

ANNUAL REPORT 2020

THAI RUBBER LATEX GROUP PUBLIC COMPANY LIMITED



TRUBB



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The Board of Director and Management's History



Mr. Vorathep Wongsasuthikul

Shareholder 6.90 %

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.

Age 72 Years

Position :

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

Relationship between Directors and Executives :

- Father, Mr.Pattapol Wongsasuthikul
- Father, Miss Chalongkwan Wongsasuthikul

Education :

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

Training :

- 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

Shareholder 1.51 %

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.

Age 82 Years

Position :

- Vice Chairman
- Executive Committee
- Risk Management Committee

Relationship between Directors and Executives :

- Father, Mr.Prawit Waraprateep
- Father, Mr.Prakit Waraprateep

Education :

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

Training :

- 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. Pattarapol Wongsasuthikul

Shareholder 0.34 %

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 47 Years

Position :

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

Relationship between Directors and Executives :

- Son, Mr.Vorathep Wongsasuthikul

Education :

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

Training :

- 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

Shareholder :-

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.

Age 67 Years

Position :

- Risk Management Committee Chairman
- Independent Directors

Relationship between Directors and Executives :

- None -

Education :

- Master of Business Administration Chulalongkorn University

Training :

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



Mr. Yanyong Tawarorit

Shareholder :-

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.

Age 82 Years

Position :

- Chairman of the Audit Committee
- Independent Director

Relationship between Directors and Executives :

- None -

Education :

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

Training :

- 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 Genera 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. Suraphon Kwunchaithunya

Shareholder :-

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 70 Years

Position :

- Remuneration Committee
- Audit Committee
- Independent Director

Relationship between Directors and Executives :

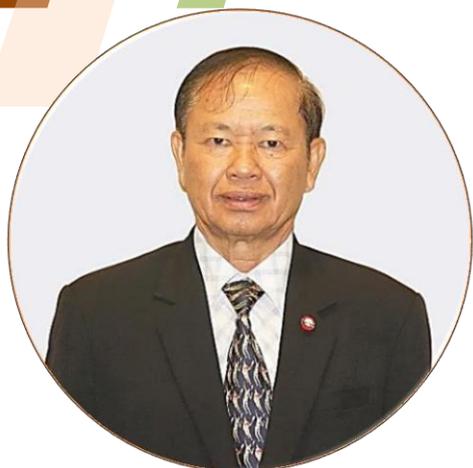
- None -

Education :

- 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 :

- 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



Dr. Sompop Rangubtook

Shareholder :-

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 70 Years

Position :

- Audit Committee
- Independent Director

Relationship between Directors and Executives :

- None -

Education :

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

Training :

- 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



Mr. Prawit Waraprateep

Shareholder 5.00 %

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 49 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

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

Training :

- 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. Pasithphol Temritikulchai

Shareholder :-

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 39 Years

Position :

- Director

Relationship between directors and executives :

- Son, Mr. Prachnon Temritikulchai

Education :

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

Training :

- Director Accreditation Program (DAP) Class 14/2004



Mr. Suvasitthi Dewan

Shareholder :-

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.

Age 72 Years

Position :

- Managing Director of Marketing and Sales

Relationship between Directors and Executives :

- None -

Education :

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

Training :

- 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

Shareholder :-

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 61 Years

Position :

- Chief Executive Officer of Operations
- Risk Management Committee

Relationship between Directors and Executives :

- None -

Education :

- M.B.A., Finance, Long Island University Brooklyn, New York.
- M.S (Higher Diploma in Auditing), C.P.A.
Thammasat University
- B.B.A., Accounting, Thammasat University

Training :

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



Miss Chalongkwan Wongsasuthikul

Shareholder 0.46 %

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 49 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

Education :

- 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 :

- 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

PART 1 BUSINESS

1. Business Overview

Thai Rubber Latex Group 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 March 8, 1993 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.

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

1.1.1 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

1.1.2 VISION

We are committed to be the world leader in latex industry by achieving and maximizing customer’s requirements.

1.1.3 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

1.1.4 VALUES

- T = Teamwork
- H = High quality
- A = Accountability
- I = Integrity
- T = Transparency
- E = Efficiency and Environment
- X = Excellence

1.1.5 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

1.2.1 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 2019 to 2020 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.
- 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. At present, the company has a full production capacity of 30,000 tons per year, able to support the increasing demand.

1.2.2 Market: In 2020, The Company has approximately 30% of the domestic market share of the Thai market from major competitors in the same market as the company, namely Sri Trang Agro-Industry Public Company Limited, Thavorn Rubber Industry (1982) Co., Ltd., Thai Hua Rubber Public Company Limited and Southland Rubber Co., Ltd., etc., and the international market share is about 8% of the total international market

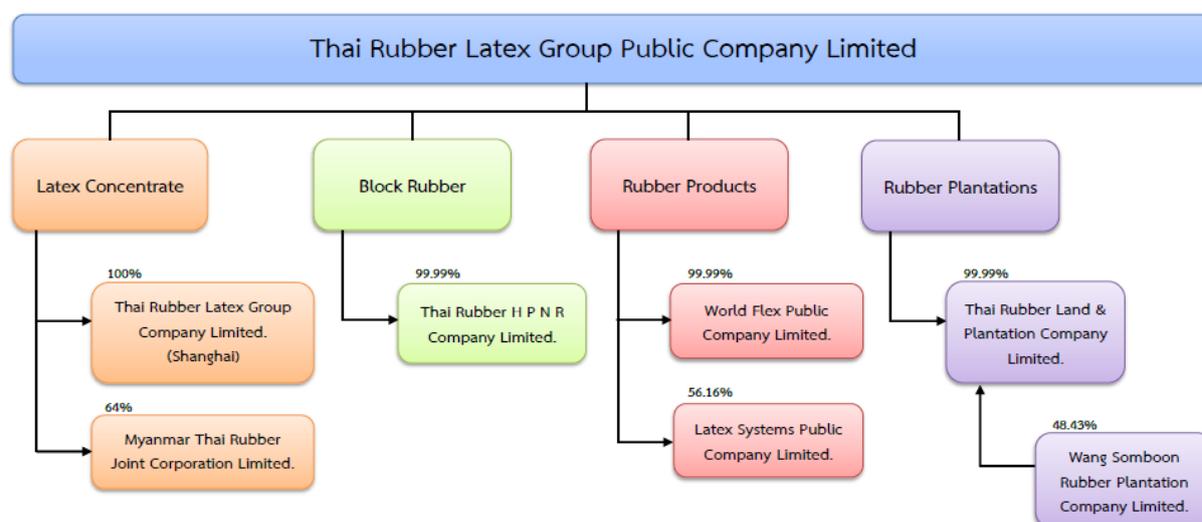
- The company can receive orders up to 3 months in advance to be able to estimate costs close to the actual cost. And set the selling price to be competitive at a profitable level.
- The factory is located in each important rubber plantation area. This has a slightly different period of the latex supply season. This gives us the flexibility to supply latex and lead time to factories.
- The company delivers the products on time. Since we have enough latex tanks, they can be delivered to both regular and non-regular customers throughout the year or according to the customer's production plan. Moreover, the company can adjust the quality of the latex Meet the needs of customers to produce individual products for each customer.
- Important issues in maintaining the customer base of the company. We have a fast and efficient after-sales service. Along with consistent care.

1.2.3 Production capacity: We can compare customers' purchase quantity. In general, we have a production volume of about 120,000 tons/year from the maximum production capacity of 240,000 tons/year due to the tread. Operators accounted for 70-80% of the production capacity.

The list of companies in the company's group and the share structure in 2020 is as follows:

Company Name and Group	Shareholding
1. Latex concentrate Group	
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%
2. Block Rubber Group	
1. Thai Rubber HPNR Company Limited (subsidiary)	99.99%
3. Rubber Product Group	
1. World Flex Public Company Limited (subsidiary)	99.99%
2. Latex Systems Public Company Limited (subsidiary)	56.16%
2.1 Mrs. Patumphon Trivisvavet 10.00% (Director)	
2.2 Miss Amonrat Limwanwong 10.00%	
2.3 Mrs. Nualruedee Krittayanukul 8.00%	
2.4 Mrs. Thippawan Suthatipkul 2.99%	
2.5 Miss Chalongkhwan Wongsasuthikul 2.08%	
2.6 Mr. Pattapol Wongsasuthikul 2.08%	
2.7 Mr. Kowit Wongsasuthikul 2.00% (Director)	
2.8 Other 6.69% Other	
4. Rubber Plantation Group	
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%

Shareholding Structure



2. Nature of Business

Revenue Structure

Business Group	2020		2019		2018	
	Revenue	%	Revenue	%	Revenue	%
1. Concentrated Latex	5,371	65.48	5,633	67.31	5,939	67.30
2. Rubber Products	2,645	32.24	2,634	31.47	2,657	30.11
3. Rubber Plantations	60	0.73	54	0.61	48	0.54
4. Other Revenue	127	1.55	50	0.61	181	2.05
Total Revenue before Deduction of Connected Transactions	8,203	100.00	8,368	100.00	8,825	100.00
<u>Deduction</u> : Connected Transactions	(1,237)		(1,497)		(1,249)	
Total Revenue after Deduction of Connected Transactions	6,966		6,871		7,576	

1. Latex concentrate Group

1.1 Nature of Products and Services

The operation of Thai Rubber Latex Group Public Company Limited is manufacturing of concentrated latex, which is produced from fresh latex by separating liquid rubber and non-rubber contents by mechanical centrifugation. Concentrated Latex is liquid natural rubber with 60% dry rubber content that can be preserved for a long period of time. With physical and chemical properties suitable to be used as main raw material for manufacturing Medical gloves, Household gloves, Condoms, Rubber thread, Glue, Balloons, Baby Tits, Foam and Mattress etc. The product that can substitute Natural Rubber latex is Synthetic latex (Nitrile). Synthetic latex cannot successfully substitute natural rubber latex to produce some products such as surgical gloves and condoms.

Thai Rubber Latex Group Co., Ltd. Shanghai has been registered in China, operating for trading of all kinds of rubber products in China. The company is mainly trading TSR#20 (Block Rubber) and Concentrated latex.

Thai Rubber Latex Group Public Company Limited has received Certificate of ISO 9001: 2015, ISO 14001: 2004 and IEC 17025 (Standard Lab), the first company in the Latex Industry in Thailand to receive the Certificate of Standard Laboratory for testing latex.

1.2 Marketing and Competition

(1) Policy and Nature of Marketing

1. Main Competitive Strategy:

- Receiving forward orders not exceeding 3 months, so that the cost can be estimated close to the actual cost and selling price to be set competitively at a profitable level, which also helps us to make appropriate production planning.
- Our factories are located in major Rubber growing areas of Northern, Eastern and Southern Thailand with slightly different timing of arrival and departure of wintering period, which gives us better advantage and flexibility of field latex availability and production period to our factories.
- Our products are sold on a regular basis with punctual delivery Schedule: Being one of the world's largest natural rubber latex producers and having ample storage tank capacity, we can deliver our latex to customers throughout the year as per customers' scheduled plan:
- Product quality assurance: We can produce our concentrated latex as per customer's specification, and we can adjust the product quality to meet customer's requirement.
- After sales service: we deliver our products and provide after sales service to our customers with efficiency, precision and consistent care.

