care of talented and highly capable employees and provided opportunities for growing in professional fields by setting clear criteria and requiring

implementation every year. In addition, there is individual development, especially for supervisors and above and also improving performance by using key performance indicators (KPIs) to measure competency and work behavior of employees, which is a tool for maintaining, treating and developing the capability of the employees. The employees who have the core competency that the company desires are as follows:

- Learning and self-developing continually to improve the company as learning organization
- Focusing on ethics to promote the operation in accordance with the principles of good corporate governance
- Satisfying customers by providing good customer service
- Focusing on results for setting goals in order to evaluate success and formulating plans to achieve goal

#### **4. Succession Plan**

The company focuses on internal recruiting rather than external recruitment, especially the position in the main line through the promotion process according to the criteria determined by the performance and potential. The company has prepared for person who is a successor in the development of knowledge, ability and skills required by the job position.

## 9. Corporate Governance

The company systematically organizes operational and management structures and processes in regards to corporate governance with separation of duties and responsibilities based on knowledge, abilities and experience in business and products in each work unit of the company and its subsidiaries in order to boost competitive capacity and achieve growth with long-term added value for shareholders and consideration of all stakeholders.

### 9.1 Corporate Governance Policy

9.1.1 The company invests in a total of 6 companies as follows:

1. Thai Rubber Latex Group Company Limited (Shanghai)  
100.00 % share-holding
2. Thai Rubber Land and Plantation Company Limited  
99.99 % share-holding
3. Thai Rubber HPNR Company Limited  
99.99 % share-holding
4. World Flex Public Company Limited  
99.99 % share-holding
5. Latex Systems Public Company Limited  
56.16 % share-holding
6. Myanmar Thai Rubber Joint Corporation Limited  
64.00 % share-holding

9.1.2 Joint Company of the company in in a total of 1 company as follows:

1. Wang Somboon Rubber Plantation Company Limited  
48.43 % share-holding

The company has sent knowledgeable, skilled and experienced people to oversee the management of each subsidiary, and subsidiaries are required to hold meetings to report progress to the company at least once a year as follows:

1. Executive directors are to hold joint meetings with the parent company and subsidiaries at least once monthly.
2. Executive directors and managers of factories, sales, marketing and finance are to hold a joint video conference every Monday morning.
3. Executive directors in the parent company tracks progress by regularly visiting each factory as deemed fit.

## 9.2 Sub-committees

The company has set in place a management structure composed of five sub-committees as follows:

- |                                  |            |
|----------------------------------|------------|
| 1. Board of Directors            | 12 members |
| 2. Board of Executives Committee | 6 members  |
| 3. Audit Committee               | 3 members  |
| 4. Remuneration Committee        | 2 members  |
| 5. Risk Management Committee     | 6 members  |

The Board of Directors has appointed highly knowledgeable and experienced as Chief Executive Officer and Directors. These people are as follows:

- |                                    |  |
|------------------------------------|--|
| 1. Mr. Pattapol Wongsasuthikul     | Chief Executive Officer/Acting Managing Director of Production |
| 2. Mr. Prawit Waraprateep          | Managing Director of Compliance & Internal Control             |
| 3. Miss Chalongkwan Wongsasuthikul | Managing Director of Resource Planning and Management          |

Furthermore, the company has appointed two additional high-ranking executives to relieve the burdens of the Chief Executive Officer. They are named as follows:

- |                               |  |
|-------------------------------|--|
| 1. Mr. Vanchai Sriherunrusmee | Chief Executive Officer of Operations responsible for support work and operations. |
| 2. Mr. Suvasitthi Dewan       | Managing Director of Marketing & Sale responsible for marketing and sales.         |

### (1) Board of Directors

The Public Company Limited Act, B.E. 2535 (A.D. 1992), Section 6 regarding the company directors, Section 67-Section 97, indicates the number of the members of the Board of Directors, qualifications, election, meeting, dismissal from office, and the power and duties of the Board of Directors under Section 77 to ensure that the company management meets the objectives, articles of associations and resolutions of the shareholders' meeting, and Section 85 indicates the duties in relation to the company management that the Board of Directors must perform their duties according to the law, objectives and articles of associations of the company as well as the shareholders' meeting resolutions with integrity, honesty, and precaution to maintain the company's benefits.

In addition to the power and duties in management, prohibited practices as well as the liability for damage incurred to the company have also been determined.

The 12 member of Board of Directors are as follows:

- |                                     |   |
|-------------------------------------|---|
| 1. Mr. Vorathep Wongsasuthikul      | Chairman  |
| 2. Mr. Paiboon Waraprateep          | Vice Chairman   |
| 3. Mr. Prachnon Temritikulchai      | Vice Chairman (resigned on October 31, 2019)  |
| 4. Mr. Yanyong Tawarorit            | Independent Director and Chairman of the Audit Committee                              |
| 5. Mrs. Suchada Sodthibhapakul      | Independent Director  |
| 6. Mr. Chayut Sueptrakul            | Independent Director (resigned on May 8, 2019)  |
| 7. Mr. Sompup Rangubtook            | Independent Director (appointed on May 14, 2019 replacement of Mr. Chayut Sueptrakul) |
| 8. Mr. Surabhon Kwunchaithunya      | Independent Director  |
| 9. Mr. Pattarapol Wongsasuthikul    | Chief Executive Officer   |
| 10. Mr. Prawit Waraprateep          | Director  |
| 11. Miss Chalangkwan Wongsasuthikul | Director and Secretary  |
| 12. Mr. Pasithphol Temritikulchai   | Director (appointed on November 12, 2019, replacement of Mr. Prachnon Temritikulchai) |

#### Scope of the Board of Directors' power and duties

1. Determine the policies and directions of the company's operation in accordance with the law, objectives, articles of associations of the company as well as the shareholders' meeting resolutions
2. Control and take care of the management to ensure the efficient and effective compliance with the determined policies to maintain the benefits of the company, shareholders, policyholders, and other stakeholders
3. Coordinate between the shareholders and the management and prevent conflicts of interest between the company and the management
4. Supervise the investment, business expansion, provision, sale or transfer of assets which have material effects on the company
5. Take part in the Board of Directors' meetings, appoint and dismiss the executive management, select and propose the persons for election of the members of the Board of Directors by the shareholders
6. Propose the auditors for the consideration of nomination by the shareholders and disclose accurate information under the legal provisions
7. Have any power indicated in the memorandum of association, articles of association and legal provisions

Except for the following issues for which the Board of Directors must seek an approval from the shareholders prior to operation

1. The issues which are indicated by the law that the shareholders' resolutions must be obtained.

2. The making of connected transactions of which values are equal to or higher than 20 million Baht or 3% of NTA, whichever is higher

3. The purchase or sale of material assets of which values are 50% of the total assets of the listed company or more

4. The provision of financial assistance to related persons of which values are equal to or higher than 100 million Baht or 3% of NTA, whichever is lower

Remark: NTA (Net Tangible Assets)

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

## (2) Board of Executives Committee

The Board of Directors appoints as Executive Committee consisting of at least 6 directors. In 2019, the 6 members of the Executive Committee include:

1. Mr. Vorathep Wongsasuthikul
2. Mr. Paiboon Waraprateep
3. Mr. Prachnon Temritikulchai (resigned on October 31, 2019)
4. Mr. Pattarapol Wongsasuthikul
5. Mr. Prawit Waraprateep
6. Miss Chalengkwan Wongsasuthikul

The company has made the regulations of work and operational power as the framework for management according to the following power and duties:

### Scope of the Management Committee's power and duties

1. Consider the determination of goals, policies, planning, and allocation of annual budgets as proposed by the management before proposing it to the Board of Directors for approval. This includes the consideration of approval of change or addition of annual budget while there is no Board of Directors' meeting and proposes it to the Board of Directors for acknowledgement in the next meeting.

2. Have the chief of each department who is responsible for business and activities report the results of their operations to the Management Committee on monthly basis.

3. Approve the expenditure according to the company's plans

4. Approve the expenditure for investment as indicated in the annual budget or as approved by the Board of Directors in the annual budget or as approved by the Board of Directors in principle

5. Approve the investment principles for business expansion as well as joint venture with other business operators and propose it to the Board of Directors for approval in the next meeting

6. Approve the appointment of authorized signatories for cheques or money order documents of the company

7. Be the consultants for the management regarding the policies on production, marketing, finance, personnel, and other operations

8. Approve the appointment, transfer and dismissal of employees

9. Perform any action as assigned by the Board of Directors

### (3) Audit Committee

The company directors have selected the Audit Committee consisting of 3 independent directors and at least 1 director who is an accounting and financial expert as follows:

- |                                |  |
|--------------------------------|--|
| 1. Mr. Yanyong Tawarorit       | Chairman of the Audit Committee  |
| 2. Mr. Chayut Sueptrakul       | Audit Committee (resigned on May 8, 2019)  |
| 3. Mr. Sompup Rangubtook       | Audit Committee (appointed on May 14, 2019 replacement of Mr. Chayut Sueptrakul) |
| 4. Mr. Surabhon Kwunchaithunya | Audit Committee  |

Jarucha Rompothong, the Internal Audit Manager, acts as the secretary. The Audit Committee has made the Audit Committee Charter which has been proposed to the Board of Directors for approval and enforced it on the related persons as assigned by the Board of Directors.

### Scope of the Audit Committee's power and duties

1. Review that the company has correct, complete and reliable financial reports and disclose sufficient information

2. Review that the company has appropriate and effective internal control system, risk management system and internal audit system

3. Review that the company effectively and appropriately performs the policy on good corporate governance and business ethics

4. Review that the company complies with the law on securities and the Stock Exchange of Thailand, provisions of the Stock Exchange of Thailand and other laws related to the company's business

5. Consider appointing and dismissing the company's auditor and propose the auditor's remuneration

6. Consider whether the connected transactions have been conducted in compliance with the laws and provisions of the Stock Exchange of Thailand to ensure that they are reasonable and beneficial for the company

7. Supervise the operations of the Internal Audit Department at the policy level and the internal audit operations by approving the Charter, independency and the scope and the audit plans of the Internal Audit Department

8. Consider the appointment, transfer, dismissal of the chief of the Internal Audit Department as well as evaluating the performance of the chief of the Internal Audit Department and approving the remuneration of the chief of the Internal Audit Department considered by the executive management of the company

9. Consider and review the results of audit and recommendations of the auditor and the Internal Audit Department as well as following up to ensure that the management take appropriate action in response to such recommendations efficiently and in timely manner

10. The Audit Committee can invite the management or the employees of the company to report or present their information, attend the meeting or submit the documents as deemed appropriate and necessary.

11. If necessary, the Audit Committee may seek advice from the external consultants or professional experts regarding the audit operation of which costs will be borne by the company

12. Review and revise the Audit Committee Charter at least once a year or as necessary to update and adjust it to suit the organizational environment and propose it to the Board of Directors for approval

13. Prepare the reports of the Audit Committee which consist of the information, opinions of the Audit Committee on each issue which should be disclosed in the company's annual reports. The reports must be signed by the President of the Audit Committee.

14. Any other actions assigned by the Board of Directors under the approval of the Audit Committee. The management must prepare the reports or present the related information and documents to support the operations of the Audit Committee in order for them to achieve the assigned duties.

#### (4) Remuneration Committee

The Board of Directors has appointed the Remuneration Committee who is two of the company director as follows:

1. Mr. Vorathep Wongsasuthikul Chairman of the Remuneration Committee
2. Mr. Surabhon Kwunchaithunya Member of the Remuneration Committee



The company's secretary acts as the secretary of the Remuneration Committee.

Scope of the Remuneration Committee's power and duties

1. Determine the policies, criteria and methods for nomination of the directors and the executive management to be proposed to the Board of Directors for approval
2. Determine the policy on remuneration and other benefits including other remuneration and benefits for the directors and the executive management. The policy must contain clear and transparent criteria for being proposed to the Board of Directors for approval. Also, the policy must be submitted to the competent authorities upon request.
3. Determine the guidelines for evaluation of performances of the directors and the executive management in consideration of annual adjustment of remuneration on the basis of related duties, responsibilities and risks and consider adding value of the shareholders' equity as part of evaluation
4. Perform other actions as assigned by the company directors

(5) Risk Management Committee

The Board of Directors have appointed the Risk Management Committee by selecting 3 member of the Board of Directors and 3 Executive Directors, making a total of the following 6 members:

1. Mr. Vorathep Wongsasuthikul
2. Mr. Paiboon Waraprteep
3. Mrs. Suchada Sodthibhapkul
4. Mr. Prawit Waraprteep (appointed on February 22, 2019)
5. Mr. Pattarapol Wongsasuthikul (appointed on February 22, 2019)
6. Mr. Vanchai Sriherunrusmee

Chief Executive Officer of Operations acts as the secretary of the Risk Management Committee. The main missions of the Risk Management Committee are determination of the scope of work system used to control the material risks which can affect the company's operations and preparation of the preventive strategies which can be implemented appropriately and proposed it to the Management Committee as well as improving and supporting essential tools used for better risk control.

Scope of the Risk Management Committee's power and duties

The Risk Management Committee work independently and directly report to the Management Committee. Their power and duties are as follows:

1. Determine the policies and plans on risk management of the business group to be proposed to the Management Committee for consideration of the overall risk management. The policies and plans must cover all kinds of material risks such as credit

risks, market risks, liquidity risks, foreign exchange risks, price risks, and any risks which may affect the reputation of the business group.

2. Determine strategies in accord with the risk management policies. Be able to assess, monitor and take care of the amount of risks of the business group at an appropriate level

3. Control, monitor, examine, assess the risk management results, and ensure that the companies under the business group comply with the determined the risk management policies

4. Review the appropriateness of the policies and the risk management system including the efficiency of the system and its compliance with the determined policies

### **9.3 Nomination and appointment of directors and executive management**

The company has 2 methods of nomination and appointment of directors and executive management as follows:

Method 1: The number of the members of the Board of Directors depends on the shareholders' resolution and suitability for management; however, there must be at least 5 directors according to the law on public company limited.

Method 2: The Board of Directors will act as the Nominating Committee to nominate experienced, knowledgeable and skillful persons who have the backgrounds and qualifications as indicated by the law on public company limited to replace the retired or resigned directors or to add or to reduce the number of directors as deemed appropriate for the expanded or downsized business. The nomination will be presented to the shareholders' meeting for further consideration.

### **9.4 Governance of the operations of the subsidiaries and associated company**

The company governs the operations of the subsidiaries and associated company systematically as follows:

1. The company has appointed the knowledgeable and skillful persons to be the company directors and executive officers in each subsidiary to determine the policies and manage it. The authorized persons have to report and attend the meetings with the Management Committee of the holding company at least once a month. The executive officers at other levels will have the meetings together occasionally.

2. Regarding the results of operations, the subsidiaries must submit the financial report on monthly basis to make the consolidated financial statements with the holding company for monitoring and analyzing the monthly results of operations of the subsidiaries.

3. In each month, after the financial statements have been added to the consolidated financial statement of the holding company, they must be sent to the Internal Audit Department for analysis and examination of each transaction or issue before reporting

them to the Audit Committee who will examine whether the financial status contains the connected transactions prior to proposing them to the Board of Directors' meetings.

4. The directors in the subsidiaries who have been appointed for management and control of the subsidiaries do not have the power to reduce the capital, increase the capital, cease or expand the business without an approval of the Board of Directors of the holding company.

5. The company and the other shareholders in the management of the subsidiaries and the associated company who do not have any written agreement must attend the shareholders' or Board of Directors' meeting only.

#### **9.5 Control of the use of internal data**

The company prohibits the management or the division which are aware of the internal data to disclose it to the third parties or irrelevant persons.

#### **9.6 Remuneration of the auditor**

The company and the subsidiaries have selected the auditor from KPMG Phoomchai Auditing Co., Ltd. to audit the financial statements of the year 2019. The audit fee is as follows:

## 1. Audit fee

Unit: Baht

No.	Paying company	Name of auditor	Audit fee
1	Thai Rubber Latex Group PCL.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	3,000,000
2	World Flex PCL.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	900,000
3	Thai Rubber Land and Plantation Co., Ltd.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	690,000
4	Thai Rubber HPNR Co., Ltd.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	190,000
5	Wang Sombun Rubber Plantation Co., Ltd.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	100,000
6	Latex Systems PCL.	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	1,800,000
7	Thai Rubber Latex Group Company Limited. (Shanghai)	ZhouQin (10,000 RBM) 4.46	44,600
<b>Total remuneration from the audit fee</b>			<b>6,724,600</b>

## 2. Non-Audit fee

## 9.7 Compliance with other principles of Good Corporate Governance

-None-

## 10. Corporate Social Responsibilities (CSR)

Thai Rubber Latex Group Public Company Limited has business principles balancing between economic growth and society and the environment development for sustainable and strong growth regarding to the interests of all groups of stakeholders. The company, therefore, integrates social responsibility conducting business clearly in order to balance the economy, society and environment with Corporate Social Responsibility Policy (CSR) under the principles of good corporate governance to lead to a successful and sustainable business operation and becoming the company procuring concentrated latex. Therefore, the company attaches importance to the development of production processes that reduce pollution to achieve the success of the business, not just seeking business value added but also determined to create value for the community, society and environment as well. Moreover, the company also participated in meeting with other companies on CSR to find common ways to conduct business.

The company has established a vision, goal, strategy for assessing business risk and reflecting the operation known as CSR-in-process, which is corporate social responsibility that the company runs business with responsibility, such as preventing or eliminating pollution in the production process, not to affect community, providing products and services with quality and standards, compensation for damage to customers caused by mistakes. These responsibilities are considered to be activities during normal working hours of business.

Throughout the period of its business operation, Thai Rubber Latex Group Public Company Limited and the subsidiaries have intended to express responsibilities, supports, assistance for the local community where the company has entered or established its office for business operations. The company supports the public health, environmental and educational activities, assists the victims of crisis, participates in religious activities, and creates profession to the local residents. As a private organization, the company wishes to see the nearby communities full of happiness by allowing them to create happiness with the company through the following projects:

### 10.1 Youth and educational development

The project titled “Thai Rubber reduces hardship. The society is happy. The environment is fresh.” has been initiated by the company’s idea that schools should be able to generate their own income which can be used for improvements of their lives and education as well as increasing the green space in the community. Each school was asked to find the area of up to 20 rai which can be either the school area or community area for rubber planting. The company would have taken care of the planting and treatment of the rubber trees for at least 6 years or until the rubber tapping is possible. All expenses incurred

by this project were borne by the company. In addition, the company has cooperated with the community in taking care of the plantation and purchased all products. The income obtained from the sale would belong to the schools and they could manage it by themselves.

#### Objectives

1. To promote the sustainable good living of the local residents
2. To help the schools be able to generate their own income for development without awaiting the government's subsidies
3. To promote learning of complete rubber planting and caring to teachers, students and local residents
4. To expand the green area to the local communities, which may help curve the global warming
5. To promote the living quality of students, teachers and communities in the long run

#### Project period

- At least 6 years, commencing from 2009 or until the rubber trees are ready for being tapped

#### Participants

- Thai Rubber Latex Group Public Company Limited and the subsidiaries
- Participating schools by teachers and students
- Local communities where the schools are located
- The government authorities where the communities are located

#### Project places

- |                              |           |  |
|------------------------------|-----------|--|
| 1. Ban Mareua School         | Location: | Village No. 1, Ban Maelua Village,<br>Tha Khaoplueak Sub-district, Mae Chan<br>District, Chiang Rai Province<br>Area of rubber planting 10 rai |
| 2. Ban Maephaeng School      | Location: | Village No. 5, Banden-Tha Khaoplueak Road,<br>Mae Chan District, Chiang Rai Province<br>Area of rubber planting 20 rai                         |
| 3. Ban Tubkumanthong School  | Location: | Village No. 8, Ban Tubkumanthong<br>Khaoplueak Sub-district, Mae Chan<br>District, Chiang Rai Province<br>Area of rubber planting 20 rai       |
| 4. Mae Lak Neon thong School | Location: | Village No. 6, Tha Khaoplueak Sub-   |

district, Mae Chan District, Chiang Rai  
Province

Area of rubber planting 6 rai

#### Results of the operations

- |                              |  |
|------------------------------|--|
| 1. Ban Mareua School         | started operation from 2009 to present |
| 2. Ban Maephaeng School      | started operation from 2009 to present |
| 3. Ban Tubkumanthong School  | started operation from 2009 to present |
| 4. Mae Lak Neon Thong School | started operation from 2009 to present |

### **10.2 Promotion and development of the disabled's quality of life in 2019 under Section 35**

The company realizes the importance of social responsibilities of all sectors, and the company always takes these responsibilities into consideration along with the business operations. While having to contribute the funds to the government agencies as required by the law, the company has come up with an idea to create the project "Promotion and development of the disabled's quality of life in 2019 under Section 35" to provide direct assistance to the disabled people so that they can spend the funds gained from the company to generate more income and take care of their families without reliance on the society.

#### Objectives

1. To express the company's social responsibilities
2. To help the disabled people to be able to earn a living and take care of their families without reliance on the society
3. To assure that the income will be directly received by the disabled persons without passing through any agents, which will benefit themselves the most
4. To help the government to provide assistance to the society

#### Project period

- January – December 2019

#### Participants

- The company and the subsidiaries
- The disabled people selected by the project
- Social Innovation Foundation

#### The method of providing funds (for one year)

The company will provide the funds to the disabled people who have registered as legal disabled. Social Innovation Foundation acts as the coordinator in selecting 4

disabled persons to receive the funds. Each of them receives 112,420 Baht, making a total of 449,680 Baht. The funds will be given directly to the selected disabled persons by the company.

### **10.3 Projects food raising and support for the underprivileged and disabled people**

The company is committed to social responsibility and in all sectors that the company will provide assistance or support to the underprivileged society as appropriate as the company can operate. This is a part of creating and promoting a livable society by raising food and providing necessities and consumer goods that are needed to disadvantageded nurseries every year

#### Objectives

1. To support, help alleviate social burden from the public sector.
2. To support to underprivileged living happily.
3. To promote and sharing the creation of a livable society.
4. To support the corporate social responsibility policy

#### Goals

1. Disabled people receive happiness and consumer goods
2. Employees are involved in activities being proud of the company
3. The company has continuously implemented social responsibility activities.

#### Project period

- Once a year (on October 18, 2019)

#### Procedures

The company will consider selecting a location to carry out the project each year. In 2019, the company chose an underprivileged child protection facility to feed and provide the necessities and consumer goods in order to suit the needs of each person according to needs and ages in the place, operating annually at the appropriate time

#### Project place

Ban Bangpakong Home for the disabled      Location: Songklong Sub-district,  
Bangpakong District, Chachoengsao  
Province

#### Results of the project

In 2019, the company arranged the project on October 18, 2019 at Ban Bangpakong Home for the disabled in Songklong Sub-district, Bangpakong District, Chachoengsao



Province, providing lunch and consumer goods for disabled people, 320 men in total who are

1. 18 years old and older
2. Not having a serious contagious disease
3. Having a disability condition that cannot help themselves in daily life
4. Lack of sponsors, homeless, having financial problems or unable to live with family

The institution provided care services as follows:

1. Providing support to the disabled including housing, food, clothing and medicine
2. Providing medical rehabilitation
3. Improving physical, mental, emotional, and social development
4. Developing and managing the organization to be more efficient and modern

Also, the institution has other services as follows: Social Service, Healthcare Physical therapy, occupational therapy and legal action when the disabled dies

#### **10.4 Projects for encouraging youths and sports support**

Thai Rubber Latex Group Public Company Limited gave support activities for employees and communities every year for good health. In the year 2019, sports activities were organized in Khun Talay Sub-district, Surat Thani Province, 30 participants in the competition receiving many awards.

## 11. Internal control

### Summary of the opinions of the company directors on the company's internal control system internal control

The company realizes the importance of the internal control system as it acknowledges that the internal control is an essential mechanism which can drive the company to achieve the goals of its business effectively and efficiently, the use of resources and maintenance of assets, financial report, compliance with the laws, regulations and provisions as well as preventing or reducing the risks of any action which may jeopardize the company. The Board of Directors has determined the roles and duties of each committee and the management. In addition, they will monitor the operations to ensure the compliance with the assigned duties. The organizational structure and chain of command have been created to balance the power and for appropriate internal control. The business goals and key performance indicators have also been indicated for performance evaluation and comparison of the results of operations with the determined goals.

The company has also determined the policies on good corporate governance, business ethics and the code of conduct of the directors, the management and the employees of the company, the anti-corruption policy and the written complaint policy. Furthermore, the employees are encouraged to be aware of the policies and comply with them strictly. The training is provided to the employees on annual basis to ensure transparency of work and fairness to all groups of stakeholders. The monitoring processes and penalties have been arranged, and the written power manual and operation manual are reviewed and prepared to be used as the guidelines for operations of the employees of all levels and for the business liquidity based on the scope of their duties and responsibilities and appropriate internal control system.

The Board of Directors has determined that the Audit Committee supervises the internal control system, the risk management system, and the corporate governance system of the company to ensure appropriateness and efficiency. Also, the Audit Committee will examine whether the company complies with the related laws and regulations, prevent conflicts of interest, monitor the making of connected transactions and the maintenance and utilization of assets to prevent corruption or misconduct. The company has the mechanism for examining and balancing by having the internal audit who works independently and reports directly to the Audit Committee to inspect and assess the effectiveness and appropriateness of the internal control system, risk management system and corporate governance system in the operation of each unit in the company and the subsidiaries. The internal control system applies the COSO (The Committee of Sponsoring Organizations of the Tread Way Commission) standards, the framework of Enterprise Risk

Management, and the principles of good corporate governance indicated by the Stock Exchange of Thailand and Thai Institute of Directors (IOD) and Organization for Economic Co-operation and Development (OECD) in the internal control system for more complete risk management and good corporate governance to ensure the most effective and efficient operations of the company.

In addition, the company evaluates the appropriateness of the internal control system on annual basis according to the guidelines of the Office of the Securities and Exchange Commission under the framework of the internal control of the Stock Exchange of Thailand which refer to Issue 17, 5 elements and 20 sub-principles of COSO (The Committee of Sponsoring Organizations of the Tread Way Commission). 2019, the company did not find any significant errors in its internal control system. The details are as follows:

Element 1 Governance and Culture

- Principle 1 Exercise Board Risk Oversight
- Principle 2 Establishes Operating Structures
- Principle 3 Defines Desired Culture
- Principle 4 Demonstrates Commitment
- Principle 5 Attracts, Develops, and Retains Capable Individuals

Element 2 Strategy and Objective Setting

- Principle 6 Analyzes Business Context
- Principle 7 Defines Risk Appetite
- Principle 8 Evaluates Alternative Strategies
- Principle 9 Formulates Business Objectives

Element 3 Performance

- Principle 10 Identifies Risk
- Principle 11 Assess Severity of Risk
- Principle 12 Prioritizes Risk
- Principle 13 Implements Risk Responses
- Principle 14 Develops Portfolio View

Element 4 Review and Revision

- Principle 15 Assesses Substantial Change
- Principle 16 Reviews Risk and Performance
- Principle 17 Pursues Improvement in Enterprise Risk Management

Element 5 Information, Communication, and Reporting

- Principle 18 Leverages Information Systems
- Principle 19 Communicates Risk Information
- Principle 20 Reports on Risk, Culture, and Performance

The inspection of internal audit includes financial audit, compliance audit, management audit, operational audit, information technology audit, fraud audit, project/contact review, and special audit. The internal audit monitors the internal control system through the internal audit department as an inspector and also checks the results to ensure the matters found or reviewed corrected and appropriately on time. In addition, the assessment of internal control in accounting and finance has audited and present to the audit committee for consideration quarterly and yearly reviewed by a certified auditor. The internal audit did not find any significant errors.

## 12. Connected transactions

### 12.1 Connected transactions with the persons who may have the conflicts of interest in 2019

In 2019, the company had significant connected transactions with the companies and the persons who have certain common shareholders or the management. The transactions were normal trading transactions as follows:

#### Description of symbols

##### Listed company

TRUBB = Thai Rubber Latex Group Public Company Limited

##### Subsidiaries

LS = Latex Systems Public Company Limited. (56.16% of shares held by TRUBB)

TRLP = Thai Rubber Land and Plantation Co., Ltd. (99.99% of shares held by TRUBB)

WFX = World Flex Public Company Limited (99.99% of shares held by TRUBB)

SRIT = Shanghai Runmao International Trading Co., Ltd. (100.00% of shares held by TRUBB)

##### Associated company

WSB = Wang Somboon Rubber Estate Co., Ltd. (48.43 % of shares held by TRLP)

##### Related companies

SDR = Soi Dao Rubber Estate Co., Ltd.

(1) Connected sale-purchase transactions related to normal trading

Name and relationship	Transaction description	Value (million Baht)	Necessity and reasonability
LS 56.16% of shares held by TRUBB)	TRUBB sold concentrated latex to LS for production of rubber mattresses and pillows.	183	<ul style="list-style-type: none"> <li>- LS bought concentrated latex from TRUBB because of its good quality.</li> <li>- TRUBB sold at the same price as other customers did (market price).</li> </ul>
SRIT 100% of shares held by TRUBB)	TRUBB sold concentrated latex to SRIT for trading	27	<ul style="list-style-type: none"> <li>- SRIT is a trading company in China. Buying concentrated latex from TRUBB to expand the market.</li> <li>- TRUBB sold at the same price as other customers did (market price).</li> </ul>
WSB (99.99% subsidiary of TRUBB and 48.43 % of shares held by TRUBB)	TRUBB brought field latex from WSB for production of concentrated latex.	9	<ul style="list-style-type: none"> <li>- WSB plantation and TRUBB factory are located in the East of Thailand, the purchasing is convenient and the transportation cost is lower.</li> <li>- TRUBB bought at the same price as other suppliers (market price).</li> </ul>
SDR (Group of shareholders who collectively hold 38.57% Shares in TRUBB and hold 80.42% shares in SDR)	TRUBB brought fresh latex from SDR for production of concentrated latex.	12	<ul style="list-style-type: none"> <li>- SDR plantation and TRUBB factory are located in the North-East, the purchasing is convenient and the transportation cost is lower.</li> <li>- TRUBB bought at the same price as other suppliers (market price).</li> </ul>

(2) The policy on determination of connected transaction prices

The details of the policy are disclosed in the note to the consolidated financial statements in Clause 6 Significant Transactions with Related Persons or Companies in the annual financial statements report of 2019 which have been audited by the CPA.

**12.2 Necessity and reasonability of the transactions**

The company has explained the necessity and reasonability of the transactions in the above tables. The Board of Directors and the Audit Committee certified the transactions on February 27, 2020.

### 12.3 Policy or possibility of connected transactions in the future

The company has no policy to make new transactions; however, if necessary, the transactions will be decided based on the maximum benefits of the shareholders. The transactions occurred in 2019 will continue to 2020.

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## Part 3

### Financial Status and Operational Results

#### 13. Significant financial information

##### 13.1 Summary of the financial statements

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

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
(in Baht)					
<b>Current assets</b>					
Cash and cash equivalents	6	91,126,266	157,594,536	34,102,081	43,078,846
Trade accounts receivable	5, 7	827,137,333	987,070,731	743,490,484	849,776,290
Other receivables	5, 8	125,696,754	127,679,923	68,479,151	71,950,711
Short-term loans to related parties	5	-	-	992,932,600	1,030,932,600
Inventories	9	1,103,766,615	1,250,962,210	680,677,726	798,401,749
Other current assets		55,262,356	64,948,814	48,767,582	54,066,220
<b>Total current assets</b>		<b>2,202,989,324</b>	<b>2,588,256,214</b>	<b>2,568,449,624</b>	<b>2,848,206,416</b>
<b>Non-current assets</b>					
Restricted deposit at financial institution		6,596,737	16,621,011	6,596,737	6,531,911
Investments in associates	10	29,664,174	30,981,598	-	-
Investments in subsidiaries	11	-	-	1,873,274,123	1,873,274,123
Other long-term investments	13	81,200,000	81,200,000	81,200,000	81,200,000
Investment properties	14	547,690,000	561,070,000	108,610,000	120,590,000
Property, plant and equipment	15	3,437,538,071	3,501,213,899	1,060,898,051	1,078,323,515
Goodwill	4, 16	6,875,748	12,302,815	-	-
Other intangible assets	17	2,434,240	4,040,441	191,207	357,687
Land possessory rights	18	192,191,716	193,157,504	6,238,650	6,270,000
Rubber plantation development costs	20	891,575,091	885,902,465	-	-
Withholding tax deducted at source		168,199,869	163,765,430	159,725,661	157,296,158
Advance payment for land possessory rights	19	34,830,416	34,830,416	-	-
Deferred tax assets	32	-	14,732,332	-	-
Other non-current assets		9,791,631	9,773,231	2,310,569	2,454,078
<b>Total non-current assets</b>		<b>5,408,587,693</b>	<b>5,509,591,142</b>	<b>3,299,044,998</b>	<b>3,326,297,472</b>
<b>Total assets</b>		<b>7,611,577,017</b>	<b>8,097,847,356</b>	<b>5,867,494,622</b>	<b>6,174,503,888</b>

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

## Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
(in Baht)					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	21	3,698,215,641	3,623,105,225	2,906,702,844	2,974,031,926
Trade accounts payable	5, 22	140,097,278	175,389,832	34,468,186	63,083,025
Other payables	5, 23	124,615,544	103,945,730	37,074,966	31,023,353
Short-term borrowings from related parties	5, 21	3,100,000	4,500,000	47,000,000	47,000,000
Current portion of long-term borrowings					
from financial institutions	21	238,600,000	132,500,000	105,000,000	82,500,000
Current portion of finance lease liabilities	21	22,126,975	40,677,651	20,885,472	39,312,538
Accrued expenses		51,574,812	48,940,635	8,834,645	13,346,170
Current income tax payable		-	1,383,845	-	-
Other current liabilities		3,517,161	3,815,330	1,502,954	1,372,843
<b>Total current liabilities</b>		<b>4,281,847,411</b>	<b>4,134,258,248</b>	<b>3,161,469,067</b>	<b>3,251,669,855</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institut	21	942,687,175	1,166,287,175	726,250,000	816,250,000
Finance lease liabilities	21	32,063,046	54,480,947	30,216,158	51,403,291
Non-current provisions for employee	24	95,557,353	55,368,540	71,871,352	37,238,323
Deferred tax liabilities	32	270,629,851	246,580,213	57,698,365	53,601,256
Other non-current liability		3,000,000	3,000,000	-	-
<b>Total non-current liabilities</b>		<b>1,343,937,425</b>	<b>1,525,716,875</b>	<b>886,035,875</b>	<b>958,492,870</b>
<b>Total liabilities</b>		<b>5,625,784,836</b>	<b>5,659,975,123</b>	<b>4,047,504,942</b>	<b>4,210,162,725</b>
<b>Equity</b>					
Share capital:					
Authorised share capital	25	681,479,688	681,479,688	681,479,688	681,479,688
Issued and paid-up share capital	25	681,479,688	681,479,688	681,479,688	681,479,688
Share premium					
Share premium on ordinary shares	25	342,170,431	342,170,431	342,170,431	342,170,431
Retained earnings (deficit)					
Appropriated					
Legal reserve	26	108,695,924	108,695,924	70,972,000	70,972,000
Unappropriated (deficit)		(482,680,504)	(164,845,405)	208,633,196	357,930,077
Other components of equity	26	1,239,966,302	1,251,504,648	516,734,365	511,788,967
<b>Equity attributable to owners of the parent</b>		<b>1,889,631,841</b>	<b>2,219,005,286</b>	<b>1,819,989,680</b>	<b>1,964,341,163</b>
Non-controlling interests	12	96,160,340	218,866,947	-	-
<b>Total equity</b>		<b>1,985,792,181</b>	<b>2,437,872,233</b>	<b>1,819,989,680</b>	<b>1,964,341,163</b>
<b>Total liabilities and equity</b>		<b>7,611,577,017</b>	<b>8,097,847,356</b>	<b>5,867,494,622</b>	<b>6,174,503,888</b>



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

Statement of comprehensive income

Note	Consolidated financial statements		Separate financial statements			
	Year ended 31 December		Year ended 31 December			
	2019	2018	2019	2018		
	(in Baht)					
<b>Income</b>						
	Revenue from sales of goods	33	6,827,452,425	7,513,341,602	5,294,223,395	5,699,585,876
	Other income	28	43,671,108	62,908,284	12,577,451	123,952,446
	<b>Total income</b>		<b>6,871,123,533</b>	<b>7,576,249,886</b>	<b>5,306,800,846</b>	<b>5,823,538,322</b>
<b>Expenses</b>						
	Cost of sales of goods	9	6,320,997,602	6,645,123,582	4,921,464,301	5,168,128,880
	Distribution costs		309,143,717	310,329,370	243,395,553	252,574,469
	Administrative expenses		478,541,420	358,190,547	158,995,705	217,728,554
	Finance costs	31	204,756,214	190,614,698	159,609,092	158,437,594
	<b>Total expenses</b>		<b>7,313,438,953</b>	<b>7,504,258,197</b>	<b>5,483,464,651</b>	<b>5,796,869,497</b>
	Share of loss of investments in associates	10	(1,222,990)	(712,667)	-	-
	<b>Total</b>		<b>(1,222,990)</b>	<b>(712,667)</b>	<b>-</b>	<b>-</b>
	<b>Profit (loss) before income tax expense</b>		<b>(443,538,410)</b>	<b>71,279,022</b>	<b>(176,663,805)</b>	<b>26,668,825</b>
	Tax (income) expense	32	30,137,166	8,968,710	(4,547,695)	(11,975,441)
	<b>Profit (loss) for the year</b>		<b>(473,675,576)</b>	<b>62,310,312</b>	<b>(172,116,110)</b>	<b>38,644,266</b>
<b>Other comprehensive income</b>						
<i>Items that will be reclassified subsequently to profit or loss</i>						
	Exchange differences on translating foreign operations		(6,074,669)	(4,779,318)	-	-
	Share of other comprehensive expense of associates	10	(94,434)	(74,334)	-	-
	<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(6,169,103)</b>	<b>(4,853,652)</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified to profit or loss</i>						
	Gains on revaluation of assets	26	57,347,926	-	57,347,926	-
	Gains (losses) on remeasurements of defined benefit plans	24	(14,123,905)	13,490,850	(14,123,905)	12,993,937
	Income tax relating to items that will not be reclassified	32	(8,644,804)	(2,698,170)	(8,644,804)	(2,598,787)
	<b>Total items that will not be reclassified to profit or loss</b>		<b>34,579,217</b>	<b>10,792,680</b>	<b>34,579,217</b>	<b>10,395,150</b>
	<b>Other comprehensive income for the year, net of income tax</b>		<b>28,410,114</b>	<b>5,939,028</b>	<b>34,579,217</b>	<b>10,395,150</b>
	<b>Total comprehensive income (expense) for the year</b>		<b>(445,265,462)</b>	<b>68,249,340</b>	<b>(137,536,893)</b>	<b>49,039,416</b>
<b>Profit (loss) attributable to:</b>						
	Owners of the parent		(351,722,621)	18,224,798	(172,116,110)	38,644,266
	Non-controlling interests	12	(121,952,955)	44,085,514	-	-
	<b>Profit (loss) for the year</b>		<b>(473,675,576)</b>	<b>62,310,312</b>	<b>(172,116,110)</b>	<b>38,644,266</b>
<b>Total comprehensive income (expense) attributable to:</b>						
	Owners of the parent		(322,558,855)	25,275,051	(137,536,893)	49,039,416
	Non-controlling interests	12	(122,706,607)	42,974,289	-	-
	<b>Total comprehensive income (expense) for the year</b>		<b>(445,265,462)</b>	<b>68,249,340</b>	<b>(137,536,893)</b>	<b>49,039,416</b>
<b>Earnings (loss) per share</b>						
	Earnings (loss) per share (in Baht)	34	(0.52)	0.03	(0.25)	0.06



Thai Rubber Latex Group Public Company Limited and its Subsidiaries  
(Formerly "Thai Rubber Latex Corporation (Thailand) Public Company Limited")  
Statement of changes in equity

	Consolidated financial statements												
	Retained earnings/(Deficit)					Other components of equity							
	Issued and paid-up share capital	Share premium	Difference from business combination under common control	Legal reserve	Unappropriated (Deficit)	Translating foreign operations	Revaluation surplus	Changes in ownership interest in subsidiaries	Share of other comprehensive income/(expenses) of investments in associates	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Note													(in Baht)
For the year ended 31 December 2018													
Balance at 1 January 2018	1,685,079,688	342,170,431	(1,003,600,000)	135,555,246	(242,494,785)	(5,247,096)	1,315,514,082	(11,412,912)	1,881,123	1,300,735,197	2,217,445,777	221,631,622	2,439,077,399
Transactions with owners, recorded directly in equity													
<i>Distributions to owners of the parent</i>													
Reduction of ordinary shares	25	(1,003,600,000)	-	-	-	-	-	-	-	-	(1,003,600,000)	-	(1,003,600,000)
Dividends paid in subsidiaries		-	-	-	-	-	-	-	-	-	-	(16,287,192)	(16,287,192)
Dividends paid to owners of the Company	35	-	-	-	(27,256,360)	-	-	-	-	-	(27,256,360)	-	(27,256,360)
Total distributions to owners of the parent		(1,003,600,000)	-	-	(27,256,360)	-	-	-	-	-	(1,030,856,360)	(16,287,192)	(1,047,143,552)
<i>Changes in ownership interests in subsidiaries</i>													
Acquisition of non-controlling interests without a change in	4	-	-	7,971,047	(11,990,050)	434,092	3,585,746	3,539,983	-	7,559,821	3,540,818	(29,451,772)	(25,910,954)
Total changes in ownership interests in subsidiaries		-	-	7,971,047	(11,990,050)	434,092	3,585,746	3,539,983	-	7,559,821	3,540,818	(29,451,772)	(25,910,954)
Comprehensive income for the year													
Profit		-	-	-	18,224,798	-	-	-	-	-	18,224,798	44,085,514	62,310,312
Other comprehensive income		-	-	-	11,153,257	(4,028,670)	-	-	(74,334)	(4,103,004)	7,050,253	(1,111,225)	5,939,028
Total comprehensive income for the year		-	-	-	29,378,055	(4,028,670)	-	-	(74,334)	(4,103,004)	25,275,051	42,974,289	68,249,340
Transfer to legal reserve		-	-	12,322,000	(12,322,000)	-	-	-	-	-	-	-	-
Transfer to legal reserve in subsidiary		-	-	3,227,631	(3,227,631)	-	-	-	-	-	-	-	-
Transfer to retained earnings		-	-	-	52,687,366	(52,687,366)	-	-	-	(52,687,366)	-	-	-
Effect of business restructuring	25	-	-	1,003,600,000	(50,380,000)	50,380,000	-	-	-	-	1,003,600,000	-	1,003,600,000
Balance at 31 December 2018		681,479,688	342,170,431	-	108,695,924	(164,845,405)	(8,841,674)	1,266,412,462	(7,872,929)	1,806,789	1,251,504,648	218,866,947	2,437,872,233



Thai Rubber Latex Group Public Company Limited and its Subsidiaries

(Formerly "Thai Rubber Latex Corporation (Thailand) Public Company Limited")