2. Nature of Customers

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

3. Target customer's group

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

4. Distribution and Sales Channels การกระจายสินค้าและช่องทางการจัดจำหน่าย

For the year 2020 our local & export proportional market segmentation has been changed to 70% and 30% from 60% and 40% respectively with export markets in China, Malaysia, South Korea, Pakistan, India, Europe, USA and other parts of the world. To avoid operational risks our policy is to sell 80% directly to the concentrated latex consuming companies and 20% to the importers and traders. We also commit 20-25% of our sales on yearly Long Term contracts, to make sure that we have consistent sales channels/outlets.

(2) Market Review 2020

The year 2020 has been a very challenging year for global economy because of Pandemic Covid-19, which has been creating havoc all over the world since the early part of the year and still showing no sign of disappearing any time soon. The prices of most commodities, including Natural Rubber, declined sharply at the beginning of the pandemic, due to lack of demand, when most rubber consuming countries were on lockdown and most factories had to stop production and other economic activities were halted. However it was more or less opposite for concentrated latex as demand for rubber gloves surged by many folds globally, so was the demand for concentrated latex, as latex is the raw material for producing gloves. Hence the prices of latex started to move up. On top of that supply of Synthetic Latex (Nitrile Latex) started to become scarce and price of Nitrile Latex also went up very high as supply was not enough. In addition to that during the wintering period, when rubber plantations stopped tapping for 3 months most foreign workers from Myanmar and Laos went back to their respective countries and they could not come back due to travel restrictions because of Covid-19. So there was a severe shortage of workers in the rubber plantations to tap the rubber trees. This resulted into less tapping and thus less supply of field latex, reducing the supply of latex in the market. Continuous rainfall in the main rubber producing areas also played a major part in short supply of latex and natural rubber supply. According to The Association of Natural Rubber Producing Countries (ANRPC) the global production of Natural Rubber is estimated to be 12.597 million tons in year 2020, down 9% from the previous year (official 2020 production figure is yet to be known at the time of writing this report). In 2019 global natural rubber production was 13.997 million tons.

(3) Outlook for 2021

ANRPC projects that the global natural rubber production to increase by 8.6% to 13,678 million tons in 2021.

We expect the year 2021 is going to be another challenging year for us, as Covid-19 is still severely attacking most countries in the world and forcing quite a few countries to lock down either fully or partially. Of course there is light at end of the tunnel as at least three vaccines are already successfully started being inoculated in USA, UK and few other countries. However it will take at least a couple of more years for the world to be out of the dark shadow of Covid-19 and return to pre-pandemic economic scenario. In 2021 also we plan to follow the same marketing strategy of 2020 i.e. sell 70% domestically and sell 30% for the export market. Hopefully this will help us cope with the containers scarcity and avoid uncertain freight rates due to less frequency of vessels calling Thai Ports. Also it will leave us less exposed to risk of erratic exchange rate fluctuations and stronger Baht vs the US Dollar. We expect both the market and latex prices to remain volatile throughout the year 2021 as demand situation will fluctuate depending on how severely Covid-19 continues to develop. In any case we expect latex prices to remain on the higher side in 2021 as

demand for latex gloves to grow both for medical use and general use as peoples' behavior and way of life change. We think that face masks and latex gloves will be used by people as essential items in our daily life.

We look forward to achieve a better success in 2021 than we achieved under the unhealthy and unfavorable economic situations under Covid-19 crisis in 2020.

2. Rubber Products Group

2.1 Rubber Thread

2.1.1 Products and Services

World Flex Public Company Limited is an industry leader in the manufacture and export of elastic yarns. With a production base in Rayong Province and headquartered in Bangkok, World Flex Public Company Limited. It is also a part of THAITEX GROUP, giving the company an advantage in terms of quality and standard latex raw materials. And guarantee the availability of concentrated latex raw materials for use in production all the time Which helps the company Can maintain a high level of product quality And able to deliver the elastic to meet all customer needs.

World Flex Public Company Limited, a “subsidiary”, mainly manufacturers' 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 2020, 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.

2.1.2 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 2020, the demand for elastic rubber thread declined due to the decrease in private investment. Despite heavy competition and fluctuating demands in 2020, the company has been able to increase sales by 10 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.

2.1.3 Product Procurement

(1) Procurement

A subsidiary has a factory in Rayong with a full production capacity of 30,000 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 THAITEX 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.

In 2019, the company had sales of 26,773 tons. In 2020 with the outbreak of the virus COVID-19 Company still achieved sales of 29,629 tons of the total production of 30,000 tons, which has increased to 10.7% (. 2019-2020) which is higher than the industrial rate of the industry.

In 2021, the company has added rubber production machines. And the sales target is 36,000 tons (20% higher than 2020). To achieve that goal, the company must increase its market share by introducing new products and at the same time. Maintain the best product quality and customer service, fast delivery and integrated coordination.

2.2 Latex Mattresses

2.2.1 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.

2.2.2 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.

2.2.3 Industry conditions

Because Thailand is being the 1st 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.

2.2.4 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.

2.2.5 Impacts and Opportunities of the COVID-19 situation in 2020

It is well known that the world and Thailand were faced with an outbreak of the novel coronavirus (COVID-19) that everyone in the world had not encountered for at least 80 years ago after World War II. Big and small are also affected. The company was affected by the aforementioned disaster in 4 factors

1. Impacts from tourists That decreased after all countries announced the closure of the country
2. Announcement of the closure of the country of China Which is the main customer of the company
3. Expansion to America, Middle East Or Europe is closed
4. Purchasing power within Thailand has decreased considerably.

China is regarded as the first country since the beginning of 2020 (January 2020, after the Chinese New Year) to acknowledge the virus attack and spread around the world. China is a key part of a company's sales numbers, and just like. The decrease in the number of tourists from China, After China announced the closure of the country which is the main factor of the Company's performance

Company overview of business opportunities in a nutshell, in the latex mattress industry. Mattress pillows are one of the key factors in the wellbeing of all human beings, and our pillow and mattress products use 90 percent of latex as a raw material. The businesses that the company is involved in the industry are all consumer mattresses worldwide. As well as recovering from disasters in every way the world faces, it is known around the world that researchers and scientists have successfully invented a vaccine against the COVID-19 and it is now spreading to everyone on Earth (January 12, 2021) Thailand too has access to the vaccine, along with the rest of the world, while the whole China is recovering. Due to various aid measures and the injection from the Chinese government, tourists from all over the world are returning. (Especially Chinese tourists) After a break at least 10 months. The world still has to move forward in Mega Trend, which is an opportunity for our products.

The white paper, entitled "Fighting COVID-19: China in Action, ". Given that China does its best to maintain public order. Trading in the public security market including supervision of quality and price of epidemic control equipment. China's economy and society remain resilient. Urban and rural areas it can be used for continuous service of water, electricity,

natural gas, telecommunication and daily necessities. The Chinese central government quickly released policies. In order to reduce the burden of the store business and encourage them to reopen. (Information from speaking articles (Xinhua), June 7, 2020)

Opportunities in the Company's Mega Trend

1. Opportunities to reach people with low to middle income. Since the company is a manufacturer, it can compare customers by using reasonable prices and brands to market.
2. All over the world are entering the aging society before COVID-19 as the quality of life of people on the world increases. From scientific and technological processes it is known that a good night's sleep is an important part of building a good quality of life as well.
3. Spaced social distance. This happened shortly after the global introduction of COVID 19 as New-normal by introducing pillow support in the mind of changing bedding. Taking into account health.
4. Middle Income Ability to spend more than the first consumer for sure. This is combined with a holistic awareness of basic health and sanitation that will create a better life. It is another opportunity of the company's products.
5. Innovation Technology Design, And Product Development is a group of words that the company Have the opportunity to sell expensive items which shareholders Board of Directors Executive Director Must have vision and dare to invest and take risks In carrying out such activities of the company Therefore, there will be an opportunity to reach a group of consumers looking for products developed from the said 4-5 words.

As mentioned above, the company still has confidence in the business to grow forward. And after the widespread prevention of COVID with vaccines, consumer spending will increase. In addition to the fact that people of the world have to turn to pay more attention to their health. It is an important opportunity for the business to grow continuously. (Reference Mega Trend from BAY, Dr. Somprawin Manprasert, Head of Research and Head of Economics)

3. Rubber Plantation Group

3.1 Products and Services

Thai Rubber Land and Plantation Company Limited, "Subsidiary Company", operates a rubber plantation business in Chiang Rai, Phayao, 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 2007-2015, started tapping from 2015 onwards
2. Nan province, area 2,556 rai, planted from 2005-2015, started tapping from 2015 onwards
3. Phayao Province, area 1,219 rai, planted since 2008-2015, started tapping from 2015 onwards
4. Chainat Province, area 952 rai, planted from 2013-2014, started tapping from 2019 onwards

3.2 Marketing and Competition

(1) Policy and Marketing

In 2020, 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 2020, 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. The company has 5 factories producing latex in the southern, eastern and northern provinces (from over 1,000 vendors). 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.

Therefore, the company has an uncertain risk in the amount of raw materials. From the factory location And nearby areas, but the company is able to supply raw materials and store enough raw materials to meet the needs of customers and safety stock for about 1.6-2 months, calculated from customer orders received each month, depending on the season of the rubber as well.

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. Therefore, in managing the risk of price volatility It will be reflected in the policy of selling and keeping inventories, for example, if there is price fluctuation, it will not sell too much upfront. Or keep too many inventories. This will be enough to reduce the risk somewhat while the price of raw materials decreased or higher, it will affect the cost and profitability of the Group. Of the company group therefore manages the risk of not excessive sales in advance Focus on selling according to the market price and sales period (focus on long term sales).
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. The Group uses a variety of foreign exchange risk management tools such as forward exchange contracts, etc.

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 2019-2020, 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. And based on the results of the presidential election at the end of 2020, Mr. Joe Biden is the president of the United States, and Mr. Joe Biden maintains a tax policy, according to President Donald John Trump. The outlook for the trade war between the US and China will continue. And going in a better direction.