Statement of changes in equity

	Consolidated financial statements											
	Retained earnings/(Deficit)				Other components of equity							
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (Deficit)	Translating foreign operations	Revaluation surplus	Changes in ownership interest in subsidiaries	Share of other comprehensive income/(expenses) of investments in associates	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Note												
For the year ended 31 December 2019												
Balance at 1 January 2019	681,479,688	342,170,431	108,695,924	(164,845,405)	(8,841,674)	1,266,412,462	(7,872,929)	1,806,789	1,251,504,648	2,219,005,286	218,866,947	2,437,872,233
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the parent</i>												
Dividends paid to owners of the Company	35	-	-	(6,814,590)	-	-	-	-	-	(6,814,590)	-	(6,814,590)
Total distributions to owners of the parent		-	-	(6,814,590)	-	-	-	-	-	(6,814,590)	-	(6,814,590)
Comprehensive income for the year												
Loss	-	-	-	(351,722,621)	-	-	-	-	-	(351,722,621)	(121,952,955)	(473,675,576)
Other comprehensive income	-	-	-	(11,299,124)	(5,321,017)	45,878,341	-	(94,434)	40,462,890	29,163,766	(753,652)	28,410,114
Total comprehensive income for the year	-	-	-	(363,021,745)	(5,321,017)	45,878,341	-	(94,434)	40,462,890	(322,558,855)	(122,706,607)	(445,265,462)
Transfer to retained earnings	-	-	-	52,001,236	-	(52,001,236)	-	-	(52,001,236)	-	-	-
Balance at 31 December 2019	681,479,688	342,170,431	108,695,924	(482,680,504)	(14,162,691)	1,260,289,567	(7,872,929)	1,712,355	1,239,966,302	1,889,631,841	96,160,340	1,985,792,181



Thai Rubber Latex Group Public Company Limited and its Subsidiaries  
 (Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)  
 Statement of changes in equity

	Note	Separate financial statements					Other components of		Total equity
		Issued and paid-up share capital	Share premium	Difference from business combination under common control	Retained earnings		Revaluation surplus		
					Legal reserve	Unappropriated			
(in Baht)									
<b>For the year ended 31 December 2018</b>									
Balance at 1 January 2018		1,685,079,688	342,170,431	(397,599,771)	58,650,000	307,559,235	552,698,753	2,548,558,336	
<b>Transactions with owners, recorded directly in equity</b>									
<i>Distributions to owners of the parent</i>									
Reduction of ordinary shares	25	(1,003,600,000)	-	-	-	-	-	(1,003,600,000)	
Dividends paid to owners at the Company	35	-	-	-	-	(27,256,360)	-	(27,256,360)	
<b>Total distributions to owners of the parent</b>		<b>(1,003,600,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,256,360)</b>	<b>-</b>	<b>(1,030,856,360)</b>	
<b>Comprehensive income for the year</b>									
Profit		-	-	-	-	38,644,266	-	38,644,266	
Other comprehensive income		-	-	-	-	10,395,150	-	10,395,150	
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,039,416</b>	<b>-</b>	<b>49,039,416</b>	
Transfer to legal reserve		-	-	-	12,322,000	(12,322,000)	-	-	
Transfer to retained earnings		-	-	-	-	40,909,786	(40,909,786)	-	
Effect of business restructuring		-	-	397,599,771	-	-	-	397,599,771	
<b>Balance at 31 December 2018</b>		<b>681,479,688</b>	<b>342,170,431</b>	<b>-</b>	<b>70,972,000</b>	<b>357,930,077</b>	<b>511,788,967</b>	<b>1,964,341,163</b>	



Thai Rubber Latex Group Public Company Limited and its Subsidiaries  
(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)

Statement of changes in equity

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Other components of equity	Total equity
				Retained earnings			
				Legal reserve	Unappropriated		
(in Baht)							
For the year ended 31 December 2019							
Balance at 1 January 2019		681,479,688	342,170,431	70,972,000	357,930,077	511,788,967	1,964,341,163
Transactions with owners, recorded directly in equity							
<i>Distributions to owners of the parent</i>							
Dividends paid to owners at the Company	35	-	-	-	(6,814,590)	-	(6,814,590)
<b>Total distributions to owners of the parent</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,814,590)</b>	<b>-</b>	<b>(6,814,590)</b>
Comprehensive income for the year							
Loss		-	-	-	(172,116,110)	-	(172,116,110)
Other comprehensive income		-	-	-	(11,299,124)	45,878,341	34,579,217
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(183,415,234)</b>	<b>45,878,341</b>	<b>(137,536,893)</b>
Transfer to retained earnings		-	-	-	40,932,943	(40,932,943)	-
<b>Balance at 31 December 2019</b>		<b>681,479,688</b>	<b>342,170,431</b>	<b>70,972,000</b>	<b>208,633,196</b>	<b>516,734,365</b>	<b>1,819,989,680</b>

Thai Rubber Latex Group Public Company Limited and its Subsidiaries  
 (Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(473,675,576)	62,310,312	(172,116,110)	38,644,266
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (income)	30,137,166	8,968,710	(4,547,695)	(11,975,441)
Finance costs	204,756,214	190,614,698	159,609,092	158,437,594
Depreciation and amortisation	231,421,498	236,773,126	78,480,093	101,604,404
Amortisation of rubber plantation development costs	2,169,655	8,824,312	-	-
Amortisation of land precessory rights	965,788	-	31,350	-
Allowance for (reversal of) bad and doubtful debts expenses	136,704,029	(3,000)	(2,000)	(3,000)
Allowance for (reversal of) losses on inventories devaluation	64,929,210	(4,473,236)	-	-
Unrealised loss on exchange	1,676,400	7,004,141	758,063	4,190,769
Loss on impairment of investments in subsidiary	-	-	-	39,180,000
Loss on impairment of other long-term investment	-	18,800,000	-	18,800,000
Loss on impairment of goodwill	5,427,068	-	-	-
Gain on capital return of subsidiary	-	-	-	(62,000,283)
(Gain) loss on fair value adjustment of investment properties	13,380,000	(3,120,000)	11,980,000	(140,000)
(Gain) loss on disposal of property, plant and equipment	(887,416)	664,918	(354,540)	-
Loss on written-off of property, plant and equipment	4,241,473	9,941,913	2,251,822	-
Provision for employee benefits	29,652,194	5,883,182	21,554,531	3,990,836
Share of loss of investments in associates, net of income tax	1,222,990	712,667	-	-
Written-off of withholding tax deducted at source	-	739,809	-	739,809
Dividends income	-	-	-	(20,623,947)
Interest income	(1,561,191)	(539,508)	(348,418)	(27,962,733)
	<u>250,559,502</u>	<u>543,102,044</u>	<u>97,296,188</u>	<u>242,882,274</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivables	26,568,344	(42,055,215)	109,990,993	(34,036,790)
Inventories	82,266,385	59,847,123	117,724,023	109,003,956
Other current assets	10,076,517	18,165,586	5,377,848	7,581,156
Other non-current assets	(18,400)	581,718	143,509	(783,715)
Trade and other accounts payables	(16,863,409)	(84,070,409)	(25,507,812)	(3,050,498)
Accrued expenses	2,634,187	(27,114,803)	(4,511,515)	(16,394,819)
Other current liabilities	(298,171)	(1,508,947)	130,110	(1,798,099)
Non-current provision for employee benefits	(3,587,286)	(4,192,960)	(1,045,407)	(2,827,170)
Cash generated from (used in) operating activities	<u>351,337,669</u>	<u>462,754,137</u>	<u>299,597,937</u>	<u>300,576,295</u>
Tax received	24,123,544	28,468,485	24,123,544	28,225,931
Tax paid	<u>(29,941,828)</u>	<u>(35,501,070)</u>	<u>(26,553,046)</u>	<u>(26,869,949)</u>
<b>Net cash from operating activities</b>	<b><u>345,519,385</u></b>	<b><u>455,721,552</u></b>	<b><u>297,168,435</u></b>	<b><u>301,932,277</u></b>

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

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2019	2018	2019	2018
	(in Baht)			
<b>Cash flows from investing activities</b>				
Repayment of short-term loans to related parties	-	-	-	(63,500,000)
Proceeds from short-term loans to related parties	-	-	38,000,000	479,770,400
Decrease in short-term loans to other parties	(6,000,000)	-	(6,000,000)	-
Proceeds from short-term loans to other parties	6,000,000	-	6,000,000	-
Acquisition of non-controlling interest	-	(26,164,444)	-	(526,493,989)
(Increase) decrease in restricted deposit at financial institution	10,024,274	(6,621,011)	(64,826)	(6,531,911)
Acquisition of business	-	(102,323,430)	-	-
Acquisition of property, plant and equipment	(110,698,620)	(307,742,559)	(5,792,645)	(28,223,700)
Acquisition of other intangible assets	(604,031)	(999,665)	-	(29,827)
Proceeds from disposal of property, plant and equipment	1,431,431	3,078,598	355,140	-
Increase in rubber plantation development costs	(7,842,281)	(10,603,392)	-	-
Interest received	1,561,191	539,508	348,418	60,528,849
Dividends received	-	535,600	-	20,623,947
<b>Net cash from (used in) investing activities</b>	<b>(106,128,036)</b>	<b>(450,300,795)</b>	<b>32,846,087</b>	<b>(63,856,231)</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term borrowings				
from financial institutions	75,110,416	220,344,425	(67,329,082)	66,706,874
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(40,968,577)	(76,465,240)	(39,614,199)	(74,830,137)
Proceeds from short-term borrowings from related parties	-	-	-	15,000,000
Repayment of short-term borrowings from related parties	(1,400,000)	(3,500,000)	-	-
Proceeds from long-term borrowings	-	175,037,175	-	-
Repayment of long-term borrowings	(117,500,000)	(108,750,000)	(67,500,000)	(58,750,000)
Dividends paid to owners of the Company	(6,814,590)	(27,256,360)	(6,814,590)	(27,256,360)
Proceeds from change in non-controlling interests without a change in control	-	253,490	-	-
Dividends paid of subsidiaries to non-controlling interest	-	(16,287,192)	-	-
Interest paid	(200,827,342)	(188,364,603)	(155,021,740)	(156,357,996)
Other finance costs paid	(7,384,858)	(8,225,204)	(2,711,676)	(3,060,840)
<b>Net cash used in financing activities</b>	<b>(299,784,951)</b>	<b>(33,213,509)</b>	<b>(338,991,287)</b>	<b>(238,548,459)</b>
Net decrease in cash and cash equivalents, before effect of exchange rates	(60,393,602)	(27,792,752)	(8,976,765)	(472,413)
Effect of exchange rate changes on cash and cash equivalents	(6,074,668)	(4,779,318)	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>(66,468,270)</b>	<b>(32,572,070)</b>	<b>(8,976,765)</b>	<b>(472,413)</b>
Cash and cash equivalents at 1 January	157,594,536	190,166,606	43,078,846	43,551,259
<b>Cash and cash equivalents at 31 December</b>	<b>91,126,266</b>	<b>157,594,536</b>	<b>34,102,081</b>	<b>43,078,846</b>
<b>Supplemental disclosures of cash flow information</b>				
<b>Non-cash transactions</b>				
Assets acquired under financial lease and hire purchase agreeer	-	6,176,519	-	5,559,069
Advance payment for land possessory rights	-	1,718,232	-	-
Capital return from business restructuring	-	-	-	62,000,283
Payables for purchase of assets	19,801,291	10,871,332	-	-

## 14. Management Discussion and Analysis (MD&A)

### 14.1 Overall Performance

The company and its subsidiaries (“the Group Company”) reported that for the financial statements for fiscal year 2019, the Group Company’s loss before tax was Baht 443.54 million and corporate tax expenses was Baht 30.14 million. As a result, the net loss was Baht 473.68 million. It was because of the effect from ongoing US-China trade war causing economic depression, and the unstable rubber market, affecting the fluctuation of field latex price. Comparing the average price of field latex of 2018 and 2019, the price was Baht 42.74 per kilogram in 2018 and went up slightly to Baht 43.69 per kilogram in 2019, the increase of 2.22% (Source: Rubber Research Institute of Thailand). The price was still at low level. Moreover, Thai Baht’s strength had continually risen since 2018.

### 14.2 Performance and Profitability

The Group Company had sales and service income Baht 6,827.45 million comparing to the same period last year which was Baht 7,513.34 million, the decrease of 9.13% or Baht 685.89 million. The effect from trade war was causing the world demand for rubber lower and the fluctuation of field latex price resulting the company’s income lower. Cost of sales and service in 2019 comparing to 2018 was Baht 6,320.99 million and Baht 6,645.12 million, the decrease of 4.88% or Baht 324.13 million due to a drop in sales income. However, the Company still has improving of rubber production which caused greater output and higher quality of rubber products. However, the price of chemical materials increased, causing the higher cost of production.

The company had its subsidiary companies and associated company with financial results as follows:

1. Latex and pre-vulcanized latex group had loss before tax Baht 172 million due to the low level of rubber price causing sale income of skim rubber lower, the effect from ongoing US-China trade war since 2018 and the appreciation of the Thai Baht, which was at Baht 32 to the US Dollar in the beginning of 2019 and reached Baht 30 to the US Dollar in the end of the year, the decrease of 6.25%. Moreover, the world rubber market has been more competitive. Because the Group Company invested in the new plants and tanks for producing and containing more products since the late 2016, it could contain more materials in order to produce more products for demand in the future.

2. Finished product group had loss before tax Baht 258 million due to the effect from trade war causing decrease in rubber product demand, which has the effect to customers in China directly. However, the group’s consumers were mainly from China and



Europe and would continue to expand more because of the group's products have good qualities to meet demand.

3. Rubber plantation group had Baht 14 million in loss before tax, the decrease in loss of Baht 27 million comparing to the same period of the last year. The group had the better result because it had improved its management. Although there were many factors affecting business such as the high volatility of field latex price and the latex price was at the low level, the group had fixed cost which was why the company had the net loss.

### 14.3 Asset Management

#### (1) Components of assets

- The value of the current assets was 2,203 million Baht, which is the decreased of 385 million Baht or 15%, due to the decrease of 160 million Baht in account receivable and the decrease of 147 million Baht in inventories. The Group has allowance for doubtful accounts and diminution in value of inventories.

- The value of the non-current assets was 5,409 million Baht, which decreased of 101 million Baht because of an decrease of 63 million in Land, buildings and equipment Baht and an decrease of 13 million in investment property. It is a decrease in the value of assets according to the useful of assets from normal operations and the fair value appraisal decreased as appraised by independent experts.

#### (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 and amount to compensate for such impairment, accurately reflecting the asset quality corresponding to its true market value based on accepted accounting principles.

#### (3) Account Receivable

The value of trade account receivable was 1,097 million Baht. After deduction of allowance for doubtful accounts, the net value of trade account receivable was 827 million Baht. In 2019, the value of account receivable decreased by 160 million Baht by comparison with the previous year. This was because the Concentrated Latex and Rubber Product Group decreased their sales.

- Allowance for doubtful accounts was completely made at the value of 133 million Baht, amounting to 12% of the trade account receivable. In 2018, there was not any additional allowance for doubtful accounts.

#### (4) Inventories

The net value of inventories after deduction of allowance for diminution in value of inventories was 1,104 million Baht, Inventories decreased by 147 million baht in comparison with the previous year due to the diminution in value of inventories, 65 million Baht and rubber price dropped causing the decrease in value of inventories and materials.

#### 14.4 Liquidity and capital sufficiency

##### (1) Sources and User of Capital

- There were changes in capital sources and user of capital. In 2019, the net cash received from operations was 346 million Baht.

- Appropriateness of the capital structure: The company uses the capital structure mainly from liabilities. The ratio of debt to equity shareholders in 2019 was 2.83 times, up from 2.32 times in the year 2018 due to the loss in net profit.

##### (2) Investment Expenditures

In terms of investment in 2019, net cash from investing activities of the company was 106 million Baht, mainly on purchasing the land, buildings and equipment, amount of 110 million Baht, to increase group's production capacity

##### (3) Liquidity Management

As the sales of concentrated latex is the main income of the Group, and the use of working capital in concentrated latex business can be varied according to the rubber tapping period, the amount of working capital needed for this business was not fixed throughout the year. The end of the year was the period when working capital was the most essential while a little amount was needed during the second quarter. Although the rubber price decreased, the company still has sufficient credit limit for supporting its operations.

#### 14.5 Factors affecting future operations

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

(2) Governmental Influences on Rubber Prices: The government considers that low rubber price negatively affects the agriculturalists' quality of lives 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: As rubber raw materials are obtained from the plantation, weather conditions are the factor affecting rubber tapping. For example, droughts decrease latex production as well as heavy rains wash away latex from the trees, decreasing the total amount collected.

(4) Oil price: oil prices do not directly affect the volatility of rubber prices, but have some indirect influence because synthetic rubber, which is a substitute product of natural rubber, requires petrochemicals from oil for production; therefore, oil price will affect directly to the substitute products.

## Details of the directors of the company's subsidiaries

Company names Names	World Flex PCL	Thai Rubber Land and Plantation Co., Ltd.	Thai Rubber HPNR Co., Ltd.	Latex Systems PCL.	Myanmar Thai Rubber Joint Corporation Limited
Mr. Vorathep Wongsasuthikul	X			/	/
Mr. Paiboon Waraprateep	/				/
Mr. Prachnon Temritikulchai	/				/
Mr. Vanchai Sriherunrusmee	/		/	/	
Mr. Prawit Waraprateep	//		//	/	
Miss Chalongkwan Wongsasutthikul	//		//		
Mr. Pattapol Wongsasutthikul	//		//	/	/
Mr. Prakit Waraprateep			//		
Mr. Kowit Wongsasutthikul			//	/	
Mr. Nat Wongsasutthikul	//				
Mr. Phasitpol Temrithikulchai			//	/	
Mrs. Pathumporn Trivisvavet				//	
Mrs. Rattana Techapanngam				/	
Mr. Thiwat Sirichaithewin				//	
Mr. Traiwit Chainapong		/			
Mr. Pornchai Jindaudomset		/			

Comment / = Director X= Chairman // = Executive Director

Subsidiary :

1. World Flex Public Company Limited.
2. Thai Rubber Land and Plantation Company Limited.
3. Thai Rubber H P N R Company Limited.
4. Latex Systems Public Company Limited.
5. Myanmar Thai Rubber Joint Corporation Limited.

## Information of Chief internal auditor and Chief of compliance

### Mr.Prawit Waraprateep

**Age** 48 Years  
**Position** - Director / Managing Director Compliance & Internal Control  
Thai Rubber Latex Group PCL.

### Education

- Master of Science in Finance, Chulalongkorn University Thailand
- Master of Business Administration Eastern Michigan University U.S.A
- Bachelor of Architecture King Mongkut's Institute of Technology Ladkrabang Thailand

### Shareholding in company and its subsidiaries

Thai Rubber Latex Group PCL. 34,050,000 shares, about 5.00 % 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

Tel. +66 2033 2333

Fax. +66 2033 2393

### Work Experience

2018 – Present	Managing Director Compliance & Internal Control.	Thai Rubber Latex Group PCL
2018 - Present	Company Director	Thai Rubber Latex Group PCL.
2019 - Present	Risk Management Committee	Thai Rubber Latex Group PCL.
2017 - Present	Company Director	Thai Rubber Latex Group PCL.
2010 - Present	Executive Committee	Thai Rubber HPNR Co., Ltd.
2008 - Present	Executive Committee	World Flex PCL.
2006 – Present	Company Director	Latex System PCL.
2014 – 2017	Managing Director of Accounting and Finance	Thai Rubber Latex Group PCL.
2012 - 2017	Executive Committee	Thai Rubber Latex Group Co. Ltd
2007 – 2015	Executive Committee	Thai Rubber Land and Plantation Co. Ltd

### Training / Seminar

- Director Certification Program 229/2016
- Balanced Scorecard. Implementation guidelines for To be effective

- Leadership Development to enhance excellence of the organization
- Leadership Management
- Roles and responsibilities of managers and supervisors
- Roles and responsibilities of the Board of Directors

**Director / Executive Manager in other business**

- None -

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### Miss Jarucha Rompothong

**Age** 49 Years  
**Position** Internal Audit Manager  
Thai Rubber Latex Group PCL.

### Education

Bachelor of Business Administration Account Institution Rajabhat Chacherngsao  
Master of Business Administration General Management Huachiew Chalermprakiet University

### Shareholding in company and its subsidiaries

- None -

### Biography

Address 99/1-3 Moo 13 T. Bangkaew, A. Bangplee, Samutprakarn 10540  
Tel. +66 2033 2333  
Fax. +66 2033 2393

### Work Experience

1993 - 1996 Internal Audit TOA Paint (Thailand) Co., Ltd.  
1996 - present Internal Audit Thai Rubber Latex Group PCL.

### Training / Seminar

- Endorsed Internal Auditing Program (EIAP) Chulalongkorn University, The Institute of Internal Auditors New York United Stated
- Tools and techniques for the audit manager The Institute of Internal Auditors of Thailand
- Risk Management /Key Performance Indicator The Institute of Internal Auditors of Thailand
- Skill for new auditor-charge The Institute of Internal Auditors of Thailand
- Fraud Audit The Institute of Internal Auditors of Thailand
- Analytical Thinking for Professional Internal Auditor The Institute of Internal Auditors of Thailand
- Leadership skills for auditors The Institute of Internal Auditors of Thailand
- Financial auditing for internal auditors and Accountants The Institute of Internal Auditors of Thailand
- Systematic auditing Professional Internal Audit CO., LTD.
- Reducing costs that everyone is involved. Business Center Institution
- Management system ISO9001:2015 Thai Rubber Latex Group PCL.
- CPIAT The Institute of Internal Auditors of Thailand



Thai Rubber Latex Group Public Company Limited  
and its Subsidiaries

*(Formerly “Thai Rubber Latex Corporation (Thailand) Public  
Company Limited”)*

Financial statements for the year ended  
31 December 2019  
and  
Independent Auditor’s Report



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Sathorn, Bangkok 10120, Thailand  
Tel +66 2677 2000  
Fax +66 2677 2222  
Website kpmg.com/th

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## Independent Auditor's Report

To the Shareholders of Thai Rubber Latex Group Public Company Limited and its Subsidiaries  
(Formerly "Thai Rubber Latex Corporation (Thailand) Public Company Limited")

### Opinion

I have audited the consolidated and separate financial statements of Thai Rubber Latex Group Public Company Limited and its subsidiaries (the "Group") (Formerly "Thai Rubber Latex Corporation (Thailand) Public Company Limited") and of Thai Rubber Latex Group Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2019, the consolidated and separate statements of comprehensive income, the consolidated and separate statement of changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying 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 2019 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### Basis for Opinion

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

### Material Uncertainty Related to Going Concern

I draw attention to Note 2(d) to the accompanying financial statements which describes the Group/Company incurred net loss for the year ended 31 December 2019 of Baht 473.7 million and Baht 172.1 million, respectively. As the same date, the Group's and the Company's current liabilities exceeded current assets by Baht 2,078.9 million and Baht 593.0 million, respectively. However, the Group and the Company are in the process of solving the situation of the Group/Company by implementing policies and procedures in an attempt to manage their risk and other circumstances. These circumstances indicate the existence of a material uncertainty that may cast significant doubt about the Group and the Company to continue as a going concern. My opinion is not modified in respect of this matter.





*Key Audit Matters*

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty Related to Going Concern section, I have determined the matters described below to be the key audit matters to be communicated in my report.

<b>Valuation of accounts receivable</b>	
Refer to Notes 3(e) and 7 to the consolidated financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>Trade account receivables are material to the consolidated financial statements. During 2019, certain customers of Latex Systems Public Company Limited, a subsidiary, who has trading transactions related in China confronted the trade war and with the regression of economic condition which caused delay of payment. Therefore, the Group has significant amount of overdue account receivables from customers which give rise to uncertainty and judgment of valuation of account receivables due to debt restructuring and the risk of default in payment.</p> <p>The Group considers the allowance for doubtful accounts by the management estimates and judgment. Consequently, I consider this is the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding the policies and procedures that the Company’s management applied for setting up allowance for doubtful account;</li> <li>• Testing a sample of trade receivables and assessing the criteria for determining whether an impairment event had occurred, by focusing on those with the most significant potential for impairment due to increased uncertainty of recovery in China’s current market circumstances and specifically challenged management’s assessment of the recoverable amount;</li> <li>• Testing a sampling basis of subsequent receipt after period end;</li> <li>• Considering the historical accuracy of the allowance for doubtful accounts with the receipt and bad debt write-off to assess management’s estimates and decision regarding the allowance for doubtful accounts; and</li> <li>• Considering the adequate disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

<b>Valuation of inventories</b>	
Refer to Notes 3(f) and 9 to the consolidated financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>Inventories are material to the consolidated financial statements and are stated at lower of cost or net realisable value. As Latex Systems Public Company Limited, a subsidiary, manufactured rubber pillow and mattress by job order of which require to be in line with quality standards, the off-grade products are typically sold at a markdown from the original price for clearance its inventories. Accordingly, the actual future selling prices of inventories may fall below their cost of inventories.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Making inquiries of management and obtained related documents to understand the inventory valuation process as well as the policy in estimating the net realisable value of inventories and policy to manage obsolete and long-outstanding of inventories;</li> <li>• Obtaining understanding of the internal controls related to the inventory management and observed the physical inventory count to examine the conditions of inventories;</li> <li>• Testing the design and significant control and randomly testing the implementation of controls;</li> </ul>

<b>Valuation of inventories</b>	
Refer to Notes 3(f) and 9 to the consolidated financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The estimate of net realisable value of inventories, obsolete and long-outstanding inventories involves management judgment, therefore, I considered this to be the key audit matter.</p>	<ul style="list-style-type: none"> <li>• Testing inventory items in the inventory aging report on a sampling basis and evaluating management's significant assumptions in estimating obsolete and long-outstanding inventories;</li> <li>• Examining the reasonableness of the historical estimation of allowance to evaluate the management's assumptions to examine obsolete and long-outstanding inventories;</li> <li>• Testing the estimate of net realisable value of inventories on a sampling basis with related documents as well as tested the calculation; and</li> <li>• Considering the adequate disclosures in accordance with the Thai Financial Reporting Standards.</li> </ul>

<b>Fair value measurement of investment properties and property, plant and equipment</b>	
Refer to Notes 3(h), 3(i), 14 and 15 to the consolidated and separate financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>Investment properties and property, plant and equipment are measured at fair value which was determined by independent property valuers regularly.</p> <p>As at 31 December 2019, the Group/Company revalued the fair value of its investment properties and property, plant and equipment by independent property valuers hired by the management which used the valuation techniques of market comparison and replacement costs.</p> <p>Determining the fair value requires a number of significant judgments and estimates. Since the carrying value of the assets is significant, this is the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understanding the process and controls of the valuation process;</li> <li>• Evaluating the qualifications, competence and independence of the Group's/Company's external appraisal valuers;</li> <li>• Using the work of expert engaged by KPMG in evaluating methodologies and key assumptions of the valuation on a sampling basis; and</li> <li>• Considering the adequate disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

<b>Impairment testing of rubber plantation development costs and investment in subsidiaries</b>	
Refer to Notes 3(g), 3(k), 3(l), 11 and 20 to the consolidated and separate financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>As the current economic over the rubber industry in Thailand has significant impact on rubber prices and the operating results of Thai Rubber Land and Plantation Co., Ltd. and Thai Rubber H P N R Co., Ltd., subsidiaries. The management determined the impairment indicator in rubber plantation development costs in the consolidated financial statements and investment in subsidiaries in the separate financial statements and it resulted to impairment assessment of the assets.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Assessing the reasonableness of impairment indicator;</li> <li>• Assessing the discounted cash flows prepared by the management and the key assumptions which underpin management's forecast on the assessment of recoverable amount of the assets with reference to current market situations, its operating plan, my knowledge of the business, other information obtained during the audit and performing trend analysis;</li> </ul>

<b>Impairment testing of rubber plantation development costs and investment in subsidiaries</b>	
Refer to Notes 3(g), 3(k), 3(l), 11 and 20 to the consolidated and separate financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
The impairment testing of assets involves significant judgment by management to identify any indicators of impairment and recoverable amount. Judgmental aspects include estimate and assumptions which includes the future cash flows forecasts according to the operating plan. I considered this as the key audit matter.	<ul style="list-style-type: none"> <li>• Evaluating the historical projection prepared by management's experiences, compared with the actual operating result;</li> <li>• Verifying the mathematical accuracy of the impairment calculation; and</li> <li>• Considering the adequate disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

<b>Recognition of deferred tax assets</b>	
Refer to Notes 3(y) and 32 to the consolidated and separate financial statements	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
<p>The Group/Company has recognised deferred tax assets for unused tax losses from the future taxable profit. 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.</p> <p>The recognition of deferred tax assets requires judgment and estimates and is the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• Inquiring the management who is responsible for preparing the Group's/Company's future taxable profits;</li> <li>• Assessing the management's judgments and assumptions used by evaluating the reasonableness of the historical projection prepared by management's experiences and comparing with the actual operating results and the operation's plan and using my understanding of the Group/Company and the Group's/Company's industry;</li> <li>• Verifying the mathematical accuracy of budgeted future taxable profits; and</li> <li>• Considering the adequate disclosures in accordance with Thai Financial Reporting Standards.</li> </ul>

### *Other Information*

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

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

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

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.



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

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, 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.

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

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

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

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

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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

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

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

(Yoottapong Soontalinka)  
Certified Public Accountant  
Registration No. 10604

KPMG Phoomchai Audit Ltd.  
Bangkok  
27 February 2020

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)**

**Statement of financial position**

Assets	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
		<i>(in Baht)</i>			
<b>Current assets</b>					
Cash and cash equivalents	6	91,126,266	157,594,536	34,102,081	43,078,846
Trade accounts receivable	5, 7	827,137,333	987,070,731	743,490,484	849,776,290
Other receivables	5, 8	125,696,754	127,679,923	68,479,151	71,950,711
Short-term loans to related parties	5	-	-	992,932,600	1,030,932,600
Inventories	9	1,103,766,615	1,250,962,210	680,677,726	798,401,749
Other current assets		55,262,356	64,948,814	48,767,582	54,066,220
<b>Total current assets</b>		<b>2,202,989,324</b>	<b>2,588,256,214</b>	<b>2,568,449,624</b>	<b>2,848,206,416</b>
<b>Non-current assets</b>					
Restricted deposit at financial institution		6,596,737	16,621,011	6,596,737	6,531,911
Investments in associates	10	29,664,174	30,981,598	-	-
Investments in subsidiaries	11	-	-	1,873,274,123	1,873,274,123
Other long-term investments	13	81,200,000	81,200,000	81,200,000	81,200,000
Investment properties	14	547,690,000	561,070,000	108,610,000	120,590,000
Property, plant and equipment	15	3,437,538,071	3,501,213,899	1,060,898,051	1,078,323,515
Goodwill	4, 16	6,875,748	12,302,815	-	-
Other intangible assets	17	2,434,240	4,040,441	191,207	357,687
Land possessory rights	18	192,191,716	193,157,504	6,238,650	6,270,000
Rubber plantation development costs	20	891,575,091	885,902,465	-	-
Withholding tax deducted at source		168,199,869	163,765,430	159,725,661	157,296,158
Advance payment for land possessory rights	19	34,830,416	34,830,416	-	-
Deferred tax assets	32	-	14,732,332	-	-
Other non-current assets		9,791,631	9,773,231	2,310,569	2,454,078
<b>Total non-current assets</b>		<b>5,408,587,693</b>	<b>5,509,591,142</b>	<b>3,299,044,998</b>	<b>3,326,297,472</b>
<b>Total assets</b>		<b>7,611,577,017</b>	<b>8,097,847,356</b>	<b>5,867,494,622</b>	<b>6,174,503,888</b>

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

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)**

**Statement of financial position**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		31 December 2019	31 December 2018	31 December 2019	31 December 2018
<i>(in Baht)</i>					
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	21	3,698,215,641	3,623,105,225	2,906,702,844	2,974,031,926
Trade accounts payable	5, 22	140,097,278	175,389,832	34,468,186	63,083,025
Other payables	5, 23	124,615,544	103,945,730	37,074,966	31,023,353
Short-term borrowings from related parties	5, 21	3,100,000	4,500,000	47,000,000	47,000,000
Current portion of long-term borrowings					
from financial institutions	21	238,600,000	132,500,000	105,000,000	82,500,000
Current portion of finance lease liabilities	21	22,126,975	40,677,651	20,885,472	39,312,538
Accrued expenses		51,574,812	48,940,635	8,834,645	13,346,170
Current income tax payable		-	1,383,845	-	-
Other current liabilities		3,517,161	3,815,330	1,502,954	1,372,843
<b>Total current liabilities</b>		<b>4,281,847,411</b>	<b>4,134,258,248</b>	<b>3,161,469,067</b>	<b>3,251,669,855</b>
<b>Non-current liabilities</b>					
Long-term borrowings from financial institutions	21	942,687,175	1,166,287,175	726,250,000	816,250,000
Finance lease liabilities	21	32,063,046	54,480,947	30,216,158	51,403,291
Non-current provisions for employee benefits	24	95,557,353	55,368,540	71,871,352	37,238,323
Deferred tax liabilities	32	270,629,851	246,580,213	57,698,365	53,601,256
Other non-current liability		3,000,000	3,000,000	-	-
<b>Total non-current liabilities</b>		<b>1,343,937,425</b>	<b>1,525,716,875</b>	<b>886,035,875</b>	<b>958,492,870</b>
<b>Total liabilities</b>		<b>5,625,784,836</b>	<b>5,659,975,123</b>	<b>4,047,504,942</b>	<b>4,210,162,725</b>
<b>Equity</b>					
Share capital:					
Authorised share capital	25	681,479,688	681,479,688	681,479,688	681,479,688
Issued and paid-up share capital	25	681,479,688	681,479,688	681,479,688	681,479,688
Share premium					
Share premium on ordinary shares	25	342,170,431	342,170,431	342,170,431	342,170,431
Retained earnings (deficit)					
Appropriated					
Legal reserve	26	108,695,924	108,695,924	70,972,000	70,972,000
Unappropriated (deficit)		(482,680,504)	(164,845,405)	208,633,196	357,930,077
Other components of equity	26	1,239,966,302	1,251,504,648	516,734,365	511,788,967
<b>Equity attributable to owners</b>					
<b>of the parent</b>		<b>1,889,631,841</b>	<b>2,219,005,286</b>	<b>1,819,989,680</b>	<b>1,964,341,163</b>
Non-controlling interests	12	96,160,340	218,866,947	-	-
<b>Total equity</b>		<b>1,985,792,181</b>	<b>2,437,872,233</b>	<b>1,819,989,680</b>	<b>1,964,341,163</b>
<b>Total liabilities and equity</b>		<b>7,611,577,017</b>	<b>8,097,847,356</b>	<b>5,867,494,622</b>	<b>6,174,503,888</b>

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

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)**

**Statement of comprehensive income**

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2019	2018	2019	2018
(in Baht)					
<b>Income</b>					
Revenue from sales of goods	33	6,827,452,425	7,513,341,602	5,294,223,395	5,699,585,876
Other income	28	43,671,108	62,908,284	12,577,451	123,952,446
<b>Total income</b>		<b>6,871,123,533</b>	<b>7,576,249,886</b>	<b>5,306,800,846</b>	<b>5,823,538,322</b>
<b>Expenses</b>					
Cost of sales of goods	9	6,320,997,602	6,645,123,582	4,921,464,301	5,168,128,880
Distribution costs		309,143,717	310,329,370	243,395,553	252,574,469
Administrative expenses		478,541,420	358,190,547	158,995,705	217,728,554
Finance costs	31	204,756,214	190,614,698	159,609,092	158,437,594
<b>Total expenses</b>		<b>7,313,438,953</b>	<b>7,504,258,197</b>	<b>5,483,464,651</b>	<b>5,796,869,497</b>
Share of loss of investments in associates	10	(1,222,990)	(712,667)	-	-
<b>Total</b>		<b>(1,222,990)</b>	<b>(712,667)</b>	<b>-</b>	<b>-</b>
<b>Profit (loss) before income tax expense</b>		<b>(443,538,410)</b>	<b>71,279,022</b>	<b>(176,663,805)</b>	<b>26,668,825</b>
Tax (income) expense	32	30,137,166	8,968,710	(4,547,695)	(11,975,441)
<b>Profit (loss) for the year</b>		<b>(473,675,576)</b>	<b>62,310,312</b>	<b>(172,116,110)</b>	<b>38,644,266</b>
<b>Other comprehensive income</b>					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(6,074,669)	(4,779,318)	-	-
Share of other comprehensive expense of associates	10	(94,434)	(74,334)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(6,169,103)</b>	<b>(4,853,652)</b>	<b>-</b>	<b>-</b>
<i>Items that will not be reclassified to profit or loss</i>					
Gains on revaluation of assets	26	57,347,926	-	57,347,926	-
Gains (losses) on remeasurements of defined benefit plans	24	(14,123,905)	13,490,850	(14,123,905)	12,993,937
Income tax relating to items that will not be reclassified	32	(8,644,804)	(2,698,170)	(8,644,804)	(2,598,787)
<b>Total items that will not be reclassified to profit or loss</b>		<b>34,579,217</b>	<b>10,792,680</b>	<b>34,579,217</b>	<b>10,395,150</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>28,410,114</b>	<b>5,939,028</b>	<b>34,579,217</b>	<b>10,395,150</b>
<b>Total comprehensive income (expense) for the year</b>		<b>(445,265,462)</b>	<b>68,249,340</b>	<b>(137,536,893)</b>	<b>49,039,416</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		(351,722,621)	18,224,798	(172,116,110)	38,644,266
Non-controlling interests	12	(121,952,955)	44,085,514	-	-
<b>Profit (loss) for the year</b>		<b>(473,675,576)</b>	<b>62,310,312</b>	<b>(172,116,110)</b>	<b>38,644,266</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		(322,558,855)	25,275,051	(137,536,893)	49,039,416
Non-controlling interests	12	(122,706,607)	42,974,289	-	-
<b>Total comprehensive income (expense) for the year</b>		<b>(445,265,462)</b>	<b>68,249,340</b>	<b>(137,536,893)</b>	<b>49,039,416</b>
<b>Earnings (loss) per share</b>					
Earnings (loss) per share (in Baht)	34	(0.52)	0.03	(0.25)	0.06

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



**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)**  
**Statement of changes in equity**

Note	Consolidated financial statements														
	Issued and paid-up share capital	Share premium	Difference from business combination under common control	Retained earnings/(Deficit)		Other components of equity							Total equity attributable to owners of the parent	Non-controlling interests	Total equity
				Legal reserve	Unappropriated (Deficit)	Translating foreign operations	Revaluation surplus (in Baht)	Changes in ownership interest in subsidiaries	Share of other comprehensive income/(expenses) of investments in associates	Total other components of equity					
<b>For the year ended 31 December 2018</b>															
<b>Balance at 1 January 2018</b>	<b>1,685,079,688</b>	<b>342,170,431</b>	<b>(1,003,600,000)</b>	<b>135,555,246</b>	<b>(242,494,785)</b>	<b>(5,247,096)</b>	<b>1,315,514,082</b>	<b>(11,412,912)</b>	<b>1,881,123</b>	<b>1,300,735,197</b>	<b>2,217,445,777</b>	<b>221,631,622</b>	<b>2,439,077,399</b>		
<b>Transactions with owners, recorded directly in equity</b>															
<i>Distributions to owners of the parent</i>															
Reduction of ordinary shares	25	(1,003,600,000)	-	-	-	-	-	-	-	-	(1,003,600,000)	-	(1,003,600,000)		
Dividends paid in subsidiaries		-	-	-	-	-	-	-	-	-	-	(16,287,192)	(16,287,192)		
Dividends paid to owners of the Company	35	-	-	-	(27,256,360)	-	-	-	-	-	(27,256,360)	-	(27,256,360)		
<b>Total distributions to owners of the parent</b>		<b>(1,003,600,000)</b>	<b>-</b>	<b>-</b>	<b>(27,256,360)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,030,856,360)</b>	<b>(16,287,192)</b>	<b>(1,047,143,552)</b>		
<i>Changes in ownership interests in subsidiaries</i>															
Acquisition of non-controlling interests without a change in control	4	-	-	-	7,971,047	(11,990,050)	434,092	3,585,746	3,539,983	-	7,559,821	3,540,818	(29,451,772)	(25,910,954)	
<b>Total changes in ownership interests in subsidiaries</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>7,971,047</b>	<b>(11,990,050)</b>	<b>434,092</b>	<b>3,585,746</b>	<b>3,539,983</b>	<b>-</b>	<b>7,559,821</b>	<b>3,540,818</b>	<b>(29,451,772)</b>	<b>(25,910,954)</b>	
<b>Comprehensive income for the year</b>															
Profit		-	-	-	-	18,224,798	-	-	-	-	18,224,798	44,085,514	62,310,312		
Other comprehensive income		-	-	-	-	11,153,257	(4,028,670)	-	-	(74,334)	(4,103,004)	7,050,253	5,939,028		
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>29,378,055</b>	<b>(4,028,670)</b>	<b>-</b>	<b>-</b>	<b>(74,334)</b>	<b>(4,103,004)</b>	<b>25,275,051</b>	<b>68,249,340</b>		
Transfer to legal reserve		-	-	-	12,322,000	(12,322,000)	-	-	-	-	-	-	-		
Transfer to legal reserve in subsidiary		-	-	-	3,227,631	(3,227,631)	-	-	-	-	-	-	-		
Transfer to retained earnings		-	-	-	-	52,687,366	-	(52,687,366)	-	(52,687,366)	-	-	-		
Effect of business restructuring	25	-	-	1,003,600,000	(50,380,000)	50,380,000	-	-	-	-	1,003,600,000	-	1,003,600,000		
<b>Balance at 31 December 2018</b>		<b>681,479,688</b>	<b>342,170,431</b>	<b>-</b>	<b>108,695,924</b>	<b>(164,845,405)</b>	<b>(8,841,674)</b>	<b>1,266,412,462</b>	<b>(7,872,929)</b>	<b>1,806,789</b>	<b>1,251,504,648</b>	<b>2,219,005,286</b>	<b>218,866,947</b>	<b>2,437,872,233</b>	

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

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)**  
**Statement of changes in equity**

	<b>Consolidated financial statements</b>												
	Retained earnings/(Deficit)				Other components of equity								
	Issued and paid-up share capital	Share premium	Legal reserve	Unappro- priated (Deficit)	Translating foreign operations	Revaluation surplus	Changes in ownership interest in subsidiaries	Share of other comprehensive income/(expenses) of investments in associates	Total other components of equity	Total equity attributable to owners of the parent	Non- controlling interests	Total equity	
	<i>Note</i>												
<i>(in Baht)</i>													
<b>For the year ended 31 December 2019</b>													
<b>Balance at 1 January 2019</b>		681,479,688	342,170,431	108,695,924	(164,845,405)	(8,841,674)	1,266,412,462	(7,872,929)	1,806,789	1,251,504,648	2,219,005,286	218,866,947	2,437,872,233
<b>Transactions with owners, recorded directly in equity</b>													
<i>Distributions to owners of the parent</i>													
Dividends paid to owners of the Company	35	-	-	-	(6,814,590)	-	-	-	-	-	(6,814,590)	-	(6,814,590)
<b>Total distributions to owners of the parent</b>		-	-	-	(6,814,590)	-	-	-	-	-	(6,814,590)	-	(6,814,590)
<b>Comprehensive income for the year</b>													
Loss		-	-	-	(351,722,621)	-	-	-	-	-	(351,722,621)	(121,952,955)	(473,675,576)
Other comprehensive income		-	-	-	(11,299,124)	(5,321,017)	45,878,341	-	(94,434)	40,462,890	29,163,766	(753,652)	28,410,114
<b>Total comprehensive income for the year</b>		-	-	-	(363,021,745)	(5,321,017)	45,878,341	-	(94,434)	40,462,890	(322,558,855)	(122,706,607)	(445,265,462)
Transfer to retained earnings		-	-	-	52,001,236	-	(52,001,236)	-	-	(52,001,236)	-	-	-
<b>Balance at 31 December 2019</b>		681,479,688	342,170,431	108,695,924	(482,680,504)	(14,162,691)	1,260,289,567	(7,872,929)	1,712,355	1,239,966,302	1,889,631,841	96,160,340	1,985,792,181