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.	1,564	Mortgage with financial institutions.
2. Structures and Building Development.			
2.1 Two office buildings Located in the provinces of Samut Prakan and Chiang Rai.	Owned by Group Company.	987	The two office buildings are under mortgage with financial institutions.
2.2 Five concentrated latex manufacturing factories located in the provinces of Chon Buri, Rayong, Surat Thani, Songkhla and Phangnga.	Owned by Group Company.		Mortgage with financial institutions.
2.3 One elastic rubber thread factory located in Rayong Province.	World Flex PCL.		Mortgage with financial institutions
2.4 One natural rubber mattress and pillow manufacturing factory located in Chachoengsao Province.	Latex Systems PCL.		Partially mortgaged with financial institutions
2.5 One pillow manufacturing factory located in Rayon Province.	Latex Systems PCL.		Mortgage with financial institutions
2.6 Three rubber plantation facilities located in the provinces of Chiang Rai, Nan, Phayao.	Thai Rubber & Plantation Co., Ltd.		Mortgage with financial institutes.

Business Assets	Owner Account	Value (million baht)	Obligations
3. Machinery			
3.1 Machinery in concentrated latex production.	Owned by Group Company .	} 580	Not under mortgage with financial institutes.
3.2 Machinery in elastic rubber thread production.	World Flex PCL.		Largely under mortgage with financial institutes.
3.3 Machinery in natural rubber mattress and pillow Production.	Latex Systems PCL.		Partial mortgage with financial institutes.
3.4 Machinery used in rubber plantations.	Thai Rubber & Plantation Co., Ltd		Not under mortgage with financial institutes.

As of 31 December 2020, the company's group had a total net book value of 3,083.41 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 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 January 3, 2017 to January 31, 2031). The aforementioned real estate has mortgage obligations with financial institutions.

Land and building area of 59 rai 1 ngan 9.7 square wa and one-story office building and other buildings Is owned by the company To another unrelated company and a related company to rent at a rate of Baht 5.83 million per year (the lease agreement is 6 years starting March 27, 2020 to May 20, 2026 and the lease agreement is for 5 years. Date 1 September 1, 2020 to August 31, 2025)

Land and Factory buildings for rent as factory building With office and residence, 2 floors, one-story worker house building And other buildings on an area of 83 rai 3 ngan 32.1 square wa is the ownership of the company. Lease to another unrelated company at a rate of 1.2 million baht per year (the lease agreement is 1 year starting July 1, 2020 to June 30, 2021) with a total book value of 292.16 million baht. The burden of mortgage 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 338.27 million baht. This real estate has partial mortgage obligations with financial institutes.

Land and factory buildings for rent 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 174.2 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 2020, the aforementioned investments in real estate amounted to 804.73 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 2020 and 2019, the appraisers were Agency for Real Estate Affairs Company Limited and First Star Consultant Company Limited and Siam imperial appraisal 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.

5. Legal Disputes

As of 31 December 2020, the company and subsidiaries had no legal cases or disputes with values exceeding five percent of shareholder equity.

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 (30 line), +66 2033-2310 to 39
Fax.	+66 2033-2337-39
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
Remark	Operated until June 2020, now available to Orientex Partnership for rent.
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	http://www.thaitex.com
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
Tel	+66 2398 7288, +66 2398 7188-9
Fax	+66 2398 7187
Business Type	Manufacturing and sale of elastic rubber threads
Share Ratio	308,000,000 shares or 99.99 percent of 322.2 million ordinary shares
Authorized Capital	322.2 million baht
Paid-up Capital	322.2 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	179,999,994 shares or 99.99 percent of 180 million ordinary shares
Authorized Capital	180 million baht
Paid-up Capital	180 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 (30 line), +66 2033-2310 to 39 Fax. +66 2037-2039
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	5,530,000 shares or 48.43 percent of 5.53 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 (30 line), +66 2033-2310 to 39
Fax.	+66 2033-2307-9
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.
Tel.	959-49902048
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
Remark	Pause production

(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 th 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. Securities Details and Shareholding Structure

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 (November 27, 2020)

- Top 10 Shareholders

No.	Name	Shares Hold	Share Ratio (%)
1	Mr. Vorathep Wongsasuthikul's Group	154,607,741	22.69%
2	Mr. Paiboon Waraprateep's Group	108,920,126	15.98%
3	Mr. Prachnon Temritikulchai's Group	34,936,179	5.13%
4	Mr. Kiet Srichomkwan	19,993,100	2.93%
5	Mrs. Lamipagar Srikuruwan	18,470,400	2.71%
6	Thai NVDR Company Limited	11,702,920	1.72%
7	Mrs. Kansinan Pongnaruesorn	9,600,000	1.41%
8	Mr. Kharinwit Wongcharoen	7,262,000	1.07%
9	Mrs. Rudee Khankaew	5,000,000	0.73%
10	Mr. Anan Akaraphutiporn	3,470,500	0.60%
	Total	374,592,466	54.97%

- Major Shareholders with Important Roles in Setting Management Policies

No.	Name	Shares Hold	Share Ratio (%)
1	Mr. Vorathep Wongsasuthikul's Group	154,607,741	22.69%
2	Mr. Paiboon Waraprateep's Group	108,920,126	15.98%
	Total	263,527,867	38.67%

7.3 Dividend Policy

The company has a policy to omit the dividend.

8. Management Structure

8.1 Board of Directors

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

Director Name	Board of Directors	Audit Committee	Risk Management Committee	Remuneration Committee
1. Mr. Vorathep Wongsasuthikul	Chairman		Director	Chairman
2. Mr. Paiboon Waraprateep	vice Chairman		Director	
3. Mrs. Suchada Sodthibhapkul	Director		Chairman	
4. Mr. Yanyong Tawarorit	Independent Director	Chairman		
5. Mr. Surabhon Kwunchaithunya	Independent Director	Director		Director
6. Dr. Sompup Rangubtook	Independent Director	Director		
7. Mr. Pattarapol Wongsasuthikul	Chief Executive Officer		Director	
8. Miss Chalengkwan Wongsasuthikul	Director			
9. Mr. Prawit Waraprateep	Director		Director	
10. Mr. Pasithphol Temritikulchai	Director			

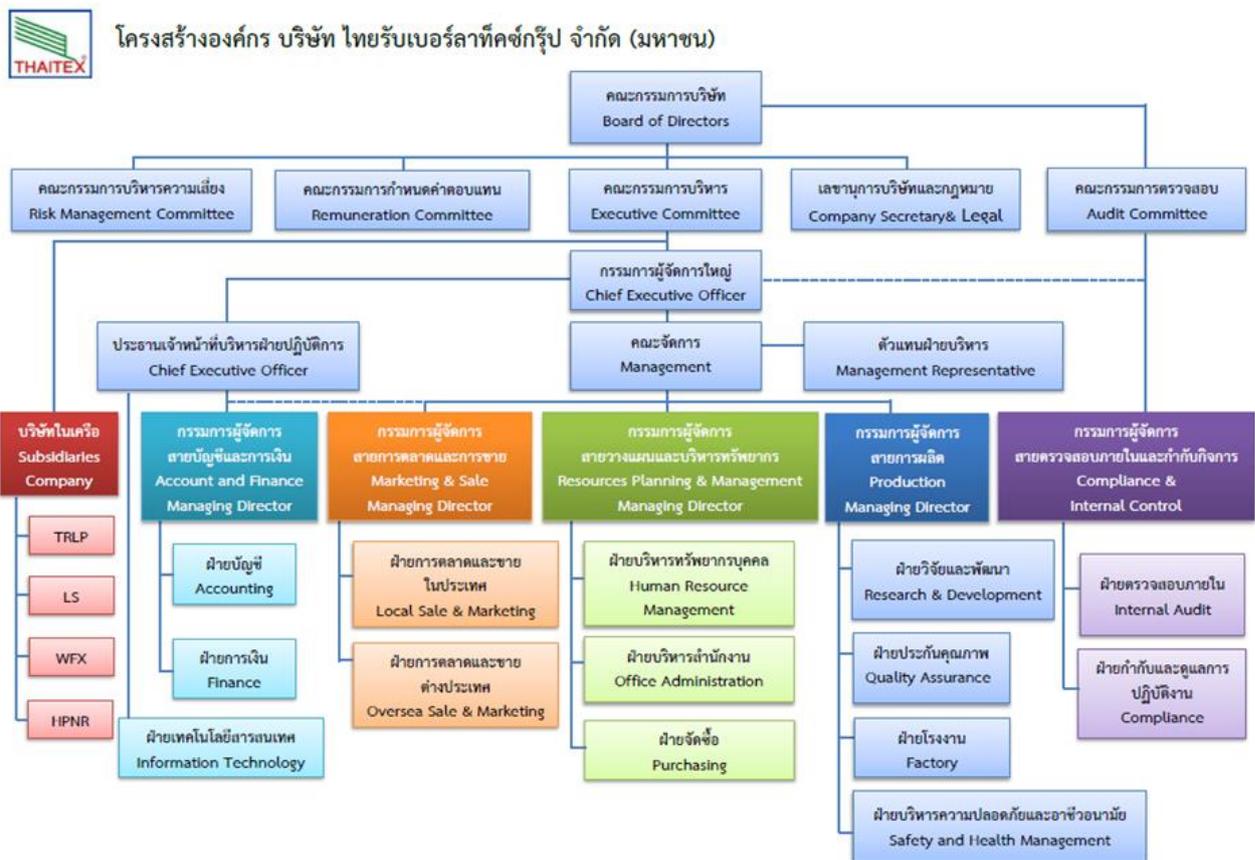
Names of the Board of Directors and Board Members Attendance for the Year 2020
(Number of time attending during directorship period)

Name List	Positions	Board of Directors Meeting (8 times)	Audit Committee Meeting (5 times)	Risk Management Committee Meeting (4 times)	Remuneration Management Committee Meeting (1 time)
1. Mr. Vorathep Wongsasuthikul	- Chairman - Executive Director - Member of the Risk Management Committee - Chairman of the Remuneration Director	8/8	-	4/4	1/1
2. Mr. Paiboon Waraprateep	- Vice Chairman - Director - Member of the Risk Management Committee	8/8	-	4/4	
3. Mrs. Suchada Sodthibhaphkul	- Independent Director - Chairman of the Risk Management Committee	8/8	-	4/4	
4. Mr. Yanyong Tawarorit	- Independent Director - Chairman of the Audit Committee	8/8	5/5	-	
5. Mr. Surabhon Kwunchaithunya	- Independent Director - Member of the Audit Committee - Member of the Remuneration Director	8/8	5/5	-	1/1
6. Dr. Sompup Rangubtook	- Independent Director - Member of the Audit Committee	8/8	5/5	-	
7. Mr. Pattapol Wongsasuthikul	- Board of Director - Director - Chief Executive Officer	8/8	-	4/4	
8. Miss Chalengkwan Wongsasuthikul	- Board of Director - Director	8/8	-	-	
9. Mr. Prawit Waraprateep	- Board of Director - Director	8/8	-	4/4	
10. Mr. Pasithphol Temritikulchai	- Board of Director	3/8	-	-	

8.2 Executives

As of December 31, 2020, the company had the following seven executives:

Executive Name	Position
1. Mr. Vorathep Wongsasuthikul	Chairman
2. Mr. Paiboon Waraprteep	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 Waraprteep	Director / Managing Director Compliance & Internal Control
7. Mr. Suvasitthi Dewan	Managing Director of Marketing & Sales



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 2020, which equals a budget of 8,000,000 baht per year. In 2020, the actual remuneration paid to directors was 3,852,000 baht.