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

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)**

Statement of changes in equity

	Note	Separate financial statements				Other components of		Total equity
		Issued and paid-up share capital	Share premium	Difference from business combination under common control	Retained earnings		Revaluation surplus	
					Legal reserve (in Baht)	Unappropriated		
<b>For the year ended 31 December 2018</b>								
<b>Balance at 1 January 2018</b>		<b>1,685,079,688</b>	<b>342,170,431</b>	<b>(397,599,771)</b>	<b>58,650,000</b>	<b>307,559,235</b>	<b>552,698,753</b>	<b>2,548,558,336</b>
<b>Transactions with owners, recorded directly in equity</b>								
<i>Distributions to owners of the parent</i>								
Reduction of ordinary shares	25	(1,003,600,000)	-	-	-	-	-	(1,003,600,000)
Dividends paid to owners at the Company	35	-	-	-	-	(27,256,360)	-	(27,256,360)
<b>Total distributions to owners of the parent</b>		<b>(1,003,600,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,256,360)</b>	<b>-</b>	<b>(1,030,856,360)</b>
<b>Comprehensive income for the year</b>								
Profit		-	-	-	-	38,644,266	-	38,644,266
Other comprehensive income		-	-	-	-	10,395,150	-	10,395,150
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,039,416</b>	<b>-</b>	<b>49,039,416</b>
Transfer to legal reserve		-	-	-	12,322,000	(12,322,000)	-	-
Transfer to retained earnings		-	-	-	-	40,909,786	(40,909,786)	-
Effect of business restructuring		-	-	397,599,771	-	-	-	397,599,771
<b>Balance at 31 December 2018</b>		<b>681,479,688</b>	<b>342,170,431</b>	<b>-</b>	<b>70,972,000</b>	<b>357,930,077</b>	<b>511,788,967</b>	<b>1,964,341,163</b>

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

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)**  
**Statement of changes in equity**

	Note	Issued and paid-up share capital	Share premium	Separate financial statements		Other components of equity	Total equity
				Legal reserve	Unappropriated		
						Revaluation surplus	
					(in Baht)		
<b>For the year ended 31 December 2019</b>							
Balance at 1 January 2019		681,479,688	342,170,431	70,972,000	357,930,077	511,788,967	1,964,341,163
<b>Transactions with owners, recorded directly in equity</b>							
<i>Distributions to owners of the parent</i>							
Dividends paid to owners at the Company	35	-	-	-	(6,814,590)	-	(6,814,590)
<b>Total distributions to owners of the parent</b>		-	-	-	<b>(6,814,590)</b>	-	<b>(6,814,590)</b>
<b>Comprehensive income for the year</b>							
Loss		-	-	-	(172,116,110)	-	(172,116,110)
Other comprehensive income		-	-	-	(11,299,124)	45,878,341	34,579,217
<b>Total comprehensive income for the year</b>		-	-	-	<b>(183,415,234)</b>	<b>45,878,341</b>	<b>(137,536,893)</b>
Transfer to retained earnings		-	-	-	40,932,943	(40,932,943)	-
<b>Balance at 31 December 2019</b>		<b>681,479,688</b>	<b>342,170,431</b>	<b>70,972,000</b>	<b>208,633,196</b>	<b>516,734,365</b>	<b>1,819,989,680</b>

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)**

**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	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit (loss) for the year	(473,675,576)	62,310,312	(172,116,110)	38,644,266
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (income)	30,137,166	8,968,710	(4,547,695)	(11,975,441)
Finance costs	204,756,214	190,614,698	159,609,092	158,437,594
Depreciation and amortisation	231,421,498	236,773,126	78,480,093	101,604,404
Amortisation of rubber plantation development costs	2,169,655	8,824,312	-	-
Amortisation of land processory rights	965,788	-	31,350	-
Allowance for (reversal of) bad and doubtful debts expenses	136,704,029	(3,000)	(2,000)	(3,000)
Allowance for (reversal of) losses on inventories devaluation	64,929,210	(4,473,236)	-	-
Unrealised loss on exchange	1,676,400	7,004,141	758,063	4,190,769
Loss on impairment of investments in subsidiary	-	-	-	39,180,000
Loss on impairment of other long-term investment	-	18,800,000	-	18,800,000
Loss on impairment of goodwill	5,427,068	-	-	-
Gain on capital return of subsidiary	-	-	-	(62,000,283)
(Gain) loss on fair value adjustment of investment properties	13,380,000	(3,120,000)	11,980,000	(140,000)
(Gain) loss on disposal of property, plant and equipment	(887,416)	664,918	(354,540)	-
Loss on written-off of property, plant and equipment	4,241,473	9,941,913	2,251,822	-
Provision for employee benefits	29,652,194	5,883,182	21,554,531	3,990,836
Share of loss of investments in associates, net of income tax	1,222,990	712,667	-	-
Written-off of withholding tax deducted at source	-	739,809	-	739,809
Dividends income	-	-	-	(20,623,947)
Interest income	(1,561,191)	(539,508)	(348,418)	(27,962,733)
	<u>250,559,502</u>	<u>543,102,044</u>	<u>97,296,188</u>	<u>242,882,274</u>
<b><i>Changes in operating assets and liabilities</i></b>				
Trade and other accounts receivables	26,568,344	(42,055,215)	109,990,993	(34,036,790)
Inventories	82,266,385	59,847,123	117,724,023	109,003,956
Other current assets	10,076,517	18,165,586	5,377,848	7,581,156
Other non-current assets	(18,400)	581,718	143,509	(783,715)
Trade and other accounts payables	(16,863,409)	(84,070,409)	(25,507,812)	(3,050,498)
Accrued expenses	2,634,187	(27,114,803)	(4,511,515)	(16,394,819)
Other current liabilities	(298,171)	(1,508,947)	130,110	(1,798,099)
Non-current provision for employee benefits	(3,587,286)	(4,192,960)	(1,045,407)	(2,827,170)
Cash generated from (used in) operating activities	<u>351,337,669</u>	<u>462,754,137</u>	<u>299,597,937</u>	<u>300,576,295</u>
Tax received	24,123,544	28,468,485	24,123,544	28,225,931
Tax paid	(29,941,828)	(35,501,070)	(26,553,046)	(26,869,949)
<b>Net cash from operating activities</b>	<b><u>345,519,385</u></b>	<b><u>455,721,552</u></b>	<b><u>297,168,435</u></b>	<b><u>301,932,277</u></b>

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

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

**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	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
Repayment of short-term loans to related parties	-	-	-	(63,500,000)
Proceeds from short-term loans to related parties	-	-	38,000,000	479,770,400
Decrease in short-term loans to other parties	(6,000,000)	-	(6,000,000)	-
Proceeds from short-term loans to other parties	6,000,000	-	6,000,000	-
Acquisition of non-controlling interest	-	(26,164,444)	-	(526,493,989)
(Increase) decrease in restricted deposit at financial institution	10,024,274	(6,621,011)	(64,826)	(6,531,911)
Acquisition of business	-	(102,323,430)	-	-
Acquisition of property, plant and equipment	(110,698,620)	(307,742,559)	(5,792,645)	(28,223,700)
Acquisition of other intangible assets	(604,031)	(999,665)	-	(29,827)
Proceeds from disposal of property, plant and equipment	1,431,431	3,078,598	355,140	-
Increase in rubber plantation development costs	(7,842,281)	(10,603,392)	-	-
Interest received	1,561,191	539,508	348,418	60,528,849
Dividends received	-	535,600	-	20,623,947
<b>Net cash from (used in) investing activities</b>	<b>(106,128,036)</b>	<b>(450,300,795)</b>	<b>32,846,087</b>	<b>(63,856,231)</b>
<b><i>Cash flows from financing activities</i></b>				
Increase (decrease) in bank overdrafts and short-term borrowings				
from financial institutions	75,110,416	220,344,425	(67,329,082)	66,706,874
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(40,968,577)	(76,465,240)	(39,614,199)	(74,830,137)
Proceeds from short-term borrowings from related parties	-	-	-	15,000,000
Repayment of short-term borrowings from related parties	(1,400,000)	(3,500,000)	-	-
Proceeds from long-term borrowings	-	175,037,175	-	-
Repayment of long-term borrowings	(117,500,000)	(108,750,000)	(67,500,000)	(58,750,000)
Dividends paid to owners of the Company	(6,814,590)	(27,256,360)	(6,814,590)	(27,256,360)
Proceeds from change in non-controlling interests without a change in control	-	253,490	-	-
Dividends paid of subsidiaries to non-controlling interest	-	(16,287,192)	-	-
Interest paid	(200,827,342)	(188,364,603)	(155,021,740)	(156,357,996)
Other finance costs paid	(7,384,858)	(8,225,204)	(2,711,676)	(3,060,840)
<b>Net cash used in financing activities</b>	<b>(299,784,951)</b>	<b>(33,213,509)</b>	<b>(338,991,287)</b>	<b>(238,548,459)</b>
Net decrease in cash and cash equivalents,				
before effect of exchange rates	(60,393,602)	(27,792,752)	(8,976,765)	(472,413)
Effect of exchange rate changes on cash and cash equivalents	(6,074,668)	(4,779,318)	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>(66,468,270)</b>	<b>(32,572,070)</b>	<b>(8,976,765)</b>	<b>(472,413)</b>
Cash and cash equivalents at 1 January	157,594,536	190,166,606	43,078,846	43,551,259
<b>Cash and cash equivalents at 31 December</b>	<b>91,126,266</b>	<b>157,594,536</b>	<b>34,102,081</b>	<b>43,078,846</b>
<b><i>Supplemental disclosures of cash flow information</i></b>				
<b>Non-cash transactions</b>				
Assets acquired under financial lease and hire purchase agreements	-	6,176,519	-	5,559,069
Advance payment for land possessory rights	-	1,718,232	-	-
Capital return from business restructuring	-	-	-	62,000,283
Payables for purchase of assets	19,801,291	10,871,332	-	-

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

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)**  
**Notes to the financial statements**  
**For the year ended 31 December 2019**

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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 27 February 2020.

## **1 General information**

Thai Rubber Latex Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in July 1991. The Company’s registered office as follows:

Head office : No. 99/1-3 Moo 13, Bangna-Trad Road, K.M. 7, Tambol Bangkaew,  
Amphur Bangplee, Samutprakarn

Branches at followings:

- : No. 29 Moo 2, Tambol Nong Yai, Amphur Nong Yai, Chonburi
- : No. 35 Moo 4, Tambol Krasom, Amphur Takuatung, Phangnga
- : No. 198 Moo 7, Tambol Chomsawan, Amphur Maechan, Chiangrai
- : No. 124 Mooban Klongpom Moo 11, Tambol Banphru, Amphur Hatyai,  
Songkhla
- : No. 293/2 Moo 1, Surat-Nasarn Road, Tambol Khunthale, Amphur  
Mueang, Suratthani
- : No. 44/5 Moo 8, Kachet - Hatyai Road, Tambol Kachet, Amphur  
Mueang, Rayong
- : No. 680 Moo 2, Tambol Nong Yai, Amphur Nong Yai, Chonburi
- : No. 19/52 Moo 7, Tambol Bang Chalong, Amphur Bangplee,  
Samutprakarn

At the annual general meeting of the shareholders of the Company held on 26 April 2019, the Company’s shareholders approved to change the Company’s name from “Thai Rubber Latex Corporation (Thailand) Public Company Limited” to “Thai Rubber Latex Group Public Company Limited”. The Company has registered the change of name with the Ministry of Commerce on 4 July 2019.

The Company’s major shareholders during the financial year were Wongsasuthikul Group (22.32% shareholding) and Woraprateep Group (15.95% shareholding).

The principal activities of the Company and its subsidiaries (“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. Details of the Company’s subsidiaries and associates as at 31 December 2019 and 2018 are given in notes 10 and 11.



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**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 and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s/Company’s accounting policies. There is no material impact on the Group’s/Company’s financial statements. The Group/Company has initially applied TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations. The details of accounting policies are disclosed in note 3(t).

In addition, the Group/Company has not early adopted a number of new TFRS which are not yet effective for the current period in preparing these financial statements. Those new TFRS that are relevant to the Group’s/Company’s operations are disclosed in note 38.

**(b) Functional and presentation currency**

The financial statements are prepared and presented in Thai Baht, which is the Group’s/Company’s functional currency.

**(c) 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 the Group’s/Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**(i) Judgements**

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- 3(t) and 27      Revenue recognition:
- whether performance obligations in a bundled sale of products and services are capable of being distinct;
  - whether revenue from sales of products is recognised over time or at a point in time;
  - commission revenue: whether the Group acts as an agent in the transaction rather than as a principal;
  - whether long-term advances received from customers have significant financing component;

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(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2019 that have a significant risk of resulting in material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

4(a)	Acquisition of subsidiary: fair value of the assets acquired, measured on a provisional basis;
7	Measurement of allowance for doubtful debts of trade accounts receivable;
9	Provision for inventories devaluation;
16	Impairment test of goodwill: key assumptions underlying recoverable amounts;
24	Measurement of defined benefit obligations: key actuarial assumptions; and
32	Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

(d) *Use of going concern basis of accounting*

The major sales transactions of the Group/Company have been affected from the fluctuation in rubber price and trade war in China during the year ended 31 December 2019. The Group and the Company incurred net loss of Baht 473.7 million and Baht 172.1 million, respectively, for the year ended 31 December 2019. As the same date, the Group’s and the Company’s current liabilities exceeded current assets by Baht 2,078.9 million and Baht 593.0 million, respectively (2018: Baht 1,546.0 million and Baht 403.5 million, respectively). Such circumstances indicate the existence of an uncertainty which may cast significant doubt about the Group’s and the Company’s ability to continue as a going concern.

The Group and the Company implemented policies and procedures in an attempt to manage their liquidity risk and other circumstances. The Group and the Company plan to address the liquidity problem by finding new customers, increasing sales volume and production capacity, cost reduction, restructuring of financing plan, finding more credit facilities and business restructuring of the Group/Company, including sales of the non-performing assets.

The consolidated and separate financial statements have been prepared on a going concern basis, which assumes that the Group and the Company will realise their assets and discharge their 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.

### **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.

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*Business combinations*

The Group applies the acquisition method for all business combinations when control is transferred to the Group, as describe in subsidiaries section, other than those with entities under common control.

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.

Any contingent consideration is measured at fair value at the date of acquisition, and remeasured at fair value at each reporting date. Subsequent changes in the fair value are recognised in profit or loss.

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.

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.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

*Acquisition from entities under common control*

Business combination under common control are accounted for using a method similar to the pooling of interest method. Under that method the acquirer recognises assets and liabilities of the acquired businesses at their carrying amounts in the consolidated financial statements of the ultimate parent company at the moment of the transaction. The difference between the carrying amount of the acquired net assets and the consideration transferred is recognised as surplus or discount from business combinations under common control in shareholder’s equity. The surplus or discount will be transferred to retained earnings upon divestment of the businesses acquired.

The results from operations of the acquired businesses will be included in the consolidated financial statements of the acquirer from the beginning of the comparative period or the moment the businesses came under common control, whichever date is later, until control ceases.

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*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.

*Non-controlling interests*

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group’s interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

*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 initially recognised 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 respective functional currencies of Group entities 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.

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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.

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.

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 accumulated in the 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 until disposal of the investment.

**(c) Derivatives**

*Forward exchange contracts*

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of forward contract rate.

**(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 receivable**

A receivable is recognised when the Group/Company has an unconditional right to receive consideration.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

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**(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.

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.

**(g) 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 less impairment losses method. Investments in associates in the consolidated financial statements are accounted for using the equity method.

*Other long-term investments*

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.

**(h) 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.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold (*see note 3(i)*), the amounts included in the revaluation reserve are transferred to retained earnings.

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(i) *Property, plant and equipment*

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are measured 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 of property, plant and equipment.

Any gains and losses on disposal of 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 in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation surplus is reclassified 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 the 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 surplus 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.

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*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.

**(j) *Intangible assets***

*Goodwill*

Goodwill that arises upon the acquisition of business is included in intangible assets. The measurement of goodwill at initial recognition is described in note 4(a). Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses.

*Other 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.



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*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, 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.

**(k) 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. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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.

**(l) 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.

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**(m) Land possessory rights**

Land possessory rights are stated at cost less accumulated amortisation. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives 50 years. The amortisation is recognised in profit or loss.

**(n) 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.

**(o) Interest-bearing liabilities**

Interest-bearing liabilities are recognised initially at contract value less attributable transaction charges.

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

Trade and other accounts payable are stated at cost.

**(q) 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 regularly 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 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.

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*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.

**(r) 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.

**(s) Measurement of fair values**

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 chief financial officer.

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 these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

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

When measuring the fair value of an asset or a liability, the Group/Company uses observable market 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 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 or indirectly.
- *Level 3*: inputs for the asset or liability that are based on unobservable input.

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 assumption made in measuring fair values is included in the following notes:

- Note 14 Investment properties
- Note 15 Property, plant and equipment
- Note 36 Financial instruments

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**(t) Revenue**

*Accounting policies for revenue recognition in 2019*

Revenue is recognised when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group/Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

*Sale of goods*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

*Accounting policies for revenue recognition in 2018*

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

*Sale of goods*

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.

**(u) 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.

**(v) Investment income**

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

**(w) Finance costs**

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

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**(x) Lease payments**

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

*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.

**(y) 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.

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.

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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. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. 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.

**(z) Earnings (losses) per share**

The Group/Company presents basic earnings per share data for its ordinary shares. Basic earnings (losses) is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

**(aa) Related parties**

A related party is a person or entity that has direct or indirect control, or has significant influence over the financial and managerial decision-making of the Group; a person or entity that are under common control or under the same significant influence as the Group; or the Group has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

**(bb) Segment reporting**

Segment results that are reported to the Company’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 Acquisitions of business**

**(a) Acquisition of business**

On 1 September 2018, Latex Systems Public Company Limited, a subsidiary, obtained control of assets, transferred trademark and employees in production and distribution of pillow and mattress produced from rubber from Thai Natural Foam Co., Ltd., according to the agreement to sell and purchase assets dated 14 August 2018 with the net contract value of Baht 102.3 million which has been settled in November 2018. The transaction is accounted for as a business combination.

*Identifiable assets acquired*

	<i>Note</i>	<b>Fair values as at 1 September 2018</b> <i>(in thousand Baht)</i>
Inventories		4,981
Property, plant and equipment	15	85,040
<b>Net identifiable assets acquired</b>		<b>90,021</b>
Goodwill arising from the acquisition	16	12,303
<b>Total consideration</b>		<b>102,324</b>

During the year ended 31 December 2018, the Group incurred acquisition-related costs of Baht 0.5 million, which included in administrative expense in the consolidated statement of comprehensive income for the year ended 31 December 2018.

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**(b) Acquisition of non-controlling interests**

In July 2018, the Group acquired an additional 45% interest in Shanghai Runmao International Trading Co., Ltd. (“SRIT”) for Baht 21.4 million, resulting to increase its ownership interest from 55% to 100%. The carrying amount of SRIT’s net assets in the Group’s financial statements on the date of the acquisition was Baht 47.3 million. The Group recognised a decrease in non-controlling interests of Baht 21.3 million, an increase in legal reserve of Baht 7.7 million, a decrease in retained earnings of Baht 8.2 million and an increase in the translating foreign operations of Baht 0.4 million.

In August 2018, the Group acquired an additional 1.6% interest in World Flex Public Company Limited (“WFX”) for Baht 4.8 million, resulting to increase its ownership interest from 98.4% to 100%. The carrying amount of WFX’s net assets in the Group’s financial statements on the date of the acquisition was Baht 538.4 million. The Group recognised a decrease in non-controlling interests of Baht 8.4 million, an increase in legal reserve of Baht 0.2 million, a decrease in retained earnings of Baht 3.8 million and an increase in revaluation surplus of Baht 3.6 million.

**5 Related parties**

Relationships with subsidiaries and associates are described in notes 10 and 11. Other related parties that the Group/Company had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation / nationality</b>	<b>Nature of relationships</b>
Other related parties	Thailand	Directors of related parties
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
Soydao Rubber Estate Co., Ltd.	Thailand	Common directors
Ubis Primatech Co., Ltd.	Thailand	Common directors

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

<b>Transactions</b>	<b>Pricing policies</b>
Sales of goods/raw materials	Market prices
Rental	Contractually agreed
Purchase of goods/raw materials	Contractually agreed/Market prices less operating expenses at the agreed rate 1.0 - 5.0 baht per kilogram
Other income	Contractually agreed
Interest income	Contractually agreed rate
Interest expense	Contractually agreed rate
Dividend income	Declared rate
Commission expense	Contractually agreed

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

<i>Year ended 31 December</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Subsidiaries</b>				
Sales of goods/raw materials	-	-	1,425,466	1,023,666
Purchases of goods/raw materials	-	-	67,013	107,779
Interest income	-	-	66	27,742
Interest expense	-	-	1,833	1,426
Dividend income	-	-	-	20,624
Commission expense	-	-	3,106	4,836
Rental income	-	-	338	-
<b>Associate</b>				
Purchases of raw materials	8,502	8,159	8,502	8,159
Dividend income	-	535	-	-
Interest expense	163	289	-	-
<b>Key management personnel</b>				
Key management personnel compensation	32,682	33,451	32,682	33,451
<b>Other related parties</b>				
Sales of goods	19,004	277	18,793	-
Purchases of goods/raw materials	11,778	15,394	11,778	15,394

Balances as at 31 December with related parties were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Trade accounts receivable</b>				
Subsidiaries	-	-	312,650	230,560
Other related party	2,616	-	2,616	-
<b>Total</b>	<b>2,616</b>	<b>-</b>	<b>315,266</b>	<b>230,560</b>
<b>Other receivables</b>				
Subsidiaries	-	-	30,749	27,426
Associate	2	1	2	1
Other related parties	1	-	1	-
<b>Total</b>	<b>3</b>	<b>1</b>	<b>30,752</b>	<b>27,427</b>



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<i>Movement of loans to</i>	Interest rate	Separate financial statements			
	At 31 December (% per annum)	At 1 January	Increase	Decrease	At 31 December
<b>2019</b>					
<b>Subsidiaries</b>					
Thai Rubber Land and Plantation Co., Ltd.	-	992,933	-	-	992,933
Latex Systems Public Company Limited	-	38,000	-	(38,000)	-
<b>Total</b>		<b><u>1,030,933</u></b>			<b><u>992,933</u></b>
<b>2018</b>					
<b>Subsidiaries</b>					
Thai Rubber Land and Plantation Co., Ltd.	-	1,422,203	13,500	(442,770)	992,933
World Flex Public Company Limited	-	25,000	-	(25,000)	-
Latex Systems Public Company Limited	4.0	-	50,000	(12,000)	38,000
<b>Total</b>		<b><u>1,447,203</u></b>			<b><u>1,030,933</u></b>

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
	(in thousand Baht)			
<i>Trade accounts payable</i>				
Subsidiaries	-	-	25	8
Associate	433	931	433	931
Other related parties	-	1,074	-	1,074
<b>Total</b>	<b><u>433</u></b>	<b><u>2,005</u></b>	<b><u>458</u></b>	<b><u>2,013</u></b>
<i>Other payables</i>				
Subsidiaries	-	-	226	1,347

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<i>Movement of loans from</i>	<b>Interest rate</b>	<b>Consolidated financial statements</b>		
	At 31 December (% per annum)	At 1 January	Decrease	At 31 December
<b>2019</b>				
<b>Associate</b>				
Wang Somboon Rubber Estate Co., Ltd.	4.0	4,500	(1,400)	3,100
<b>Total</b>		<b>4,500</b>		<b>3,100</b>
<b>2018</b>				
<b>Associate</b>				
Wang Somboon Rubber Estate Co., Ltd.	4.0	8,000	(3,500)	4,500
<b>Total</b>		<b>8,000</b>		<b>4,500</b>
<i>Movement of loans from</i>	<b>Interest rate</b>	<b>Separate financial statements</b>		
	At 31 December (% per annum)	At 1 January	Increase	At 31 December
<b>2019</b>				
<b>Subsidiary</b>				
Thai Rubber H P N R Co., Ltd.	3.9	47,000	-	47,000
<b>Total</b>		<b>47,000</b>		<b>47,000</b>
<b>2018</b>				
<b>Subsidiary</b>				
Thai Rubber H P N R Co., Ltd.	3.9	32,000	15,000	47,000
<b>Total</b>		<b>32,000</b>		<b>47,000</b>

As at 31 December 2019, the Group has unutilised credit facilities at the total of Baht 1,961 million and USD 80 million (2018: Baht 1,576 million and USD 99 million) and utilised credit facilities at the total of Baht 4,947 million and USD 23 million (2018: Baht 4,922 million and USD 23 million), and the Company has issued letter of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 950 million and USD 10 million (2018: Baht 850 million and USD 25 million).