Name List	Positions	Board of Directors	Audit Committee	Risk Management Committee	Remuneration Committee	Total
1. Mr. Vorathep Wongsasuthikul	- Chairman - Executive Director - Member of the Risk Management Committee - Chairman of the Remuneration Director	380,000	-	40,000	10,000	430,000
2. Mr. Paiboon Waraprateep	- Vice Chairman - Vice Executive Director - Member of the Risk Management Committee	340,000	-	40,000	-	380,000
3. Mrs. Suchada Sodthibhapakul	- Independent Director - Chairman of the Risk Management Committee	340,000	-	52,000	-	392,000
4. Mr. Yanyong Tawarorit	- Independent Director - Chairman of the Audit Committee	340,000	90,000	-	-	430,000
5. Mr. Surabhon Kwunchaithunya	- Independent Director - Member of the Audit Committee - Member of the Remuneration Director	340,000	70,000	-	10,000	420,000
6. Mr. Sompup Rangubtook	- Independent Director - Member of the Audit Committee	340,000	70,000	-	-	410,000
7. Mr. Pattarapol Wongsasuthikul	- Board of Director - Director - Chief Executive Officer	290,000	-	40,000	-	380,000
8. Miss Chalangkwan Wongsasuthikul	- Board of Director - Director - Managing Director Resource Planning and Management	340,000	-	-	-	340,000
9. Mr. Prawit Waraprateep	- Board of Director - Director - Managing Director Compliance & Internal Control	340,000	-	40,000	-	380,000
10. Mr. Pasithphol Temritikulchai	- Board of Director	290,000	-	-	-	290,000
Total		3,390,000	230,000	212,000	20,000	3,852,000

- Remuneration for executives is composed of salaries, bonuses and transportation fees. In 2020, the total amount of remuneration for executives for the company and subsidiaries amounted to 28 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 2020, the company and subsidiaries paid provident reimbursements to four executives, a total of 746,859 baht.

8.5 Personnel

The company has a total of 98 employees and executives. The main line of work is the factory department with 571 employees. Total remunerations for personnel in 2020 amounted to 168 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 2020, 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:

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

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 the operation to the executives in stages:

1. Executive directors will meet together once a month.
2. Executive directors and managers of factories, sales, marketing and finance are to hold a joint video conference every Monday morning.

9.2 Sub-committees

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

- | | |
|----------------------------------|------------|
| 1. Board of Directors | 10 members |
| 2. Board of Executives Committee | 5 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. Pattarapol 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

9.2.1 Board of Directors

The Public Company Limited Act, B.E. 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 10 member of Board of Directors are as follows:

1. Mr. Vorathep Wongsasuthikul Chairman
2. Mr. Paiboon Waraprateep Vice Chairman
3. Mr. Yanyong Tawarorit Independent Director and Chairman of Audit Committee
4. Mrs. Suchada Sodthibhapkul Independent Director and Chairman of Risk Management
5. Mr. Sompup Rangubtook Independent Director
6. Mr. Surabhon Kwunchaithunya Independent Director
7. Mr. Pattarapol Wongsasuthikul Chief Executive Officer
8. Mr. Prawit Waraprateep Director
9. Miss Chalongkwan Wongsasuthikul Director and Secretary
10. Mr. Pasithphol Temritikulchai Director

Scope of Duties of the Board of Directors

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)

9.2.2 Executives Committee

The Board of Directors appoints one Executive Committee, which is from the Board of Directors in 2020. The Executive Committee consists of 5 members as follows:

1. Mr. Vorathep Wongsasuthikul
2. Mr. Paiboon Waraprateep
3. Mr. Pattarapol Wongsasuthikul
4. Mr. Prawit Waraprateep

5. Miss Chalongkwan Wongsasuthikul

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

Duties and responsibilities of the Executive Committee

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

9.2.3 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 Audit Committee |
| 2. Mr. Chayut Sueptrakul | Member of Audit Committee |
| 3. Mr. Sompup Rangubtook | Member of Audit Committee |

The Managing Director of the Internal Audit Division and the Directors of the Audit Committee have established the Audit Committee law. (Audit Committee Charter) to the Board of Directors for consideration and promulgation in compliance with the Board of Directors.

Duties and responsibilities of the Audit Committee

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.

9.2.4 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.

Duties and Responsibilities of the Remuneration Committee

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

1. 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.
2. 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
3. Perform other actions as assigned by the company directors

9.2.5 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 Waraprateep
3. Mrs. Suchada Sodthibhapkul
4. Mr. Prawit Waraprateep
5. Mr. Pattarapol Wongsasuthikul
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.

Duties and Responsibilities of the Risk Management Committee

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	1,350,000
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	1,600,000
7	Thai Rubber Latex Group Company Limited. (Shanghai)	Mr. Vairoj Jindamaneepitak Mr. Yoottapong Soontalinka Mr. Bunyarit Thanormcharoen	45,944
Total remuneration from the audit fee			6,975,944

Remark *Thai Rubber Latex Group Company Limited. (Shanghai) ZhouQin (10,000 RMB) 4.59 (Chinese Yuan to Thai Baht exchange rates for 12/31/2020)

(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, Tha Khaoplueak Sub-district, Mae Chan District, Chiang Rai Province
Area of rubber planting 10 rai |
| 2. Ban Maephaeng School | Location: | Village No. 5, Banden-Tha Khaoplueak Road, Mae Chan District, Chiang Rai Province
Area of rubber planting 20 rai |
| 3. Ban Tubkumanthong School | Location: | Village No. 8, Ban Tubkumanthong Khaoplueak Sub-district, Mae Chan District, Chiang Rai Province
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 2020 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 2020 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 2020

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 to promote and support physical and mental development for children and youth in surrounding areas.

Thai Rubber Latex Group Public Company Limited has been promoting and supporting activities for the physical and mental development of children and youth in the surrounding communities every year. Children and Youth at Ban Wang Wai School Surat Thani Province

11. Internal Control and Risk Management

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). 2020, 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. Related Transactions

12.1 Related transactions with the persons who may have the conflicts of interest in 2020

In 2020, 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.

UBP = UBIS Primatech 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.	70	<ul style="list-style-type: none"> - LS bought concentrated latex from TRUBB because of its good quality. - TRUBB sold at the same price as other customers did (market price).
SRIT 100% of shares held by TRUBB)	TRUBB sold concentrated latex to SRIT for trading	29	<ul style="list-style-type: none"> - SRIT is a trading company in China. Buying concentrated latex from TRUBB to expand the market. - TRUBB sold at the same price as other customers did (market price).
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.	3	<ul style="list-style-type: none"> - WSB plantation and TRUBB factory are located in the East of Thailand, the purchasing is convenient and the transportation cost is lower. - TRUBB bought at the same price as other suppliers (market price).
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.	10	<ul style="list-style-type: none"> - SDR plantation and TRUBB factory are located in the North-East, the purchasing is convenient and the transportation cost is lower. - TRUBB bought at the same price as other suppliers (market price).
UBP (Directors and shareholders together)	TRUBB Sold concentrated latex to UBP for products	23	<ul style="list-style-type: none"> - UBP bought concentrated latex from TRUBB because of its good quality. - TRUBB sold at the same price as other customers did (market price).

(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 2020 which have been audited by the CPA.

12.2 Necessity and reasonableness of the transaction

The Company describes the necessity and reasonableness of the transactions in the table above. The Board of Directors and the Audit Committee approved the inter-transaction on February, 25 2021.

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 2020 will continue to 2021.

PART 3

Financial Status and Operational Results

13. Significant financial information

Thai Rubber Latex Group Public Company Limited and its Subsidiaries

Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Current assets					
Cash and cash equivalents	7	85,549,199	91,126,266	1,744,789	34,102,081
Trade and other current receivables	6, 28	1,183,555,839	952,834,087	1,049,180,037	811,969,635
Short-term loans to related parties	6	-	-	166,000,000	992,932,600
Inventories	8	1,052,320,110	1,103,766,615	728,836,004	680,677,726
Other current assets		83,540,941	55,262,356	73,269,408	48,767,582
Total current assets		2,404,966,089	2,202,989,324	2,019,030,238	2,568,449,624
Non-current assets					
Restricted deposit at financial institution		6,654,116	6,596,737	6,654,116	6,596,737
Investments in associates	9	28,444,160	29,664,174	-	-
Investments in subsidiaries	10	-	-	2,822,474,123	1,873,274,123
Non-current investments in financial assets	28	70,000,000	81,200,000	70,000,000	81,200,000
Investment properties	12	804,725,883	547,690,000	292,155,883	108,610,000
Property, plant and equipment	13	3,669,944,123	3,437,538,071	963,781,138	1,060,898,051
Goodwill	14	-	6,875,748	-	-
Intangible assets other than goodwill		4,440,635	2,434,240	20,462	191,207
Land possessory rights	15	188,328,566	192,191,716	6,113,250	6,238,650
Rubber plantation development costs	17	890,302,792	891,575,091	-	-
Withholding tax deducted at source		152,845,112	168,199,869	142,497,170	159,725,661
Advance payment for land possessory rights	16	34,830,416	34,830,416	-	-
Other non-current assets		9,256,769	9,791,631	2,302,567	2,310,569
Total non-current assets		5,859,772,572	5,408,587,693	4,305,998,709	3,299,044,998
Total assets		8,264,738,661	7,611,577,017	6,325,028,947	5,867,494,622

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of financial position

Liabilities and equity	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	18	3,882,011,709	3,698,215,641	3,200,210,989	2,906,702,844
Trade and other current payables	6	387,069,635	264,712,822	105,995,571	71,543,152
Short-term borrowings from related parties	6, 18	1,600,000	3,100,000	47,000,000	47,000,000
Current portion of long-term borrowings	18	773,000,000	238,600,000	720,000,000	105,000,000
Current portion of lease liabilities					
(2019: Current portion of finance lease liabilities, 18)		31,850,290	22,126,975	21,136,457	20,885,472
Accrued expenses		55,108,025	51,574,812	33,957,700	8,834,645
Other current liabilities		10,868,093	3,517,161	1,696,030	1,502,954
Total current liabilities		5,141,507,752	4,281,847,411	4,129,996,747	3,161,469,067
Non-current liabilities					
Long-term borrowings	18	303,429,335	942,687,175	6,250,000	726,250,000
Lease liabilities (2019: Finance lease liabilities)	18	25,018,897	32,063,046	11,535,672	30,216,158
Non-current provisions for employee benefits	19	93,322,866	95,557,353	67,652,930	71,871,352
Deferred tax liabilities	25	390,866,732	270,629,851	73,355,220	57,698,365
Other non-current liability		5,625,664	3,000,000	-	-
Total non-current liabilities		818,263,494	1,343,937,425	158,793,822	886,035,875
Total liabilities		5,959,771,246	5,625,784,836	4,288,790,569	4,047,504,942
Equity					
Share capital:					
Authorised share capital					
(681,479,688 ordinary shares, par value at Baht 1.00 per share)					
		681,479,688	681,479,688	681,479,688	681,479,688
Issued and paid-up share capital					
Baht					
1.00 per share)					
		681,479,688	681,479,688	681,479,688	681,479,688
Advance received from share subscription	10	14,200,000	-	-	-
Surplus on share-based payment	23	17,395,000	-	-	-
Share premium					
Share premium on ordinary shares	20	342,170,431	342,170,431	342,170,431	342,170,431
Retained earnings (deficit)					
Appropriated					
Legal reserve	20	108,695,924	108,695,924	70,972,000	70,972,000
Unappropriated (deficit)		(413,287,182)	(482,680,504)	351,386,702	208,633,196
Other components of equity	20	1,580,193,052	1,239,966,302	590,229,557	516,734,365
Equity attributable to owners of the parent		2,330,846,913	1,889,631,841	2,036,238,378	1,819,989,680
Non-controlling interests	11	(25,879,498)	96,160,340	-	-
Total equity		2,304,967,415	1,985,792,181	2,036,238,378	1,819,989,680
Total liabilities and equity		8,264,738,661	7,611,577,017	6,325,028,947	5,867,494,622

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of comprehensive income

Note	Consolidated financial statements		Separate financial statements		
	Year ended 31 December		Year ended 31 December		
	2020	2019	2020	2019	
	<i>(in Baht)</i>				
Revenues					
Revenues from sales of goods	21	6,848,180,706	6,827,452,425	5,109,177,035	5,294,223,395
Other income	22	118,109,374	43,671,108	65,455,191	12,577,451
Total revenue		6,966,290,080	6,871,123,533	5,174,632,226	5,306,800,846
Expenses					
Costs of sales of goods	8	6,208,666,753	6,320,997,602	4,558,882,912	4,921,464,301
Distribution costs		239,600,027	309,143,717	194,544,719	243,395,553
Administrative expenses		433,128,887	478,541,420	182,379,547	158,995,705
Total expenses		6,881,395,667	7,108,682,739	4,935,807,178	5,323,855,559
Profit (loss) from operating activities		84,894,413	(237,559,206)	238,825,048	(17,054,713)
Finance costs		185,341,112	204,756,214	141,095,140	159,609,092
Share of profit (loss) of associates	9	(1,125,988)	(1,222,990)	-	-
Profit (loss) before income tax expense		(101,572,687)	(443,538,410)	97,729,908	(176,663,805)
Tax (benefit) expense	25	18,956,894	30,137,166	(11,178,274)	(4,547,695)
Profit (loss) for the year		(120,529,581)	(473,675,576)	108,908,182	(172,116,110)
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		3,189,367	(6,074,669)	-	-
Share of other comprehensive income (loss) of associates accounted for using equity method	9	(94,026)	(94,434)	-	-
Total items that will be reclassified subsequently to profit or loss		3,095,341	(6,169,103)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gains on revaluation of assets	13	472,125,933	57,347,926	111,852,416	57,347,926
Revaluation of assets transferred to investment properties	13	42,166,667	-	31,274,479	-
Losses on remeasurements of defined benefit plans	19	(8,024,508)	(14,123,905)	(8,951,251)	(14,123,905)
Income tax relating to items that will not be reclassified	25	(101,253,618)	(8,644,804)	(26,835,128)	(8,644,804)
Total items that will not be reclassified to profit or loss		405,014,474	34,579,217	107,340,516	34,579,217
Other comprehensive income for the year, net of income tax		408,109,815	28,410,114	107,340,516	34,579,217
Total comprehensive income (expense) for the year		287,580,234	(445,265,462)	216,248,698	(137,536,893)
Profit (loss) attributable to:					
Owners of the parent		24,161,891	(351,722,621)	108,908,182	(172,116,110)
Non-controlling interests	11	(144,691,472)	(121,952,955)	-	-
Profit (loss) for the year		(120,529,581)	(473,675,576)	108,908,182	(172,116,110)
Total comprehensive income (expense) attributable to:					
Owners of the parent		409,620,072	(322,558,855)	216,248,698	(137,536,893)
Non-controlling interests	11	(122,039,838)	(122,706,607)	-	-
Total comprehensive income (expense) for the year		287,580,234	(445,265,462)	216,248,698	(137,536,893)
Earnings (loss) per share					
Earnings (loss) per share <i>(in Baht)</i>	26	0.04	(0.52)	0.16	(0.25)

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of changes in equity

	Consolidated financial statements												
	Retained earnings/(Deficit)					Other components of equity							
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (Deficit)	Translation reserve	Changes in ownership interest in subsidiary	Share of other comprehensive income (loss) of associates using equity method	Revaluation reserves	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
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)	(7,872,929)	1,806,789	1,266,412,462	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 to owners of the Company	27	-	-	-	(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)	-	(94,434)	45,878,341	40,462,890	29,163,766	(753,652)	28,410,114	
Total comprehensive income for the year		-	-	(363,021,745)	(5,321,017)	-	(94,434)	45,878,341	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 as at 31 December 2019		681,479,688	342,170,431	108,695,924	(482,680,504)	(14,162,691)	(7,872,929)	1,712,355	1,260,289,567	1,239,966,302	1,889,631,841	96,160,340	1,985,792,181

Consolidated financial statements

Note	Retained earnings/(Deficit)				Other components of equity								Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Issued and paid-up share capital	Advance received from share subscription	Surplus on share-based payment	Share premium	Legal reserve	Unappropriated (Deficit)	Translation reserve	Changes in ownership interest in subsidiary	Share of other comprehensive income (loss) of associates using equity method	Revaluation reserves	Total other components of equity				
<i>(in Baht)</i>															
For the year ended 31 December 2020															
Balance at 1 January 2020	681,479,688	-	-	342,170,431	108,695,924	(482,680,504)	(14,162,691)	(7,872,929)	1,712,355	1,260,289,567	1,239,966,302	1,889,631,841	96,160,340	1,985,792,181	
Transactions with owners, recorded directly in equity															
<i>Contributions by owners of the parent</i>															
Share-based payment	23	-	-	17,395,000	-	-	-	-	-	-	-	17,395,000	-	17,395,000	
Advance received from share subscription	10	-	14,200,000	-	-	-	-	-	-	-	-	14,200,000	-	14,200,000	
Total contributions by owners of the parent		-	14,200,000	17,395,000	-	-	-	-	-	-	-	31,595,000	-	31,595,000	
Comprehensive income for the year															
Profit or loss		-	-	-	-	24,161,891	-	-	-	-	-	24,161,891	(144,691,472)	(120,529,581)	
Other comprehensive income		-	-	-	-	(7,111,358)	3,109,956	-	(94,026)	389,553,609	392,569,539	385,458,181	22,651,634	408,109,815	
Total comprehensive income for the year		-	-	-	-	17,050,533	3,109,956	-	(94,026)	389,553,609	392,569,539	409,620,072	(122,039,838)	287,580,234	
Transfer to retained earnings		-	-	-	-	52,342,789	-	-	-	(52,342,789)	(52,342,789)	-	-	-	
Balance as at 31 December 2020	681,479,688	14,200,000	17,395,000	342,170,431	108,695,924	(413,287,182)	(11,052,735)	(7,872,929)	1,618,329	1,597,500,387	1,580,193,052	2,330,846,913	(25,879,498)	2,304,967,415	

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Separate financial statements					Total equity
		Issued and paid-up share capital	Share premium	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated	Revaluation reserves	
<i>(in Baht)</i>							
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	27	-	-	-	(6,814,590)	-	(6,814,590)
Total distributions to owners of the parent		-	-	-	(6,814,590)	-	(6,814,590)
Comprehensive income for the year							
Loss		-	-	-	(172,116,110)	-	(172,116,110)
Other comprehensive income		-	-	-	(11,299,124)	45,878,341	34,579,217
Total comprehensive income for the year		-	-	-	(183,415,234)	45,878,341	(137,536,893)
Transfer to retained earnings		-	-	-	40,932,943	(40,932,943)	-
Balance at 31 December 2019		681,479,688	342,170,431	70,972,000	208,633,196	516,734,365	1,819,989,680

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(120,529,581)	(473,675,576)	108,908,182	(172,116,110)
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (benefit)	18,956,894	30,137,166	(11,178,274)	(4,547,695)
Finance costs	185,341,112	204,756,214	141,095,140	159,609,092
Depreciation and amortisation	250,448,799	231,421,498	73,093,579	78,480,093
Amortisation of rubber plantation development costs	4,202,999	2,169,655	-	-
Amortisation of land processory rights	3,863,150	965,788	125,400	31,350
(Reversal of) allowance for bad and doubtful debts expenses	44,225,276	136,704,029	712,500	(2,000)
(Reversal of) loss on inventories devaluation	(54,706,664)	64,929,210	-	-
Impairment loss recognised in profit or loss	11,200,000	-	62,000,000	-
Loss on written-off of tax	26,734,171	-	-	-
Unrealised (gain) loss on foreign exchange	(14,927,899)	1,676,400	(11,484,842)	758,063
Loss on impairment of goodwill	6,875,748	5,427,068	-	-
(Gain) loss on fair value adjustment of investment properties	(26,090,000)	13,380,000	(900,000)	11,980,000
(Reversal of) loss on impairment of property, plant and equipment	2,428,449	-	(5,453,206)	-
Gain on disposal of property, plant and equipment	(1,277,651)	(887,416)	(704,645)	(354,540)
Loss on written-off of property, plant and equipment	6,876,016	4,241,473	73,063	2,251,822
Provision for employee benefits	8,891,200	29,652,194	4,444,145	21,554,531
Share-based payment	17,395,000	-	-	-
Share of loss of associates accounted for using equity method, net of ta	1,125,988	1,222,990	-	-
Interest income	(1,219,169)	(1,561,191)	(5,055,576)	(348,418)
	369,813,838	250,559,502	355,675,466	97,296,188
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	(292,555,091)	26,568,344	(398,435,394)	109,990,993
Inventories	110,773,850	82,266,385	(48,158,278)	117,724,023
Other current assets	(32,899,092)	10,076,517	(24,501,826)	5,377,848
Other non-current assets	534,832	(18,400)	8,003	143,509
Trade and other current payables	132,806,294	(16,863,409)	36,984,957	(25,507,812)
Accrued expenses	3,533,213	2,634,187	25,123,055	(4,511,515)
Other current liabilities	5,884,693	(298,171)	193,077	130,110
Other non-current liabilities	2,625,664	-	-	-
Non-current provision for employee benefits	(19,150,194)	(3,587,286)	(17,613,818)	(1,045,407)
Cash generated from (used in) operating activities	281,368,007	351,337,669	(70,724,758)	299,597,937
Tax received	43,149,022	24,123,544	43,149,022	24,123,544
Tax paid	(27,767,894)	(29,941,828)	(25,920,530)	(26,553,046)
Net cash from (used in) operating activities	296,749,135	345,519,385	(53,496,266)	297,168,435