## 6 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>
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Cash on hand	1,405	2,834	591	1,705
Cash at bank - current accounts	55,315	93,033	10,045	12,683
Cash at bank - saving accounts	34,406	61,728	23,466	28,691
<b>Total</b>	<b>91,126</b>	<b>157,595</b>	<b>34,102</b>	<b>43,079</b>

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**7 Trade accounts receivable**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Within credit term	517,514	793,422	475,970	649,533
Overdue:				
Less than 3 months	241,380	190,207	179,623	175,217
3 - 6 months	169,800	1,818	80,007	24,762
6 - 12 months	33,901	-	7,177	-
Over 12 months	134,242	135,155	134,242	133,795
<b>Total</b>	<b>1,096,837</b>	<b>1,120,602</b>	<b>877,019</b>	<b>983,307</b>
Less allowance for doubtful accounts	(269,700)	(133,531)	(133,529)	(133,531)
<b>Net</b>	<b>827,137</b>	<b>987,071</b>	<b>743,490</b>	<b>849,776</b>
(Reversal of) provision for bad and doubtful debts expense for the year, net	136,169	(3)	(2)	(3)

Most of overdue trade accounts receivable consisted of 6 receivables of a subsidiary and these are in the collection process. As at 31 December 2019, the subsidiary’s management decided to provide fully allowance for doubtful accounts for 4 of 6 receivables totaling Baht 39.3 million. In addition, the subsidiary’s management decided to provide certain allowance for doubtful accounts for the rest of 2 receivables totaling Baht 96.9 million. At present, the subsidiary still sell the goods to these customers under the new conditions.

The normal credit term granted by the Group/Company ranges from 1 day to 90 days.

**8 Other receivables**

	<i>Note</i>	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	3	1	30,752	27,427
Other parties		171,265	172,715	41,604	48,401
<b>Total</b>		<b>171,268</b>	<b>172,716</b>	<b>72,356</b>	<b>75,828</b>
Less allowance for doubtful accounts		(45,571)	(45,036)	(3,877)	(3,877)
<b>Net</b>		<b>125,697</b>	<b>127,680</b>	<b>68,479</b>	<b>71,951</b>

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**9 Inventories**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Finished goods	958,466	1,092,151	647,366	749,474
Work in process	10,710	10,116	-	-
Raw materials	160,032	99,409	25,168	40,309
Packing materials	6,877	7,853	458	724
Supplies	32,611	41,433	7,686	7,895
<b>Total</b>	<b>1,168,696</b>	<b>1,250,962</b>	<b>680,678</b>	<b>798,402</b>
Less inventories allowance for decline in value	(64,929)	-	-	-
<b>Net</b>	<b>1,103,767</b>	<b>1,250,962</b>	<b>680,678</b>	<b>798,402</b>
Inventories recognised in ‘cost of sales of goods’:				
- Cost	6,256,069	6,649,597	4,921,464	5,168,129
- (Reversal of) write-down to net realisable value	64,929	(4,473)	-	-
<b>Net</b>	<b>6,320,998</b>	<b>6,645,124</b>	<b>4,921,464</b>	<b>5,168,129</b>

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**10 Investments in associates**

Investments in associates as at 31 December 2019 and 2018 and dividend income for the years then ended were as follows:

Nature of business	Country of operation	Effective ownership interest	Paid-up capital	Consolidate financial statements						Dividend income for the year				
				2019		2018		Cost		Carrying amount based on equity method		2019	2018	
				2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
		(%)												
<b>Associates</b>														
Wang Somboon Rubber Estate Co., Ltd.	Thailand	48.4	48.4	55,300	55,300	30,101	30,101	29,664	30,982	-	535			
Rosener-Mautby Meditrade (Thailand) Ltd.(*)	Thailand	31.5	31.5	120,000	120,000	37,849	37,849	-	-	-	-	-	-	-
<b>Total</b>						<b>67,950</b>	<b>67,950</b>	<b>29,664</b>	<b>30,982</b>	<b>-</b>	<b>535</b>			
<b>Separate financial statements</b>														
Nature of business	Country of operation	Effective ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend income for the year		
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
		(%)												
<b>Associate</b>														
Rosener-Mautby Meditrade (Thailand) Ltd.(*)	Thailand	31.5	31.5	120,000	120,000	37,849	37,849	(37,849)	(37,849)	-	-	-	-	-
<b>Total</b>						<b>37,849</b>	<b>37,849</b>	<b>(37,849)</b>	<b>(37,849)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

None of the Group/Company’s associates 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 Rosener-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.

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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.

	<b>Wang Somboon Rubber Estate Co., Ltd.</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
Revenue	18,392	13,586
Loss from continuing operations	(2,525)	(1,472)
Other comprehensive income (expense)	(195)	(153)
<b>Total comprehensive income (expense)</b>	<b>(2,720)</b>	<b>(1,625)</b>
Attributable to NCI	(1,402)	(838)
Attributable to investee’s shareholders	(1,318)	(787)
Current assets	17,601	18,217
Non-current assets	46,390	48,053
Current liabilities	(585)	(427)
Non-current liabilities	(2,027)	(1,814)
<b>Net assets</b>	<b>61,379</b>	<b>64,029</b>
Attributable to NCI	31,715	33,047
Attributable to investee’s shareholders	29,664	30,982
Group’s interest in net assets of investee at 1 January	30,982	32,304
Group’s share of total comprehensive income (expense)	(1,318)	(787)
Dividend income	-	(535)
<b>Carrying amount of interest in investee at 31 December</b>	<b>29,664</b>	<b>30,982</b>

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**11 Investments in subsidiaries**

Investments in subsidiaries as at 31 December 2019 and 2018 and dividend income for the years then ended were as follows:

	Nature of business	Country of operation	Ownership interest		Paid-up capital		Separate financial statements						Dividend income for the year	
			2019	2018	2019	2018	Cost		Impairment		At cost-net		2019	2018
			2019		2018		2019	2018	2019	2018	2019	2018	2019	2018
<i>Direct subsidiaries</i>			(%)				(in thousand Baht)							
World Flex Public Company Limited	Production and distribution of rubber thread	Thailand	100.0	100.0	308,000	308,000	448,400	448,400	-	-	448,400	448,400	-	-
Thai Rubber Land and Plantation Co., Ltd.	Planting of rubber	Thailand	100.0	100.0	800,000	800,000	800,000	800,000	-	-	800,000	800,000	-	-
Thai Rubber H P N R Co., Ltd.	Trading of products from natural rubber	Thailand	100.0	100.0	500,000	500,000	500,000	500,000	-	-	500,000	500,000	-	-
Latex Systems Public Company Limited	Production and distribution of foam latex mattresses and pillows	Thailand	56.2	56.2	158,784	158,784	54,310	54,310	-	-	54,310	54,310	-	15,569
Myanmar Thai Rubber Joint Corporation Limited	Production and distribution of products from natural rubber	Republic of the Union of Myanmar	64.0	64.0	107,672	107,672	68,910	68,910	(39,180)	(39,180)	29,730	29,730	-	-
Shanghai Runmao International Trading Co., Ltd.	Trading of products from natural rubber	Republic of China	100.0	100.0	35,399	35,399	40,834	40,834	-	-	40,834	40,834	-	5,055
<b>Total</b>							<b>1,912,454</b>	<b>1,912,454</b>	<b>(39,180)</b>	<b>(39,180)</b>	<b>1,873,274</b>	<b>1,873,274</b>	<b>-</b>	<b>20,624</b>

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*Allowance for impairment*

Due to the challenges in the markets including the volatility of rubber prices as a consequence over the market condition, Thai Rubber H P N R Co., Ltd. and Thai Rubber Land and Plantation Co., Ltd., subsidiaries of the Company, incurred accumulated deficits as at the year ended 31 December 2019. The Group/Company prepared discounted cash flow projections (“DCF”) by managements to determine the value in investment in subsidiaries in the separate financial statements and rubber plantation development costs of subsidiary in the consolidated financial statements. The key assumptions used in the estimation of the recoverable amount in DCF related to discount rate and estimated EBITDA. The discount rate is estimated based on the historical industry average weighted-average cost of capital. Estimated EBITDA is based on management’s expectation considering of historical experience. Based on the result of the assessment and management judgment, there was no impairment loss.

During 2018, the Company's management foresee that the investment in Myanmar Thai Rubber Joint Corporation Limited was impaired. As a result, the Company set up allowance for impairment loss of investment in a said subsidiary amounting to Baht 39.2 million in the statements of comprehensive income in the separate financial statements for the year ended 31 December 2018.

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



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**12 Non-controlling interests**

The following table summarises the information relating to each of the Group’s subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2019	
	Latex Systems Public Company Limited <i>(in thousand Baht)</i>	<b>Total</b>
Non-controlling interest percentage	43.84%	
Current assets	393,532	
Non-current assets	733,381	
Current liabilities	(707,148)	
Non-current liabilities	(229,965)	
<b>Net assets</b>	<b>189,800</b>	
Carrying amount of non-controlling interest	83,208	<b>83,208</b>
Other individually immaterial subsidiaries		12,952
<b>Total</b>		<b>96,160</b>
Revenue	589,497	
Loss	(271,331)	
<b>Total comprehensive income (expense)</b>	<b>(271,331)</b>	
Loss allocated to non-controlling interest	(118,952)	<b>(118,952)</b>
Other individually immaterial subsidiaries		(3,001)
<b>Total</b>		<b>(121,953)</b>
Other comprehensive income allocated to non-controlling interest	(118,952)	<b>(118,952)</b>
Other individually immaterial subsidiaries		(3,755)
<b>Total</b>		<b>(122,707)</b>
Cash flows used in operating activities	(43,130)	
Cash flows used in investing activities	(22,369)	
Cash flows from financing activities (Dividends to non-controlling interest: Nil)	57,017	
<b>Net decrease in cash and cash equivalents</b>	<b>(8,482)</b>	

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	31 December 2018	
	Latex Systems Public Company Limited	<b>Total</b>
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	43.84%	
Current assets	399,412	
Non-current assets	754,744	
Current liabilities	(330,531)	
Non-current liabilities	(362,493)	
<b>Net assets</b>	<b>461,132</b>	
Carrying amount of non-controlling interest	202,160	<b>202,160</b>
Other individually immaterial subsidiaries		16,707
<b>Total</b>		<b>218,867</b>
Revenue	831,734	
Profit	119,875	
<b>Total comprehensive income</b>	<b>119,053</b>	
Profit allocated to non-controlling interest	52,553	<b>52,553</b>
Other individually immaterial subsidiaries		(8,467)
<b>Total</b>		<b>44,086</b>
Other comprehensive income allocated to non-controlling interest	52,192	<b>52,192</b>
Other individually immaterial subsidiaries		(9,218)
<b>Total</b>		<b>42,974</b>
Cash flows from operating activities	88,024	
Cash flows used in investing activities	(338,531)	
Cash flows from financing activities		
(Dividends to non-controlling interest: amounted to Baht 16,287 thousand)	210,407	
<b>Net decrease in cash and cash equivalents</b>	<b>(40,100)</b>	

**13 Other long-term investments**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Listed security available for sale	1,249	1,249	1,249	1,249
<i>Investment in equity securities:</i>				
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	2,000	2,000
Thai Rubber Joint Venture Co., Ltd.	100,000	100,000	100,000	100,000
<b>Total</b>	<b>111,349</b>	<b>111,349</b>	<b>111,349</b>	<b>111,349</b>
<i>Less allowance for impairment</i>	(30,149)	(30,149)	(30,149)	(30,149)
<b>Net</b>	<b>81,200</b>	<b>81,200</b>	<b>81,200</b>	<b>81,200</b>

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During 2018, the Company’s management foresee that the investment in Thai Rubber Joint Venture Co., Ltd. was impaired. As a result, the Company set up allowance for impairment loss in investments of Thai Rubber Joint Venture Co., Ltd. amounting to Baht 18.8 million in the consolidated and separate statements of comprehensive income for the year ended 31 December 2018.

None of the other long-term investments are publicly listed and consequently do not have published price quotations.

**14 Investment properties**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	561,070	557,950	120,590	120,450
Gain (loss) on fair value adjustments	(13,380)	3,120	(11,980)	140
<b>At 31 December</b>	<b><u>547,690</u></b>	<b><u>561,070</u></b>	<b><u>108,610</u></b>	<b><u>120,590</u></b>
<i>Year ended 31 December</i>			2019	2018
			<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss for investment properties</i>				
Rental income			7,020	7,020
Other income				
- unrealised gain (loss) on fair value adjustments			(13,380)	3,120
<i>At 31 December</i>			2019	2018
			<i>(in thousand Baht)</i>	
<i>Minimum lease payments under non-cancellable operating lease</i>				
Within 1 year			7,020	1,520
1 - 5 years			19,170	1,190
<b>Total</b>			<b><u>26,190</u></b>	<b><u>2,710</u></b>

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the lease contains an initial non-cancellable period of 5 to 10 years for land and building. Renewals are negotiated with the lessee. No contingent rents are charged.

The Group has pledged investment properties amounting to approximately Baht 327.2 million (2018: Baht 244.7 million) as collateral against credit facilities from a financial institution. (see note 21)

The fair value of investment properties was determined by independent professional valuers, at open market values on an existing use basis. The fair value of investment property has been categorised as a Level 3 fair value.

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<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Market comparison technique	The quoted prices and actual trading price of a similar comparative investment properties adjusted by other various factor.	The estimated fair value would increase (decrease) if the price per area were higher (lower).
Replacement cost technique	Construction cost and the depreciation of investment properties adjusted by other factors.	The estimated fair value would increase (decrease) if the condition of property and construction cost would increase (decrease).

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**15 Property, plant and equipment**

		<b>Consolidated financial statements</b>						Assets under construction and installation	Total
	Note	Land and land improvement	Building and building improvements	Machinery	Office and other equipment <i>(in thousand Baht)</i>	Vehicles	Other fixed assets		
<b>Cost/Revaluation</b>									
At 1 January 2018		1,542,077	872,422	826,528	458,327	135,239	138,821	316,890	4,290,304
Acquisition through business combination	4(a)	9,858	42,652	30,641	1,889	-	-	-	85,040
Additions		7,000	1,696	3,923	27,904	7,668	1,884	272,146	322,221
Transfer		1,498	139,173	157,989	46,952	-	39,677	(385,289)	-
Write-off		-	(767)	(19,167)	(6,592)	-	(214)	(882)	(27,622)
Disposals		(1,002)	(1,784)	(12,250)	(4,810)	(378)	(323)	-	(20,547)
<b>At 31 December 2018 and 1 January 2019</b>		<b>1,559,431</b>	<b>1,053,392</b>	<b>987,664</b>	<b>523,670</b>	<b>142,529</b>	<b>179,845</b>	<b>202,865</b>	<b>4,649,396</b>
Additions		-	-	1,106	12,125	3,011	75	96,656	112,973
Revaluation of assets		-	-	57,348	-	-	-	-	57,348
Transfer		573	120,320	27,209	12,569	-	4,350	(165,021)	-
Write-off		-	(865)	(4,588)	(7,949)	-	(55)	(1,687)	(15,144)
Disposals		-	(664)	(982)	(4,051)	(7,349)	-	-	(13,046)
Reversal of assets revaluation		-	-	(253,426)	-	-	-	-	(253,426)
<b>At 31 December 2019</b>		<b>1,560,004</b>	<b>1,172,183</b>	<b>814,331</b>	<b>536,364</b>	<b>138,191</b>	<b>184,215</b>	<b>132,813</b>	<b>4,538,101</b>

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	<b>Consolidated financial statements</b>							Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment	Vehicles	Other fixed assets	Assets under construction and installation	
<i>(in thousand Baht)</i>								
<b>Depreciation and impairment losses</b>								
At 1 January 2018	15,447	92,508	284,962	342,070	113,162	99,066	-	947,215
Depreciation charge for the year	-	62,235	122,289	35,349	8,468	6,226	-	234,567
Write-off	-	(290)	(12,428)	(3,865)	-	(214)	-	(16,797)
Disposals	-	(1,393)	(9,938)	(4,771)	(378)	(323)	-	(16,803)
<b>At 31 December 2018 and</b>								
<b>1 January 2019</b>	<b>15,447</b>	<b>153,060</b>	<b>384,885</b>	<b>368,783</b>	<b>121,252</b>	<b>104,755</b>	-	<b>1,148,182</b>
Depreciation charge for the year	-	42,874	132,975	36,009	6,841	10,513	-	229,212
Write-off	-	(1,185)	(3,974)	(5,688)	-	(55)	-	(10,902)
Disposals	-	(155)	(948)	(4,051)	(7,349)	-	-	(12,503)
Reversal of accumulated depreciation on assets revaluation	-	-	(253,426)	-	-	-	-	(253,426)
<b>At 31 December 2019</b>	<b>15,447</b>	<b>194,594</b>	<b>259,512</b>	<b>395,053</b>	<b>120,744</b>	<b>115,213</b>	-	<b>1,100,563</b>
<b>Net book value</b>								
<b>At 31 December 2018</b>								
Owned assets	1,543,984	829,925	482,100	154,887	12,685	75,090	202,865	3,301,536
Assets under finance leases	-	70,407	120,679	-	8,592	-	-	199,678
	<b>1,543,984</b>	<b>900,332</b>	<b>602,779</b>	<b>154,887</b>	<b>21,277</b>	<b>75,090</b>	<b>202,865</b>	<b>3,501,214</b>
<b>At 31 December 2019</b>								
Owned assets	1,544,557	895,223	554,819	141,311	10,950	69,002	132,813	3,348,675
Assets under finance leases	-	82,366	-	-	6,497	-	-	88,863
	<b>1,544,557</b>	<b>977,589</b>	<b>554,819</b>	<b>141,311</b>	<b>17,447</b>	<b>69,002</b>	<b>132,813</b>	<b>3,437,538</b>

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The gross amount of the Group’s fully depreciated of plant and equipment that were still in use as at 31 December 2019 amounted to Baht 516.7 million (2018: *Baht 474.1 million*).

The Group has borrowing costs related to the acquisition of buildings and machinery as part of the cost of assets amounting to Baht 4.2 million with interest rate at 4.3% p.a. (2018: *Baht 0.7 million for the Group with interest rate at 3.9%-4.3% p.a. and 0.6 million for the Company with interest rate at 4.3% p.a., respectively*). (see note 31)

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	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><i>Cost/Revaluation</i></b>								
At 1 January 2018	464,129	368,034	423,318	147,688	91,958	102,270	110,608	1,708,005
Additions	-	-	-	3,938	5,437	-	25,044	34,419
Transfer	-	73,069	13,085	3,153	-	39,677	(128,984)	-
<b>At 31 December 2018 and 1 January 2019</b>	<b>464,129</b>	<b>441,103</b>	<b>436,403</b>	<b>154,779</b>	<b>97,395</b>	<b>141,947</b>	<b>6,668</b>	<b>1,742,424</b>
Additions	-	-	-	2,839	-	-	2,954	5,793
Revaluation of assets	-	-	57,348	-	-	-	-	57,348
Transfer	573	240	1,044	(480)	-	4,350	(5,727)	-
Write-off	-	-	(1,743)	-	-	-	(1,687)	(3,430)
Disposals	-	-	-	-	(5,889)	-	-	(5,889)
Reversal of assets revaluation	-	-	(253,426)	-	-	-	-	(253,426)
<b>At 31 December 2019</b>	<b>464,702</b>	<b>441,343</b>	<b>239,626</b>	<b>157,138</b>	<b>91,506</b>	<b>146,297</b>	<b>2,208</b>	<b>1,542,820</b>
<b><i>Depreciation and impairment losses</i></b>								
At 1 January 2018	12,540	50,344	201,311	137,343	81,055	80,069	-	562,662
Depreciation charge for the year	-	31,171	56,659	4,460	4,970	4,178	-	101,438
<b>At 31 December 2018 and 1 January 2019</b>	<b>12,540</b>	<b>81,515</b>	<b>257,970</b>	<b>141,803</b>	<b>86,025</b>	<b>84,247</b>	<b>-</b>	<b>664,100</b>
Depreciation charge for the year	-	5,739	57,159	4,335	3,623	7,458	-	78,314
Write-off	-	-	(1,178)	-	-	-	-	(1,178)
Disposals	-	-	-	-	(5,888)	-	-	(5,888)
Reversal of accumulated depreciation on assets revaluation	-	-	(253,426)	-	-	-	-	(253,426)
<b>At 31 December 2019</b>	<b>12,540</b>	<b>87,254</b>	<b>60,525</b>	<b>146,138</b>	<b>83,760</b>	<b>91,705</b>	<b>-</b>	<b>481,922</b>



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	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 31 December 2018</b>								
Owned assets	451,589	289,181	35,220	12,976	5,014	57,700	6,668	858,348
Assets under finance leases	-	70,407	143,213	-	6,356	-	-	219,976
	<b>451,589</b>	<b>359,588</b>	<b>178,433</b>	<b>12,976</b>	<b>11,370</b>	<b>57,700</b>	<b>6,668</b>	<b>1,078,324</b>
<b>At 31 December 2019</b>								
Owned assets	452,162	271,723	179,101	11,000	4,965	54,592	2,208	975,751
Assets under finance leases	-	82,366	-	-	2,781	-	-	85,147
	<b>452,162</b>	<b>354,089</b>	<b>179,101</b>	<b>11,000</b>	<b>7,746</b>	<b>54,592</b>	<b>2,208</b>	<b>1,060,898</b>

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The gross amount of the Company’s fully depreciated plant and equipment that were still in use as at 31 December 2019 amounted to Baht 292.6 million (2018: Baht 279.9 million).