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
<i>Cash flows from investing activities</i>				
Proceeds from short-term loans to related parties	-	-	998,300,210	38,000,000
Decrease in short-term loans to other party	-	(6,000,000)	-	(6,000,000)
Proceeds from short-term loans to other party	-	6,000,000	-	6,000,000
Acquisition of investment in subsidiary	-	-	(1,000,000,000)	-
(Increase) decrease in restricted deposit at financial institution	(57,379)	10,024,274	(57,379)	(64,826)
Acquisition of property, plant and equipment	(167,336,449)	(110,698,620)	(7,149,595)	(5,792,645)
Acquisition of other intangible assets	(4,039,473)	(604,031)	-	-
Proceeds from disposal of property, plant and equipment	1,676,165	1,431,431	706,729	355,140
Increase in rubber plantation development costs	(2,930,700)	(7,842,281)	-	-
Interest received	1,219,169	1,561,191	5,055,576	348,418
Net cash from (used in) investing activities	(171,468,667)	(106,128,036)	(3,144,459)	32,846,087
<i>Cash flows from financing activities</i>				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	183,796,069	75,110,416	293,508,145	(67,329,082)
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)	(36,745,100)	(40,968,577)	(21,066,772)	(39,614,199)
Repayment of short-term borrowings from related party	(1,500,000)	(1,400,000)	-	-
Repayment of long-term borrowings	(104,857,840)	(117,500,000)	(105,000,000)	(67,500,000)
Dividends paid to owners of the Company	-	(6,814,590)	-	(6,814,590)
Advance received from share subscription	14,200,000	-	-	-
Interest paid	(181,202,371)	(200,827,342)	(140,938,458)	(155,021,740)
Other finance costs paid	(7,737,660)	(7,384,858)	(2,219,482)	(2,711,676)
Net cash from (used in) financing activities	(134,046,902)	(299,784,951)	24,283,433	(338,991,287)
Net decrease in cash and cash equivalents, before effect of exchange rates	(8,766,434)	(60,393,602)	(32,357,292)	(8,976,765)
Effect of exchange rate changes on cash and cash equivalents	3,189,367	(6,074,668)	-	-
Net decrease in cash and cash equivalents	(5,577,067)	(66,468,270)	(32,357,292)	(8,976,765)
Cash and cash equivalents at 1 January	91,126,266	157,594,536	34,102,081	43,078,846
Cash and cash equivalents at 31 December	85,549,199	91,126,266	1,744,789	34,102,081
<i>Supplemental disclosures of cash flow information</i>				
Non-cash transactions				
Assets acquired under financial lease and hire purchase agreements	34,602,512	-	2,637,271	-
Issuance of promissory note from a subsidiary to parent company as a settlement of account receivables from the subsidiary	-	-	171,367,610	-
Payables for purchase of assets	18,955,005	21,487,031	361,762	201,778

14. Management Explanation and Analysis of Operating Results

14.1 Operation overview

The company and its subsidiaries (“the Group Company”) reported that for the financial statements for fiscal year 2020, the Group Company’s loss before tax was Baht 101.57 million and corporate tax expenses was Baht 18.96 million. As a result, the net loss was Baht 120.53 million. The comprehensive income only the part of the parent company had net profit after tax baht 24.16 million. It was because of the global economic depression due to the COVID-19 outbreaks and US-China Trade War. Comparing the average price of field latex of 2019 and 2020, the price was Baht 43.69 per kilogram in 2019 and went up slightly to Baht 44.74 per kilogram in 2020, the increase of 2.40% (Source: Rubber Authority of Thailand). The price was still at low level.

14.2 Performance and profitability

For the year of 2020, the Group Company had sales and service income Baht 6,848.18 million comparing to the same period last year which was Baht 6,827.45 million, the increase of 0.35% or Baht 20.73 million. It was mainly from economic recovery in many countries and higher demand from latex and prevulcanized latex product during the outbreak of COVID - 19 and the price of field latex was higher than the previous year. In addition, the group company recognized gain from foreign exchange rate due to the appreciation Thai Baht against US Dollar in 2020 compared to 2019. The year of 2020, the group company had Cost of sales and service for 2020 comparing to 2019 was Baht 6,208.67 million and Baht 6,321 million, the decrease of 1.81% or Baht 112.33 million due to a drop in sales income because it had improved management and cost control.

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

1. For the year, latex and pre-vulcanized latex group had net profit before tax 163 million Baht because Company’s marketing strategy for 2020 is increasing domestic sale and dropping export, affecting the lower distribution cost. In the year 2020, the Company has planned to increase sale proportion between domestic and abroad to 70:30.
2. For the year, finished product group had loss before tax 266 million Baht. The effect from decreasing in demand by COVID-19 outbreak. It has a direct impact to the major market in China. However, the group’s business were continue to expand new markets both domestic and overseas because of the group’s products have good qualities to meet demand.

3. For the year, rubber plantation group had net profit before tax 1 million Baht. Because of Expenses control and more effective in improvement, including the price of field latex was higher than the previous 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

- Current assets were 2,405 million Baht, which is the increase of 202 million Baht or 9.17%. Because account receivable and other current receivables increased by 231 million baht. Due to the Group's sales increases near the end of the year compared to the previous year and most of the accounts receivable are still in the payment credit term.
- Non-current assets were 5,860 million Baht, which is the increase 451 million Baht. This was due to an increase in property, plant and equipment of 232 million baht and investment property of 257 million baht from the revaluation of the group of companies. And from the measurement of the fair value of assets increased according to independent expert assessment.

(2) Impairment of Assets

Existing assets are presented intrinsic value and there is no indication of any impairment or non-recoverable assets. Which if there is an impairment. The company has already set aside or allowance for devaluation. To provide asset quality reflect the real value according to the market price and in accordance with generally accepted accounting principles.

(3) Account Receivable

- Account receivable was 1,379 million baht. After deduction of allowance for doubtful accounts, the net value of account receivable was 1,064 million baht. In 2020, Account receivable increased by 237 million Baht by comparison with the previous year. This was because the Concentrated Latex and Rubber Product Group increased their sales.
- Allowance for doubtful accounts was completely made at the value of 314 million Baht, amounting to 22.77 % of account receivable. In 2020, there was not any additional allowance for doubtful accounts.

(4) Inventory

The net value of inventories after deduction of allowance for diminution in value of inventories was 1,052 million Baht, Inventories decreased by 52 million baht compared to

the previous year. Due to the increase in product sales, this corresponds to the increased income.

14.4 Liquidity and capital sufficiency

(1) Sources and User of Capital

- There were changes in capital sources and user of capital. In 2020, the net cash received from operations was 297 million Baht.
- Appropriateness of the capital structure: The Company uses the capital structure mainly from liabilities. The ratio of debt to equity shareholders in 2020 was 2.59 times, Decreased from 2.83 times the previous year due to increased appraisal of the group of companies

(2) Investment Expenditures

In terms of investment in 2020, net cash from investing activities of the company was 171 million Baht, mainly on purchasing the land, buildings and equipment, amount of 56 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 Wongsasutthikul	X			/	/
Mr. Paiboon Waraprateep	/				/
Mr. Prachnon Temritikulchai	/				/
Mr. Vanchai Sriherunrusmee	/		/	/	
Mr. Prawit Waraprateep	//		//	/	
Miss Chalongkwan Wongsasutthikul	//		//		
Mr. Pattarapol 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 49 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

34,050,000 shares, about 5 % 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 2397

Experience

2018 – Present	Managing Director Compliance & Internal Control.	Thai Rubber Latex Group PCL
2018 - Present	Director	Thai Rubber Latex Group PCL.
2019 - Present	Member of 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 & Finance	Thai Rubber Latex Group PCL.
2007 – 2015	Executive Committee	Thai Rubber Land and Plantation Co., Ltd.

Training / Seminar

- Director Certification Program (DCP 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 -

Information of Appraised value of assets

1. The Group uses a policy to record fixed assets in the category of land, plant and machinery at fair value. The fair appraisal will be re-appraised every 5 years (except for investment properties, reappraising every year).
2. The appraisal companies for the Group in 2020 and 2019 are Agency For Real Estate Affairs Co., Ltd., First Star Consultant Co., Ltd. and Siam Imperial appraisal Co., Ltd., a property valuation company. In the capital market that is on the list approved by the Office of the Securities and Exchange Commission. Or specialists recognized by the office.
3. Objectives in appraisal of the Group's assets. For fixed assets in the category of land, factory buildings and machinery to show fair value.



Thai Rubber Latex Group Public Company Limited
and its Subsidiaries

Financial statements for the year ended
31 December 2020
and
Independent Auditor's Report



Independent Auditor's Report

To the Shareholders of Thai Rubber Latex Group 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") 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 2020, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

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 2020 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), which specifies that the Group incurred net losses in the consolidated statements of comprehensive income for the year ended 31 December 2020, amounting to Baht 120.5 million, and as of that date, the Group's and the Company's current liabilities exceeded its current assets by Baht 2,736.5 million and Baht 2,111.0 million, respectively. As further stated in note 2(d), the Group and the Company are in the process of solving the situation by restructuring of financing plan, finding more credit facilities and business restructuring of the Group/Company. Moreover, the Group's and the Company's operation was and may continue to be significantly affected by the economic uncertainty resulting from the Government's measures to control the spread of COVID-19. These circumstances together with other matters as specified in note 31 subsequent event indicate that there is material uncertainty that may cast significant doubt on the Group's and the Company's ability 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.

Valuation of accounts receivable	
Refer to Notes 4(f) and 28	
The key audit matter	How the matter was addressed in the audit
<p>TFRS 9 was first adoption by the Group on 1 January 2020. The new standard requires the Group to recognise expected credit loss (ECL) on financial instruments which involves significant judgement in estimation by the Group.</p> <p>The Group's trade account receivables are material to the financial statements. During 2020, as the pandemic of Corona Virus 2019 (COVID-19) has caused the economic slowdown and certain customers failed to repay within the schedule. Therefore, the management used judgement in evaluating the risk of default and recoverable amount on trade receivables based on management's estimate of the lifetime expected credit loss, which is estimated by taking into account the credit history of the Group's customers and customer-specific conditions.</p> <p>As trade receivables are material to the financial statements and the estimation of recoverable amount of trade receivables requires the exercise of significant management judgement. Consequently, I consider this is the key audit matter.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Understanding the policies and procedures that the Company's management applied for measurement of expected credit losses on trade receivables; • Evaluating management's estimation and decision regarding the expected credit losses by considering the historical estimation with the cash receipts and write-off of bad debt; • Testing the categorization in the trade receivables aging report by comparing a sample with the relevant underlying documents such as invoice; • Testing a sampling basis of default data and receipt with the relevant underlying documents; • Testing the calculation of expected credit losses with historical default data and expected credit losses on trade receivables, including testing the calculation of the adjustment for the first time adoption of TFRS 9; • Testing a sampling basis of cash receipts from debtors subsequent after 31 December 2020; and • Considering the adequate disclosures in accordance with Thai Financial Reporting Standards.