The Group and the Company have pledged their property, plant and equipment which have a net book value of Baht 2,318.2 million and Baht 805.3 million, respectively (2018: Baht 2,558.5 million and Baht 989.6 million, respectively), as collateral to secure the Group’s and the Company’s bank overdrafts, trusted receipts, short and long term loans. (see note 21)

The fair value of property, plant and equipment was determined by independent professional valuers, at open market values on an existing use basis. The fair value of property, plant and equipment has been categorised as a Level 3 fair value.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between significant unobservable inputs and fair value measurement</b>
Market comparison technique	The quoted prices and actual trading price of a similar comparative land adjusted by other various factor.	The estimated fair value would increase (decrease) if the price per area were higher (lower).
Replacement cost technique	Construction costs, used machine costs or second hand machine and depreciation of building and machine adjusted by other factors.	The estimated fair value would increase (decrease) and the condition of property and construction cost and used machine or second hand machine would increase (decrease).

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**16 Goodwill**

	<i>Note</i>	<b>Consolidated financial statements</b>	
		2019	2018
		<i>(in thousand Baht)</i>	
<b><i>Cost</i></b>			
At 1 January		12,303	-
Acquired through business combinations	4(a)	-	12,303
<b>At 31 December</b>		<b><u>12,303</u></b>	<b><u>12,303</u></b>
<b><i>Impairment losses</i></b>			
At 1 January		-	-
Impairment loss		(5,427)	-
<b>At 31 December</b>		<b><u>(5,427)</u></b>	<b><u>-</u></b>
<b><i>Net book value</i></b>			
<b>At 31 December</b>		<b><u>6,876</u></b>	<b><u>12,303</u></b>

***Impairment testing for the cash generating unit containing goodwill***

The recoverable amount of this CGU was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations of Rayong factory of its subsidiary. The carrying amount of the CGU was determined to be higher than its recoverable amount, hence, an impairment loss of Baht 5.4 million was recognised and included in administrative expense during 2019 (2018: nil).

The recoverable amount of the cash generating unit (“CGU”) containing goodwill were based on discounted cash flows estimated by managements. The key assumptions used in the estimation of the recoverable amount in each CGU related to discount rate and budgeted EBITDA. The discount rate was a post-tax measure estimated based on the historical industry average weighted-average cost of capital.

During 2019, competition in rubber product market and economy recession resulted in significant decrease of customers’ orders. Therefore, Rayong factory has significantly lower production rate than its normal capacity. The Group’s management believed that goodwill from business acquisition may be impaired and prepared discounted cash flows to estimate value in use of the cash generating unit containing goodwill. From the management’s estimate and judgement, the Group recognised impairment loss of goodwill amounting to Baht 5.4 million in the consolidated statement of comprehensive income for the year ended 31 December 2019.

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**17 Other intangible assets**

	Software license	
	<b>Consolidated financial statements</b>	<b>Separate financial statements</b>
	<i>(in thousand Baht)</i>	
<b>Cost</b>		
At 1 January 2018	17,170	9,925
Additions	1,015	30
Disposal	(264)	-
<b>At 31 December 2018 and 1 January 2019</b>	<b>17,921</b>	<b>9,955</b>
Additions	604	-
<b>At 31 December 2019</b>	<b>18,525</b>	<b>9,955</b>
<b>Amortisation</b>		
At 1 January 2018	11,924	9,431
Amortisation charge for the year	2,205	166
Disposal	(248)	-
<b>At 31 December 2018 and 1 January 2019</b>	<b>13,881</b>	<b>9,597</b>
Amortisation charge for the year	2,210	167
<b>At 31 December 2019</b>	<b>16,091</b>	<b>9,764</b>
<b>Net book value</b>		
At 1 January 2018	<b>5,246</b>	<b>494</b>
<b>At 31 December 2018 and 1 January 2019</b>	<b>4,040</b>	<b>358</b>
<b>At 31 December 2019</b>	<b>2,434</b>	<b>191</b>

**18 Land possessory rights**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
At 1 January	193,158	193,158	6,270	6,270
Amortisation	(966)	-	(31)	-
<b>At 31 December</b>	<b>192,192</b>	<b>193,158</b>	<b>6,239</b>	<b>6,270</b>

As at 31 December 2019, the Group and the Company have land possessory rights of approximately 13,558 rais and 49 rais, respectively (2018 : 13,558 rais and 49 rais, respectively). The Group and the Company are currently in the process of obtaining legal ownership acquisition.

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**19 Advance payment for land possessory rights**

The Group 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 107.7 million in order to develop and produce of rubber plantation, rubber smoked sheet and concentrated natural latex factory in Myeik, Dawei. Under the terms of the above agreement, MTRJC will purchase land possessory rights at the amount of Baht 145 million. In 2014, MTRJC paid advance payment for land possessory right at Baht 45 million. However in 2017, the land possessory rights have not yet been transferred to MTRJC. As a result, an addendum to the above agreement with Vantage has been made in order to transfer the land possessory rights to Vantage. The rubber plantation is operated by Vantage and the operating result from the rubber plantation will be repaid to MTRJC to deduct the advance for land possessory rights until the rights are transferred to MTRJC. As at 31 December 2019, the outstanding balance of advance payment for land possessory rights amounted of Baht 34.8 million is presented in the consolidated statement of financial position.

**20 Rubber plantation development costs**

	<b>Consolidated financial statements</b>	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 January	885,902	877,437
Additions	7,842	17,290
Amortisation	(2,169)	(8,825)
<b>At 31 December</b>	<b><u>891,575</u></b>	<b><u>885,902</u></b>

As at 31 December 2019, the Group has no borrowing costs related to rubber plantation development (2018: Baht 6.7 million), with a no recognition interest rate (2018: 3.9% p.a.) (see note 31).

**21 Interest-bearing liabilities**

	<b>Consolidated financial statements</b>						
		2019			2018		
	<i>Note</i>	Secured	Unsecured	<b>Total</b>	Secured	Unsecured	<b>Total</b>
				<i>(in thousand Baht)</i>			
Bank overdrafts		12,302	-	<b>12,302</b>	12,532	-	<b>12,532</b>
Short-term loans from financial institutions		3,685,914	-	<b>3,685,914</b>	3,610,573	-	<b>3,610,573</b>
Short-term loans from related party	5	-	3,100	<b>3,100</b>	-	4,500	<b>4,500</b>
Long-term loans from financial institutions		1,181,287	-	<b>1,181,287</b>	1,298,787	-	<b>1,298,787</b>
Finance lease liabilities		54,190	-	<b>54,190</b>	95,159	-	<b>95,159</b>
<b>Total interest-bearing liabilities</b>		<b><u>4,933,693</u></b>	<b><u>3,100</u></b>	<b><u>4,936,793</u></b>	<b><u>5,017,051</u></b>	<b><u>4,500</u></b>	<b><u>5,021,551</u></b>

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	Note	Separate financial statements					
		2019			2018		
	Secured	Unsecured	Total (in thousand Baht)	Secured	Unsecured	Total	
Bank overdrafts		2,545	-	<b>2,545</b>	9,444	-	<b>9,444</b>
Short-term loans from financial institutions		2,904,158	-	<b>2,904,158</b>	2,964,588	-	<b>2,964,588</b>
Short-term loans from related party	5	-	47,000	<b>47,000</b>	-	47,000	<b>47,000</b>
Long-term loans from financial institutions		831,250	-	<b>831,250</b>	898,750	-	<b>898,750</b>
Finance lease liabilities		51,102	-	<b>51,102</b>	90,716	-	<b>90,716</b>
<b>Total interest-bearing liabilities</b>		<b><u>3,789,055</u></b>	<b><u>47,000</u></b>	<b><u>3,836,055</u></b>	<b><u>3,963,498</u></b>	<b><u>47,000</u></b>	<b><u>4,010,498</u></b>

	Consolidation financial statements					
	2019			2018		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
<i>Finance lease liabilities</i>						
<i>Maturity period</i>						
Within one year	24,379	2,252	22,127	44,198	3,520	40,678
1 - 5 years	33,924	1,861	32,063	58,360	3,879	54,481
<b>Total</b>	<b><u>58,303</u></b>	<b><u>4,113</u></b>	<b><u>54,190</u></b>	<b><u>102,558</u></b>	<b><u>7,399</u></b>	<b><u>95,159</u></b>

	Separate financial statements					
	2019			2018		
	Minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Minimum lease payments	Interest	Present value of minimum lease payments
<i>Finance lease liabilities</i>						
<i>Maturity period</i>						
Within one year	22,949	2,063	20,886	42,578	3,265	39,313
1 - 5 years	31,913	1,697	30,216	54,919	3,516	51,403
<b>Total</b>	<b><u>54,862</u></b>	<b><u>3,760</u></b>	<b><u>51,102</u></b>	<b><u>97,497</u></b>	<b><u>6,781</u></b>	<b><u>90,716</u></b>

The Company sold their buildings and machineries to a local company and leased them back under finance lease agreements. The finance lease liabilities were repayable in monthly installments commencing from January 2015 to March 2023. Under the lease agreements, the Company must comply with conditions covering the lease assets.

Long-term borrowings from financial institutions of the Group/Company are secured by the mortgage by land and premises thereon, plants and machinery, and also guaranteed by the Group/Company. Moreover, the Group/Company 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 debt to equity ratio.

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The details of long-term borrowings from financial institutions as at 31 December are summarised as follows:

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	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Long-term borrowings of the Company</b>				
a) Long-term borrowings of Baht 270 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 20 installments (Baht 3 million for installment 1-8, Baht 4.5 million for installment 9-16, Baht 6 million for installment 17-19 and the remain principle for installment 20). The repayments are to be made for every 3-month period, commencing December 2016.	228,000	241,500	228,000	241,500
b) Long-term borrowings of Baht 645 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 20 installments (Baht 7 million for installment 1-8, Baht 10.5 million for installment 9-16, Baht 14 million for installment 17-19 and the remain principle for installment 20). The repayments are to be made for every 3-month period, commencing December 2016.	547,000	578,500	547,000	578,500
c) Long-term borrowings of Baht 92.5 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 17 installments (Baht 2.5 million for first installment, Baht 3.8 million for installment 2-5, Baht 6.3 million for installment 6-17 and the remain principle for installment 17). The repayments are to be made for every 3-month period, commencing March 2018.	56,250	78,750	56,250	78,750

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	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>	<b>financial statements</b>
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Long-term borrowings of the Subsidiary</b>				
<i>Latex Systems Public Company Limited</i>				
d) Long-term borrowings of Baht 300 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 24 installments for 12.5 million per installment. The repayments are to be made for every 3-month period, commencing September 2017.	175,000	225,000	-	-
e) Long-term borrowings of Baht 100 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 24 installments for Baht 4.2 million each. The repayments are to be made for every 3-month period, commencing from January 2020.	100,000	100,000	-	-
f) Long-term borrowings of Baht 400 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 24 installments for Baht 16.7 million each. The repayments are to be made for every 3-month period, commencing from February 2020.	75,037	75,037	-	-
<b>Total</b>	<b>1,181,287</b>	<b>1,298,787</b>	<b>831,250</b>	<b>898,750</b>
<i>Less: Current portion of long term borrowings</i>	<i>(238,600)</i>	<i>(132,500)</i>	<i>(105,000)</i>	<i>(82,500)</i>
<b>Net</b>	<b>942,687</b>	<b>1,166,287</b>	<b>726,250</b>	<b>816,250</b>



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**22 Trade accounts payable**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	433	2,005	458	2,013
Other parties		139,664	173,385	34,010	61,070
<b>Total</b>		<b>140,097</b>	<b>175,390</b>	<b>34,468</b>	<b>63,083</b>

**23 Other payables**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Related parties	5	-	-	226	1,347
Other parties		124,616	103,946	36,849	29,676
<b>Total</b>		<b>124,616</b>	<b>103,946</b>	<b>37,075</b>	<b>31,023</b>

**24 Non-current provision for employee benefits**

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Defined benefit obligations		95,557	55,369	71,871	37,238
<b>Total</b>		<b>95,557</b>	<b>55,369</b>	<b>71,871</b>	<b>37,238</b>

***Defined benefit plan***

The Group and the Company operate a defined benefit 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 defined benefit plans expose the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

<b><i>Present value of the defined benefit obligations</i></b>		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
At 1 January		55,369	67,169	37,238	49,069
<b>Include in profit or loss:</b>					
Current service cost		7,716	4,478	4,238	2,901
Past service cost		19,744	-	15,741	-
Interest on obligation		2,192	1,405	1,575	1,090
		<b>29,652</b>	<b>5,883</b>	<b>21,554</b>	<b>3,991</b>

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<i>Present value of the defined benefit obligations</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Included in other comprehensive income</b>				
Actuarial (gain) loss				
- Demographic assumptions	14,124	(13,491)	14,124	(12,994)
	<b>14,124</b>	<b>(13,491)</b>	<b>14,124</b>	<b>(12,994)</b>
Benefit paid	(3,588)	(4,192)	(1,045)	(2,828)
	<b>(3,588)</b>	<b>(4,192)</b>	<b>(1,045)</b>	<b>(2,828)</b>
<b>At 31 December</b>	<b>95,557</b>	<b>55,369</b>	<b>71,871</b>	<b>37,238</b>

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee, who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group/Company has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

***Actuarial assumptions***

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

<i>Principal actuarial assumptions</i>	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(%)</i>			
Discount rate	1.8 - 4.4	1.8 - 4.4	1.8 - 4.4	1.8 - 4.4
Future salary growth	3 - 5.5	3 - 5.5	3 - 5.5	3 - 5.5

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 December 2019, the weighted-average duration of the defined benefit obligation was 16 years.

***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:

<i>Effect to the defined benefit obligation</i>	<b>Consolidated financial statements</b>			
	2019	2018	2019	2018
<i>At 31 December</i>	<i>(in thousand Baht)</i>			
Discount rate (1% increase)	(7,211)	(5,300)	8,373	6,165
Future salary growth (1% increase)	8,858	5,953	(7,748)	(5,232)
Employee turnover rate (20% increase)	(5,916)	(3,893)	6,972	4,549
Future mortality (1% increase)	250	166	(278)	(184)

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<i>Effect to the defined benefit obligation</i> <i>At 31 December</i>	2019	Separate financial statements		
		2018	2019	2018
		<i>(in thousand Baht)</i>		
Discount rate (1% increase)	(4,359)	(3,298)	5,010	3,802
Future salary growth (1% increase)	5,342	3,669	(4,720)	(3,254)
Employee turnover rate (20% increase)	(3,366)	(2,272)	3,892	2,610
Future mortality (1% increase)	145	98	(160)	(108)

**25 Share capital**

	Par value per share <i>(in Baht)</i>	2019		2018	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
<b>Authorised shares at 31 December</b>		<b>681,480</b>	<b>681,480</b>	<b>681,480</b>	<b>681,480</b>
<i>Issued and paid-up</i>					
At 1 January					
- ordinary shares	1	681,480	681,480	1,685,080	1,685,080
Reduction of shares	1	-	-	(1,003,600)	(1,003,600)
<b>At 31 December</b>					
<b>- ordinary shares</b>		<b>681,480</b>	<b>681,480</b>	<b>681,480</b>	<b>681,480</b>

***Business restructuring***

On 13 December 2017, the extraordinary shareholders’ meeting of the Company approved to increase the authorised share capital from Baht 681.5 million (681,479,688 shares at Baht 1 par value) to Baht 1,881.5 million (1,881,479,688 shares at Baht 1 par value) by issuance of 1,200,000,000 ordinary shares at Baht 1 par value as private placement to Thai Rubber Latex Group Co., Ltd. (“TRLG”) in consideration of the entire business transfer.

On 4 December 2018, TRLG completed the liquidation process. Accordingly, the Company registered the amendment of its registered capital and reduced its authorised share capital and paid-up share capital to 1,200 million shares and Baht 1,003.6 million, respectively, with Department of Business Development, Ministry of Commerce in accordance with the restructuring plan of the Company.

***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.

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**26 Reserves**

Reserves comprise:

*Appropriations of profit and/or retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 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.

**Difference from business combination under common control**

Difference on common control transactions arising within equity represents the difference of the book values of certain entities or business under common control under their cost as of the date of their acquisitions. The reserve is non-distributable and will be retained until the respective business are sold or otherwise disposed of.

*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 building and machinery is amortised using the straight-line method according to its remaining useful life and transferred directly to retained earnings.

		<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
At 1 January		1,266,412	1,315,514	511,789	552,699
Revaluation of land, building and machinery, net of income tax		45,878	-	45,878	-
Surplus from acquisition of non-controlling interest without a change in control	5(b)	-	3,586	-	-
Amortisation		(52,001)	(52,688)	(40,933)	(40,910)
<b>At 31 December</b>		<b><u>1,260,289</u></b>	<b><u>1,266,412</u></b>	<b><u>516,734</u></b>	<b><u>511,789</u></b>

The revaluation surplus can neither be offset against deficit nor used for dividend payment.

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**27 Segments information**

Management determined that the Group's has three reportable segments, 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. The following summary describes the operations in each of the Group's principal reportable segments.

- Segment 1 Concentrated and prevulcanized latex
- Segment 2 Latex products
- Segment 3 Rubber plantation

Each segment's 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. Inter-segment pricing is determined on an arm's length basis.

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<i>For the year ended 31 December</i>	<b>Concentrated and prevulcanized latex</b>		<b>Latex products</b>				<b>Rubber plantation</b>		<b>Total</b>	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	<i>(in million Baht)</i>									
<b>Information about reportable segments</b>										
External revenue	4,185	4,851	2,634	2,657	8	5	6,827	7,513		
Inter-segment revenue	1,448	1,088	-	-	43	43	1,491	1,131		
<b>Total revenue</b>	<b>5,633</b>	<b>5,939</b>	<b>2,634</b>	<b>2,657</b>	<b>51</b>	<b>48</b>	<b>8,318</b>	<b>8,644</b>		
<b>Disaggregation of revenue</b>										
<b>Primary geographical markets</b>										
Thailand	2,341	2,526	158	599	8	5	2,507	3,130		
PRC	576	831	2,010	1,606	-	-	2,586	2,437		
Republic of Korea	106	142	25	65	-	-	131	207		
Others countries	1,162	1,352	441	387	-	-	1,603	1,739		
<b>Total revenue</b>	<b>4,185</b>	<b>4,851</b>	<b>2,634</b>	<b>2,657</b>	<b>8</b>	<b>5</b>	<b>6,827</b>	<b>7,513</b>		
<b>Timing of revenue recognition</b>										
At a point in time	<b>4,185</b>	<b>4,851</b>	<b>2,634</b>	<b>2,657</b>	<b>8</b>	<b>5</b>	<b>6,827</b>	<b>7,513</b>		
Segment profit (loss) before income tax	(172)	(30)	(258)	142	(14)	(41)	(444)	71		
Interest income	3	30	-	-	-	-	3	30		
Interest expense	(160)	(159)	(47)	(40)	-	(21)	(207)	(220)		
Depreciation and amortisation	(86)	(110)	(137)	(119)	(10)	(9)	(233)	(238)		
Share of profit (loss) of investments in associates	-	-	-	-	(1)	(1)	(1)	(1)		
<b>Significant income and expenses</b>										
- Selling-related expenses	(169)	(164)	(34)	(26)	-	-	(203)	(190)		
- Personnel-related expenses	(243)	(233)	(252)	(248)	(15)	(35)	(510)	(516)		
Investment in equity securities	81	81	-	-	30	30	111	111		
Capital expenditure	6	35	106	371	9	18	121	424		

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	Concentrated and prevulcanized latex		Consolidated financial statements					
			Latex products		Rubber plantation		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
<i>For the year ended 31 December</i>								
			<i>(in million Baht)</i>					
Reportable segment assets as at 31 December	2,993	3,393	2,482	2,558	2,137	2,147	7,612	8,098
Reportable segment liabilities as at 31 December	4,029	4,206	1,448	1,317	149	137	5,626	5,660

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*Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items.*

	<b>Consolidated financial statements</b>			
	<b>Revenues</b>		<b>Profit or loss</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Reportable segments	8,318	8,644	(441)	154
Other segments	50	181	-	-
Elimination of inter-segment transactions	(1,497)	(1,249)	(3)	(83)
<b>Total</b>	<b>6,871</b>	<b>7,576</b>	<b>(444)</b>	<b>71</b>

	<b>Consolidated financial statements</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Reportable segments	10,892	11,335	7,022	7,017
Elimination of inter-segment transactions	(3,280)	(3,237)	(1,396)	(1,357)
<b>Total</b>	<b>7,612</b>	<b>8,098</b>	<b>5,626</b>	<b>5,660</b>

	<b>Consolidated financial statements</b>					
	2019			2018		
	Reportable segment totals	Adjustments	Total	Reportable segment totals	Adjustments	Total
	<i>(in million Baht)</i>					
<b>Other material items</b>						
Interest income	3	(2)	1	30	(29)	1
Interest expense	207	(2)	205	220	(29)	191
Capital expenditure	121	-	121	424	-	424
Depreciation and amortisation	233	(1)	232	238	(1)	237

**Geographical segments**

Segment 1, 2, and 3 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.