Valuation of inventories	
Refer to Notes 4(g) and 8	
The key audit matter	How the matter was addressed in the audit
<p>Inventories are material to the consolidated financial statements and are stated at lower of cost or net realisable value. Latex Systems Public Company Limited, a subsidiary, manufactured rubber pillow and mattress which affected by the pandemic of Corona Virus 2019 (COVID-19) and the market competition cause some long-outstanding inventories and markdown of selling price which may cause the net realisable amount of inventories may fall below their cost of inventories.</p> <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>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • 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; • Testing the design and significant control and randomly testing the implementation of controls; • Observed the physical inventory count to examine the conditions of inventories; • Testing inventory items in the inventory aging report on a sampling basis with the relevant underlying documents; • Testing the estimation of net realisable value of inventories on a sampling basis by testing with selling price and selling expenditure and relevant documents as well as tested the calculation; and • Considering the adequate disclosures in accordance with the Thai Financial Reporting Standards.

Fair value measurement of investment properties and property, plant and equipment	
Refer to Notes 4(h), 4(i), 12 and 13	
The key audit matter	How the matter was addressed in the audit
<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 2020, 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"> • Understanding the process and controls of the valuation process; • Evaluating the qualifications, competence and independence of the Group's/Company's external appraisal valuers; • Using the work of expert engaged by KPMG in evaluating methodologies and key assumptions of the valuation on a sampling basis; and • Considering the adequate disclosures in accordance with Thai Financial Reporting Standards.



Impairment testing of rubber plantation development costs and investment in subsidiaries	
Refer to Notes 4(b), 4(n), 10 and 17	
The key audit matter	How the matter was addressed in the audit
<p>As the current economic over the rubber industry in Thailand has significant impact on rubber prices and the pandemic of Corona Virus 2019 (COVID-19) affected and the operating results of Thai Rubber Land and Plantation Co., Ltd., Thai Rubber H P N R Co., Ltd. and Latex Systems Public Company Limited, 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, it resulted to impairment assessment of the assets.</p> <p>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.</p>	<p>My audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessing the reasonableness of impairment indicator; • 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; • Evaluating the historical projection prepared by management’s experiences, compared with the actual operating result; • Verifying the mathematical accuracy of the impairment calculation; and • Considering the adequate disclosures in accordance with Thai Financial Reporting Standards.

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
25 February 2021

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Assets		2020	2019	2020	2019
		<i>(in Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents	7	85,549,199	91,126,266	1,744,789	34,102,081
Trade and other current receivables	6, 28	1,183,555,839	952,834,087	1,049,180,037	811,969,635
Short-term loans to related parties	6	-	-	166,000,000	992,932,600
Inventories	8	1,052,320,110	1,103,766,615	728,836,004	680,677,726
Other current assets		83,540,941	55,262,356	73,269,408	48,767,582
Total current assets		2,404,966,089	2,202,989,324	2,019,030,238	2,568,449,624
<i>Non-current assets</i>					
Restricted deposit at financial institution		6,654,116	6,596,737	6,654,116	6,596,737
Investments in associates	9	28,444,160	29,664,174	-	-
Investments in subsidiaries	10	-	-	2,822,474,123	1,873,274,123
Non-current investments in financial assets	28	70,000,000	81,200,000	70,000,000	81,200,000
Investment properties	12	804,725,883	547,690,000	292,155,883	108,610,000
Property, plant and equipment	13	3,669,944,123	3,437,538,071	963,781,138	1,060,898,051
Goodwill	14	-	6,875,748	-	-
Intangible assets other than goodwill		4,440,635	2,434,240	20,462	191,207
Land possessory rights	15	188,328,566	192,191,716	6,113,250	6,238,650
Rubber plantation development costs	17	890,302,792	891,575,091	-	-
Withholding tax deducted at source		152,845,112	168,199,869	142,497,170	159,725,661
Advance payment for land possessory rights	16	34,830,416	34,830,416	-	-
Other non-current assets		9,256,769	9,791,631	2,302,567	2,310,569
Total non-current assets		5,859,772,572	5,408,587,693	4,305,998,709	3,299,044,998
Total assets		8,264,738,661	7,611,577,017	6,325,028,947	5,867,494,622

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

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
Liabilities and equity		2020	2019	2020	2019
		(in Baht)			
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	18	3,882,011,709	3,698,215,641	3,200,210,989	2,906,702,844
Trade and other current payables	6	387,069,635	264,712,822	105,995,571	71,543,152
Short-term borrowings from related parties	6, 18	1,600,000	3,100,000	47,000,000	47,000,000
Current portion of long-term borrowings	18	773,000,000	238,600,000	720,000,000	105,000,000
Current portion of lease liabilities (2019: Current portion of finance lease liabilities)	18	31,850,290	22,126,975	21,136,457	20,885,472
Accrued expenses		55,108,025	51,574,812	33,957,700	8,834,645
Other current liabilities		10,868,093	3,517,161	1,696,030	1,502,954
Total current liabilities		5,141,507,752	4,281,847,411	4,129,996,747	3,161,469,067
Non-current liabilities					
Long-term borrowings	18	303,429,335	942,687,175	6,250,000	726,250,000
Lease liabilities (2019: Finance lease liabilities)	18	25,018,897	32,063,046	11,535,672	30,216,158
Non-current provisions for employee benefits	19	93,322,866	95,557,353	67,652,930	71,871,352
Deferred tax liabilities	25	390,866,732	270,629,851	73,355,220	57,698,365
Other non-current liability		5,625,664	3,000,000	-	-
Total non-current liabilities		818,263,494	1,343,937,425	158,793,822	886,035,875
Total liabilities		5,959,771,246	5,625,784,836	4,288,790,569	4,047,504,942
Equity					
Share capital:					
Authorised share capital (681,479,688 ordinary shares, par value at Baht 1.00 per share)		681,479,688	681,479,688	681,479,688	681,479,688
Issued and paid-up share capital (681,479,688 ordinary shares, par value at Baht 1.00 per share)		681,479,688	681,479,688	681,479,688	681,479,688
Advance received from share subscription	10	14,200,000	-	-	-
Surplus on share-based payment	23	17,395,000	-	-	-
Share premium					
Share premium on ordinary shares	20	342,170,431	342,170,431	342,170,431	342,170,431
Retained earnings (deficit)					
Appropriated					
Legal reserve	20	108,695,924	108,695,924	70,972,000	70,972,000
Unappropriated (deficit)		(413,287,182)	(482,680,504)	351,386,702	208,633,196
Other components of equity	20	1,580,193,052	1,239,966,302	590,229,557	516,734,365
Equity attributable to owners of the parent		2,330,846,913	1,889,631,841	2,036,238,378	1,819,989,680
Non-controlling interests	11	(25,879,498)	96,160,340	-	-
Total equity		2,304,967,415	1,985,792,181	2,036,238,378	1,819,989,680
Total liabilities and equity		8,264,738,661	7,611,577,017	6,325,028,947	5,867,494,622

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

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2020	2019	2020	2019
(in Baht)					
Revenues					
Revenues from sales of goods	21	6,848,180,706	6,827,452,425	5,109,177,035	5,294,223,395
Other income	22	118,109,374	43,671,108	65,455,191	12,577,451
Total revenue		6,966,290,080	6,871,123,533	5,174,632,226	5,306,800,846
Expenses					
Costs of sales of goods	8	6,208,666,753	6,320,997,602	4,558,882,912	4,921,464,301
Distribution costs		239,600,027	309,143,717	194,544,719	243,395,553
Administrative expenses		433,128,887	478,541,420	182,379,547	158,995,705
Total expenses		6,881,395,667	7,108,682,739	4,935,807,178	5,323,855,559
Profit (loss) from operating activities		84,894,413	(237,559,206)	238,825,048	(17,054,713)
Finance costs		185,341,112	204,756,214	141,095,140	159,609,092
Share of profit (loss) of associates	9	(1,125,988)	(1,222,990)	-	-
Profit (loss) before income tax expense		(101,572,687)	(443,538,410)	97,729,908	(176,663,805)
Tax (benefit) expense	25	18,956,894	30,137,166	(11,178,274)	(4,547,695)
Profit (loss) for the year		(120,529,581)	(473,675,576)	108,908,182	(172,116,110)
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating financial statements		3,189,367	(6,074,669)	-	-
Share of other comprehensive income (loss) of associates accounted for using equity method	9	(94,026)	(94,434)	-	-
Total items that will be reclassified subsequently to profit or loss		3,095,341	(6,169,103)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gains on revaluation of assets	13	472,125,933	57,347,926	111,852,416	57,347,926
Revaluation of assets transferred to investment properties	13	42,166,667	-	31,274,479	-
Losses on remeasurements of defined benefit plans	19	(8,024,508)	(14,123,905)	(8,951,251)	(14,123,905)
Income tax relating to items that will not be reclassified	25	(101,253,618)	(8,644,804)	(26,835,128)	(8,644,804)
Total items that will not be reclassified to profit or loss		405,014,474	34,579,217	107,340,516	34,579,217
Other comprehensive income for the year, net of income tax		408,109,815	28,410,114	107,340,516	34,579,217
Total comprehensive income (expense) for the year		287,580,234	(445,265,462)	216,248,698	(137,536,893)
Profit (loss) attributable to:					
Owners of the parent		24,161,891	(351,722,621)	108,908,182	(172,116,110)
Non-controlling interests	11	(144,691,472)	(121,952,955)	-	-
Profit (loss) for the year		(120,529,581)	(473,675,576)	108,908,182	(172,116,110)
Total comprehensive income (expense) attributable to:					
Owners of the parent		409,620,072	(322,558,855)	216,248,698	(137,536,893)
Non-controlling interests	11	(122,039,838)	(122,706,607)	-	-
Total comprehensive income (expense) for the year		287,580,234	(445,265,462)	216,248,698	(137,536,893)
Earnings (loss) per share					
Earnings (loss) per share (in Baht)	26	0.04	(0.52)	0.16	(0.25)

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

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Consolidated financial statements											
		Retained earnings/(Deficit)				Other components of equity							
		Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (Deficit)	Translation reserve	Changes in ownership interest in subsidiary	Share of other comprehensive income (loss) of associates using equity method	Revaluation reserves	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
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)	(7,872,929)	1,806,789	1,266,412,462	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 to owners of the Company	27	-	-	-	(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)	-	(94,434)	45,878,341	40,462,890	29,163,766	(753,652)	28,410,114
Total comprehensive income for the year		-	-	-	(363,021,745)	(5,321,017)	-	(94,434)	45,878,341	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 as at 31 December 2019		681,479,688	342,170,431	108,695,924	(482,680,504)	(14,162,691)	(7,872,929)	1,712,355	1,260,289,567	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
Statement of changes in equity