<b>Geographical information</b>	<b>Consolidated financial statements</b>			
	<b>Revenues</b>		<b>Non-current assets</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Thailand	2,507	3,130	5,202	5,300
PRC	2,586	2,437	-	-
Republic of Korea	131	207	-	-
Other countries	1,603	1,739	96	99
Investments in equity - accounted investees	-	-	111	111
<b>Total</b>	<b>6,827</b>	<b>7,513</b>	<b>5,409</b>	<b>5,510</b>



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<i>Geographical information</i>	<b>Separate financial statements</b>			
	<b>Revenues</b>		<b>Non-current assets</b>	
	2019	2018	2019	2018
	<i>(in million Baht)</i>			
Thailand	3,486	3,311	3,299	3,326
PRC	565	717	-	-
Republic of Korea	106	142	-	-
Other countries	1,137	1,530	-	-
<b>Total</b>	<b>5,294</b>	<b>5,700</b>	<b>3,299</b>	<b>3,326</b>

**28 Other income**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
Interest compensation		15,315	-	-	-
Rental income		12,262	12,262	6,262	6,262
Gain on foreign exchange		-	20,962	-	1,301
Interest income					
- Related parties	5	-	-	66	27,742
- Other parties		1,561	540	282	221
Dividend income	5	-	-	-	20,624
Gain from reduction of share capital of subsidiary		-	-	-	62,000
Gain on of fair value adjustment in investment properties	14	-	3,120	-	140
Others		14,533	26,024	5,967	5,662
<b>Total</b>		<b>43,671</b>	<b>62,908</b>	<b>12,577</b>	<b>123,952</b>

**29 Employee benefit expenses**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Salary, wage and overtime expense	432,048	429,803	199,850	193,533
Others	101,081	72,043	43,354	28,053
<b>Total</b>	<b>533,129</b>	<b>501,846</b>	<b>243,204</b>	<b>221,586</b>

*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.

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**30 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:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Change in finished goods and work in process	(70,598)	(40,397)	102,108	125,037
Raw materials and supplies used	3,507,655	3,586,089	3,903,531	4,005,255
Purchase of finished goods	862,933	825,165	587,648	681,917
Depreciation and amortisation	217,574	235,702	78,570	95,334
Employee benefit expenses	518,508	511,485	241,637	218,633
Bad and doubtful accounts <i>(Note 7 and 8)</i>	136,704	-	-	-
Idle costs	43,921	22,213	2,527	10,870

**31 Finance costs**

	<i>Note</i>	<b>Consolidated</b>		<b>Separate</b>	
		<b>financial statements</b>		<b>financial statements</b>	
		2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<b>Interest expense:</b>					
Subsidiaries	5	-	-	1,833	1,426
Associate	5	163	289	-	-
Bank loans and overdrafts		201,424	189,442	155,064	154,586
<b>Total interest expense</b>		<b>201,587</b>	<b>189,731</b>	<b>156,897</b>	<b>156,012</b>
Other finance costs		7,385	8,225	2,712	3,061
		<b>208,972</b>	<b>197,956</b>	<b>159,609</b>	<b>159,073</b>
<i>Less: amounts included in the cost of qualifying assets:</i>					
- Property, plant and equipment under construction	15	(4,216)	(654)	-	(635)
- Rubber plantation development costs	20	-	(6,687)	-	-
<b>Net</b>		<b>204,756</b>	<b>190,615</b>	<b>159,609</b>	<b>158,438</b>

**32 Income tax expense**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<b>Income tax recognised in profit or loss</b>				
<b>Current tax expense</b>				
Current year	-	4,870	-	-
Over provided in prior year	-	(4,941)	-	-
<b>Total</b>	<b>-</b>	<b>(71)</b>	<b>-</b>	<b>-</b>
<b>Deferred tax expense</b>				
Movements in temporary differences	30,137	9,040	(4,548)	(11,975)
<b>Total income tax expense</b>	<b>30,137</b>	<b>8,969</b>	<b>(4,548)</b>	<b>(11,975)</b>

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**Reconciliation of effective tax rate**

	<b>Consolidated financial statements</b>			
	2019		2018	
	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>
Profit (loss) before income tax expense		<u>(443,857)</u>		<u>71,279</u>
Income tax using the Thai corporation tax rate	20	(88,771)	20	14,256
Effect of different tax rates in foreign jurisdictions		-		4,307
Income not subject to tax		-		(20,714)
Expenses not deductible for tax purposes		47,917		2,270
Current year losses for which no deferred tax assets was recognised		47,702		11,868
Written-off unrecoverable deferred tax assets from loss carry forward		27,551		3,311
Over provided in prior year		-		(4,941)
Others		<u>(4,262)</u>		<u>(1,388)</u>
<b>Net</b>		<b><u>30,137</u></b>		<b><u>8,969</u></b>

**Separate financial statements**

	2019		2018	
	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in thousand</i> <i>Baht)</i>
Profit (loss) before income tax expense		<u>(176,664)</u>		<u>26,669</u>
Income tax using the Thai corporation tax rate	20	(35,333)	20	5,334
Income not subject to tax		-		(16,524)
Expenses not deductible for tax purposes		1,014		451
Current year losses for which no deferred tax assets was recognised		26,123		-
Written-off unrecoverable deferred tax assets from loss carry forward		3,793		-
Others		<u>(145)</u>		<u>(1,236)</u>
<b>Net</b>		<b><u>(4,548)</u></b>		<b><u>(11,975)</u></b>

**Consolidated financial statements**

<b>Deferred tax</b> <b>At 31 December</b>	<b>Assets</b>		<b>Liabilities</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	98,955	134,503	(369,585)	(366,351)
Set off of tax	<u>(98,955)</u>	<u>(119,771)</u>	<u>98,955</u>	<u>119,771</u>
<b>Net deferred tax asset (liabilities)</b>	<b><u>-</u></b>	<b><u>14,732</u></b>	<b><u>(270,630)</u></b>	<b><u>(246,580)</u></b>

**Separate financial statements**

<b>Deferred tax</b> <b>At 31 December</b>	<b>Assets</b>		<b>Liabilities</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	81,843	87,437	(139,541)	(141,038)
Set off of tax	<u>(81,843)</u>	<u>(87,437)</u>	<u>81,843</u>	<u>87,437</u>
<b>Net deferred tax asset (liabilities)</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(57,698)</u></b>	<b><u>(53,601)</u></b>

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Movements in total deferred tax assets and liabilities during the years ended 31 December 2019 and 2018 were as follows:

	<b>Consolidated financial statements</b> (Charged) / Credited to:			<b>At 31 December 2019</b>
	<b>At 1 January 2019</b>	Profit or loss	Other Comprehensive income	
		<i>(in thousand Baht)</i>		
<b>Deferred tax assets</b>				
Trade accounts receivable <i>(doubtful accounts)</i>	26,706	-	-	26,706
Property, plant and equipment <i>(sales and leaseback)</i>	20,455	(7,864)	-	12,591
Employee benefit obligations	11,074	5,213	2,825	19,112
Other long-term investments <i>(allowance for impairment loss)</i>	3,760	-	-	3,760
Others	3,082	(864)	-	2,218
Loss carry forward	69,426	(34,858)	-	34,568
<b>Total</b>	<b>134,503</b>	<b>(38,373)</b>	<b>2,825</b>	<b>98,955</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment <i>(revaluation)</i>	(294,166)	13,102	(11,470)	(292,534)
Investment properties <i>(revaluation)</i>	(64,551)	1,291	-	(63,260)
Others	(7,634)	(6,157)	-	(13,791)
<b>Total</b>	<b>(366,351)</b>	<b>8,236</b>	<b>(11,470)</b>	<b>(369,585)</b>
<b>Net</b>	<b>(231,848)</b>	<b>(30,137)</b>	<b>(8,645)</b>	<b>(270,630)</b>
	<b>Consolidated financial statements</b> (Charged) / Credited to:			
	<b>At 1 January 2018</b>	Profit or loss	Other Comprehensive income	<b>At 31 December 2018</b>
		<i>(in thousand Baht)</i>		
<b>Deferred tax assets</b>				
Trade accounts receivable <i>(doubtful accounts)</i>	26,835	(129)	-	26,706
Property, plant and equipment <i>(sales and leaseback)</i>	28,534	(8,079)	-	20,455
Employee benefit obligations	13,434	338	(2,698)	11,074
Other long-term investments <i>(allowance for impairment loss)</i>	-	3,760	-	3,760
Others	2,204	878	-	3,082
Loss carry forward	81,020	(11,594)	-	69,426
<b>Total</b>	<b>152,027</b>	<b>(14,826)</b>	<b>(2,698)</b>	<b>134,503</b>

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	<b>Consolidated financial statements</b>			<b>At 31 December 2018</b>
	(Charged) / Credited to:			
	<b>At 1 January 2018</b>	Profit or loss	Other Comprehensive income	
		<i>(in thousand Baht)</i>		
<b>Deferred tax liabilities</b>				
Property, plant and equipment <i>(revaluation)</i>	(305,688)	11,522	-	(294,166)
Investment properties <i>(revaluation)</i>	(62,816)	(1,735)	-	(64,551)
Others	(3,633)	(4,001)	-	(7,634)
<b>Total</b>	<b>(372,137)</b>	<b>5,786</b>	<b>-</b>	<b>(366,351)</b>
<b>Net</b>	<b>(220,110)</b>	<b>(9,040)</b>	<b>(2,698)</b>	<b>(231,848)</b>

	<b>Separate financial statements</b>			<b>At 31 December 2019</b>
	(Charged) / Credited to:			
	<b>At 1 January 2019</b>	Profit or loss	Other Comprehensive income	
		<i>(in thousand Baht)</i>		
<b>Deferred tax assets</b>				
Trade accounts receivable <i>(doubtful accounts)</i>	26,706	-	-	26,706
Property, plant and equipment <i>(sales and leaseback)</i>	20,455	(7,864)	-	12,591
Employee benefit obligations	7,448	4,101	2,825	14,374
Other long-term investments <i>(allowance for impairment loss)</i>	11,596	-	-	11,596
Others	2,267	(863)	-	1,404
Loss carry forward	18,965	(3,793)	-	15,172
<b>Total</b>	<b>87,437</b>	<b>(8,419)</b>	<b>2,825</b>	<b>81,843</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment <i>(revaluation)</i>	(127,386)	12,645	(11,470)	(126,211)
Investment properties <i>(revaluation)</i>	(13,596)	1,826	-	(11,770)
Others	(56)	(1,504)	-	(1,560)
<b>Total</b>	<b>(141,038)</b>	<b>12,967</b>	<b>(11,470)</b>	<b>(139,541)</b>
<b>Net</b>	<b>(53,601)</b>	<b>4,548</b>	<b>(8,645)</b>	<b>(57,698)</b>

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	At 1 January 2018	Separate financial statements (Charged) / Credited to:		At 31 December 2018
		Profit or loss <i>(in thousand Baht)</i>	Other Comprehensive income	
<b>Deferred tax assets</b>				
Trade accounts receivable <i>(doubtful accounts)</i>	26,707	(1)	-	26,706
Property, plant and equipment <i>(sales and leaseback)</i>	28,353	(7,898)	-	20,455
Employee benefit obligations	9,814	233	(2,599)	7,448
Other long-term investments <i>(allowance for impairment loss)</i>	-	11,596	-	11,596
Others	1,960	307	-	2,267
Loss carry forward	20,960	(1,995)	-	18,965
<b>Total</b>	<b>87,794</b>	<b>2,242</b>	<b>(2,599)</b>	<b>87,437</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment <i>(revaluation)</i>	(137,567)	10,181	-	(127,386)
Investment properties <i>(revaluation)</i>	(12,992)	(604)	-	(13,596)
Others	(213)	157	-	(56)
<b>Total</b>	<b>(150,772)</b>	<b>9,734</b>	<b>-</b>	<b>(141,038)</b>
<b>Net</b>	<b>(62,978)</b>	<b>11,976</b>	<b>(2,599)</b>	<b>(53,601)</b>

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	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Loss carry forward	124,201	53,354	45,427	4,133
<b>Total</b>	<b>124,201</b>	<b>53,354</b>	<b>45,427</b>	<b>4,133</b>

The tax losses expire in 2020 - 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.

As of 31 December 2019 and 2018, the Group/Company recognised deferred tax assets in respect of a portion of unused tax losses because the Group/Company has been granted privileges by the Board of Investment. The management believes that it is probable that future taxable profits arising from increasing production capacity in certain businesses, restructuring of financing plan and business restructuring of the Group/Company will be available against which such losses can be used and, therefore, the related deferred tax assets can be utilised.

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**33 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
- (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
- (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>					
	2019			2018		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	1,511	2,830	4,341	1,203	3,422	4,625
Local sales	129	2,357	2,486	471	2,417	2,888
<b>Total revenue</b>	<b>1,640</b>	<b>5,187</b>	<b>6,827</b>	<b>1,674</b>	<b>5,839</b>	<b>7,513</b>

	<b>Separate financial statements</b>					
	2019			2018		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	-	1,808	1,808	-	2,389	2,389
Local sales	-	3,486	3,486	-	3,311	3,311
<b>Total revenue</b>	<b>-</b>	<b>5,294</b>	<b>5,294</b>	<b>-</b>	<b>5,700</b>	<b>5,700</b>

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**34 Earnings (losses) per share**

The calculation of basic earnings (losses) per share for the years ended 31 December 2019 and 2018 were based on the profit or 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:

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	2019	2018	2019	2018
	<i>(in thousand Baht/thousand shares)</i>			
<b>Profit (losses) attributable to ordinary shareholders of the Company</b>	<b><u>(351,723)</u></b>	<b><u>18,225</u></b>	<b><u>(172,116)</u></b>	<b><u>38,644</u></b>
Number of issued shares at 31 December	<u>681,480</u>	<u>681,480</u>	<u>681,480</u>	<u>681,480</u>
<b>Weighted average number of ordinary shares outstanding</b>	<b><u>681,480</u></b>	<b><u>681,480</u></b>	<b><u>681,480</u></b>	<b><u>681,480</u></b>
<b>Basic earnings (losses) per share (in Baht)</b>	<b><u>(0.52)</u></b>	<b><u>0.03</u></b>	<b><u>(0.25)</u></b>	<b><u>0.06</u></b>

**35 Dividends**

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
2019 Annual dividend	26 April 2019	May 2019	<u>0.01</u>	<u>7</u>
2018 Annual dividend	20 April 2018	May 2018	<u>0.04</u>	<u>27</u>

**36 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.



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**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/Company’s operations and its cash flows. The Group/Company is primarily exposed to interest rate risk from its borrowings (*see note 21*). The Group/Company mitigates this risk by reviewing the interest rates in each period.

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:

<i>At 31 December</i>	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	Maturity period After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>2019</b>					
<b>Financial liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions	3.0 - 7.4	3,698,216	-	-	3,698,216
Loans from related party	4.0	3,100	-	-	3,100
Loans from financial institutions	MLR - 2	238,600	942,687	-	1,181,287
Finance lease liabilities	4.4 - 6.5	22,127	32,063	-	54,190
<b>Total</b>		<b>3,962,043</b>	<b>974,750</b>	<b>-</b>	<b>4,936,793</b>
<b>2018</b>					
<b>Financial liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions	3.0 - 7.4	3,623,105	-	-	3,623,105
Loans from related party	4.0	4,500	-	-	4,500
Loans from financial institutions	MLR-2	132,500	1,133,487	32,800	1,298,787
Finance lease liabilities	4.4 - 6.5	40,678	54,481	-	95,159
<b>Total</b>		<b>3,800,783</b>	<b>1,187,968</b>	<b>32,800</b>	<b>5,021,551</b>

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<i>At 31 December</i>	Effective interest rate (% per annum)	Within 1 year	Separate financial statements Maturity period		Total
			After 1 year but within 5 years (in thousand Baht)	After 5 years	
<b>2019</b>					
<b>Financial assets</b>					
Loans to related party	-	992,933	-	-	992,933
<b>Total</b>		<b>992,933</b>	<b>-</b>	<b>-</b>	<b>992,933</b>
<b>Financial liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions	3.0 - 7.4	2,906,703	-	-	2,906,703
Loans from related parties	3.9	47,000	-	-	47,000
Loans from financial institutions	MLR-2	105,000	726,250	-	831,250
Finance lease liabilities	4.4 - 6.5	20,886	30,216	-	51,102
<b>Total</b>		<b>3,079,589</b>	<b>756,466</b>	<b>-</b>	<b>3,836,055</b>
<b>2018</b>					
<b>Financial assets</b>					
Loans to related party	-	1,030,933	-	-	1,030,933
<b>Total</b>		<b>1,030,933</b>	<b>-</b>	<b>-</b>	<b>1,030,933</b>
<b>Financial liabilities</b>					
Bank overdrafts and short-term borrowings from financial institutions	3.0 - 7.4	2,974,032	-	-	2,974,032
Loans from related parties	3.9	47,000	-	-	47,000
Loans from financial institutions	MLR-2	82,500	816,250	-	898,750
Finance lease liabilities	4.4 - 6.5	39,313	51,403	-	90,716
<b>Total</b>		<b>3,142,845</b>	<b>867,653</b>	<b>-</b>	<b>4,010,498</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 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.

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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:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	2019	2018	2019	2018
<i>United States Dollars</i>				
		<i>(in million Baht)</i>		
Trade accounts receivable	509	545	183	245
Other receivables	4	5	4	5
Trade accounts payable	-	(15)	-	-
Other payables	(2)	(31)	-	-
<i>Myanmar Kyat</i>				
Cash and cash equivalents	-	6	-	-
Trade accounts payable	-	(3)	-	-
<i>Euro</i>				
Trade accounts receivable	-	-	1	-
<i>Chinese Yuan</i>				
Cash and cash equivalents	45	57	-	-
Trade accounts payable	(3)	-	-	-
Other payables	-	(11)	-	-
<b>Gross balance sheet exposure</b>	<b>553</b>	<b>553</b>	<b>188</b>	<b>250</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.

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*Carrying amount and fair values*

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
<b>31 December 2019</b>					
<i>Current</i>					
Forward exchange contract	-	-	4,075	-	4,075
<b>31 December 2018</b>					
<i>Current</i>					
Forward exchange contract	-	-	8,227	-	8,227

*Financial instruments measured at fair value*

Type	Valuation technique
Forward exchange contracts	The fair value is determined using quoted forward exchange rates at the reporting date.

**37 Commitments with non-related parties**

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
<i>(in million Baht)</i>				
<i>Capital commitments</i>				
<i>Contracted but not provided for:</i>				
Machinery, buildings and construction in progress	37	84	-	-
<b>Total</b>	<b>37</b>	<b>84</b>	<b>-</b>	<b>-</b>
<i>Non-cancellable operating lease commitments:</i>				
Within 1 year	5	14	-	-
<b>Total</b>	<b>5</b>	<b>14</b>	<b>-</b>	<b>-</b>
<i>Other commitments:</i>				
Bank guarantees	16	16	10	11
Forward exchange contract - buy	26	6	-	-
Forward exchange contract - sell	505	334	141	96
<b>Total</b>	<b>547</b>	<b>356</b>	<b>151</b>	<b>107</b>

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As at 31 December 2019 and 2018, the Group and the Company had the following commitments:

- The Group has entered into forward exchange contracts to sell USD 16.7 million (2018: USD 10.1 million) at the forward rate of Baht 30.0 - 30.8 per USD (2018: 32.2 - 33.2 Baht per USD). These contracts are due between 10 January 2020 to 5 November 2020 (2018: 18 January 2019 to 18 December 2019). The Company has entered into forward exchange contracts to sell USD 4.6 million (2018: USD 2.9 million) at the forward rate of Baht 30.0 - 30.8 per USD (2018: 32.2 - 33.2 Baht per USD). These contracts are due between 10 January 2020 to 3 July 2020 (2018: 13 February 2019 to 18 June 2019).
- The Group has entered into forward exchange contracts to buy USD 0.9 million (2018: USD 0.2 million) at the forward rate of Baht 30.2 - 31.2 per USD (2018: 32.7 Baht per USD). These contracts are due between 21 January 2020 to 23 June 2020 (2018: 18 March 2019).
- Commitments in respect of uncalled portion of investments of Baht 100 million (2018: Baht 100 million).
- A subsidiary had outstanding commitments of approximately Baht 36.9 million (2018: Baht 83.5 million), in respect of construction and installation contract of machinery and tools.
- A subsidiary had outstanding commitments of approximately Baht 5.0 million (2018: Baht 13.0 million), in respect of factory and warehouse rental.
- 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.
- The Company entered into purchase agreements with a local company to purchase latex, at quantity and price specified in the agreements.
- 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.
- 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.

**Bank guarantees**

As at 31 December 2019, there were outstanding bank guarantees of approximately Baht 16 million and 10 million, respectively (2018: Baht 16 million and Baht 11 million, respectively) issued by the banks on behalf of the Group and the Company, respectively, in respect of certain performances obligation as required in the normal course of their businesses.

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**38 Thai Financial Reporting Standards (TFRS) not yet adopted**

New and revised TFRS, which are relevant to the Group’s/Company’s operations, expected to have material impact on the consolidated and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

<b>TFRS</b>	<b>Topic</b>
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 16	Leases
TAS 32*	Financial Instruments: Presentation

\* TFRS - Financial instruments standards

**(a) TFRS – Financial instruments standards**

These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRS are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

**(b) TFRS 16 Leases**

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability, with recognition exemptions for short-term leases and leases of low-value items. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. Lease accounting for lessor remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.