	Note	Consolidated financial statements											Total equity attributable to owners of the parent	Non-controlling interests	Total equity	
		Retained earnings/(Deficit)					Other components of equity									
		Issued and paid-up share capital	Advance received from share subscription	Surplus on share-based payment	Share premium	Legal reserve	Unappropriated (Deficit)	Translation reserve	Changes in ownership interest in subsidiary	Share of other comprehensive income (loss) of associates using equity method	Revaluation reserves	Total other components of equity				
<i>(in Baht)</i>																
For the year ended 31 December 2020																
Balance at 1 January 2020		681,479,688	-	-	342,170,431	108,695,924	(482,680,504)	(14,162,691)	(7,872,929)	1,712,355	1,260,289,567	1,239,966,302	1,889,631,841	96,160,340	1,985,792,181	
Transactions with owners, recorded directly in equity																
<i>Contributions by owners of the parent</i>																
Share-based payment	23	-	-	17,395,000	-	-	-	-	-	-	-	-	17,395,000	-	17,395,000	
Advance received from share subscription	10	-	14,200,000	-	-	-	-	-	-	-	-	-	14,200,000	-	14,200,000	
Total contributions by owners of the parent		-	14,200,000	17,395,000	-	-	-	-	-	-	-	-	31,595,000	-	31,595,000	
Comprehensive income for the year																
Profit or loss		-	-	-	-	-	24,161,891	-	-	-	-	-	24,161,891	(144,691,472)	(120,529,581)	
Other comprehensive income		-	-	-	-	-	(7,111,358)	3,109,956	-	(94,026)	389,553,609	392,569,539	385,458,181	22,651,634	408,109,815	
Total comprehensive income for the year		-	-	-	-	-	17,050,533	3,109,956	-	(94,026)	389,553,609	392,569,539	409,620,072	(122,039,838)	287,580,234	
Transfer to retained earnings		-	-	-	-	-	52,342,789	-	-	-	(52,342,789)	(52,342,789)	-	-	-	
Balance as at 31 December 2020		681,479,688	14,200,000	17,395,000	342,170,431	108,695,924	(413,287,182)	(11,052,735)	(7,872,929)	1,618,329	1,597,500,387	1,580,193,052	2,330,846,913	(25,879,498)	2,304,967,415	

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

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
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	27	-	-	-	(6,814,590)	-	(6,814,590)
Total distributions to owners of the parent		-	-	-	(6,814,590)	-	(6,814,590)
Comprehensive income for the year							
Loss		-	-	-	(172,116,110)	-	(172,116,110)
Other comprehensive income		-	-	-	(11,299,124)	45,878,341	34,579,217
Total comprehensive income for the year		-	-	-	(183,415,234)	45,878,341	(137,536,893)
Transfer to retained earnings		-	-	-	40,932,943	(40,932,943)	-
Balance at 31 December 2019		681,479,688	342,170,431	70,972,000	208,633,196	516,734,365	1,819,989,680

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

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
Statement of changes in equity

	Issued and paid-up share capital	Share premium	Separate financial statements		Other components of equity	Total equity
			Retained earnings			
			Legal reserve	Unappropriated (in Baht)		
For the year ended 31 December 2020						
Balance at 1 January 2020	681,479,688	342,170,431	70,972,000	208,633,196	516,734,365	1,819,989,680
Comprehensive income for the year						
Profit	-	-	-	108,908,182	-	108,908,182
Other comprehensive income	-	-	-	(7,161,000)	114,501,516	107,340,516
Total comprehensive income for the year	-	-	-	101,747,182	114,501,516	216,248,698
Transfer to retained earnings	-	-	-	41,006,324	(41,006,324)	-
Balance at 31 December 2020	681,479,688	342,170,431	70,972,000	351,386,702	590,229,557	2,036,238,378

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

Thai Rubber Latex Group Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	(120,529,581)	(473,675,576)	108,908,182	(172,116,110)
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense (benefit)	18,956,894	30,137,166	(11,178,274)	(4,547,695)
Finance costs	185,341,112	204,756,214	141,095,140	159,609,092
Depreciation and amortisation	250,448,799	231,421,498	73,093,579	78,480,093
Amortisation of rubber plantation development costs	4,202,999	2,169,655	-	-
Amortisation of land precessory rights	3,863,150	965,788	125,400	31,350
(Reversal of) allowance for bad and doubtful debts expenses	44,225,276	136,704,029	712,500	(2,000)
(Reversal of) loss on inventories devaluation	(54,706,664)	64,929,210	-	-
Impairment loss recognised in profit or loss	11,200,000	-	62,000,000	-
Loss on written-off of tax	26,734,171	-	-	-
Unrealised (gain) loss on foreign exchange	(14,927,899)	1,676,400	(11,484,842)	758,063
Loss on impairment of goodwill	6,875,748	5,427,068	-	-
(Gain) loss on fair value adjustment of investment properties	(26,090,000)	13,380,000	(900,000)	11,980,000
(Reversal of) loss on impairment of property, plant and equipment	2,428,449	-	(5,453,206)	-
Gain on disposal of property, plant and equipment	(1,277,651)	(887,416)	(704,645)	(354,540)
Loss on written-off of property, plant and equipment	6,876,016	4,241,473	73,063	2,251,822
Provision for employee benefits	8,891,200	29,652,194	4,444,145	21,554,531
Share-based payment	17,395,000	-	-	-
Share of loss of associates accounted for using equity method, net of tax	1,125,988	1,222,990	-	-
Interest income	(1,219,169)	(1,561,191)	(5,055,576)	(348,418)
	<u>369,813,838</u>	<u>250,559,502</u>	<u>355,675,466</u>	<u>97,296,188</u>
<i>Changes in operating assets and liabilities</i>				
Trade and other current receivables	(292,555,091)	26,568,344	(398,435,394)	109,990,993
Inventories	110,773,850	82,266,385	(48,158,278)	117,724,023
Other current assets	(32,899,092)	10,076,517	(24,501,826)	5,377,848
Other non-current assets	534,832	(18,400)	8,003	143,509
Trade and other current payables	132,806,294	(16,863,409)	36,984,957	(25,507,812)
Accrued expenses	3,533,213	2,634,187	25,123,055	(4,511,515)
Other current liabilities	5,884,693	(298,171)	193,077	130,110
Other non-current liabilities	2,625,664	-	-	-
Non-current provision for employee benefits	(19,150,194)	(3,587,286)	(17,613,818)	(1,045,407)
Cash generated from (used in) operating activities	<u>281,368,007</u>	<u>351,337,669</u>	<u>(70,724,758)</u>	<u>299,597,937</u>
Tax received	43,149,022	24,123,544	43,149,022	24,123,544
Tax paid	(27,767,894)	(29,941,828)	(25,920,530)	(26,553,046)
Net cash from (used in) operating activities	<u>296,749,135</u>	<u>345,519,385</u>	<u>(53,496,266)</u>	<u>297,168,435</u>

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

Thai Rubber Latex Group Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Proceeds from short-term loans to related parties	-	-	998,300,210	38,000,000
Decrease in short-term loans to other party	-	(6,000,000)	-	(6,000,000)
Proceeds from short-term loans to other party	-	6,000,000	-	6,000,000
Acquisition of investment in subsidiary	-	-	(1,000,000,000)	-
(Increase) decrease in restricted deposit at financial institution	(57,379)	10,024,274	(57,379)	(64,826)
Acquisition of property, plant and equipment	(167,336,449)	(110,698,620)	(7,149,595)	(5,792,645)
Acquisition of other intangible assets	(4,039,473)	(604,031)	-	-
Proceeds from disposal of property, plant and equipment	1,676,165	1,431,431	706,729	355,140
Increase in rubber plantation development costs	(2,930,700)	(7,842,281)	-	-
Interest received	1,219,169	1,561,191	5,055,576	348,418
Net cash from (used in) investing activities	(171,468,667)	(106,128,036)	(3,144,459)	32,846,087
<i>Cash flows from financing activities</i>				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	183,796,069	75,110,416	293,508,145	(67,329,082)
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)	(36,745,100)	(40,968,577)	(21,066,772)	(39,614,199)
Repayment of short-term borrowings from related party	(1,500,000)	(1,400,000)	-	-
Repayment of long-term borrowings	(104,857,840)	(117,500,000)	(105,000,000)	(67,500,000)
Dividends paid to owners of the Company	-	(6,814,590)	-	(6,814,590)
Advance received from share subscription	14,200,000	-	-	-
Interest paid	(181,202,371)	(200,827,342)	(140,938,458)	(155,021,740)
Other finance costs paid	(7,737,660)	(7,384,858)	(2,219,482)	(2,711,676)
Net cash from (used in) financing activities	(134,046,902)	(299,784,951)	24,283,433	(338,991,287)
Net decrease in cash and cash equivalents, before effect of exchange rates	(8,766,434)	(60,393,602)	(32,357,292)	(8,976,765)
Effect of exchange rate changes on cash and cash equivalents	3,189,367	(6,074,668)	-	-
Net decrease in cash and cash equivalents	(5,577,067)	(66,468,270)	(32,357,292)	(8,976,765)
Cash and cash equivalents at 1 January	91,126,266	157,594,536	34,102,081	43,078,846
Cash and cash equivalents at 31 December	85,549,199	91,126,266	1,744,789	34,102,081
<i>Supplemental disclosures of cash flow information</i>				
Non-cash transactions				
Assets acquired under financial lease and hire purchase agreements	34,602,512	-	2,637,271	-
Issuance of promissory note from a subsidiary to parent company as a settlement of account receivables from the subsidiary	-	-	171,367,610	-
Payables for purchase of assets	18,955,005	21,487,031	361,762	201,778

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

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Notes to the financial statements
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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 25 February 2021.

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 Klompom 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,
Samutprakan

The Company’s major shareholders during the financial year were Wongsasuthikul Group (22.41% shareholding) and Woraprateep Group (15.98% 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 associates and subsidiaries as at 31 December 2020 and 2019 are given in notes 9 and 10.

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 2020. The initial application of these new and revised TFRS has resulted in changes in certain of the Group’s accounting policies.

The Group has initially applied TFRS - Financial instruments standards which comprise TFRS 9 Financial Instruments and relevant standards and interpretations and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3.

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In addition, the Group/Company has not early adopted a number of new and revised TFRS, which are not yet effective for the current period in preparing these financial statements. The Group/Company has assessed the potential initial impact on the financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the 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:

- 4(k) Leases:
 - whether the Group/Company is reasonably certain to exercise extension options;
- 4(u) and 21 Revenue recognition:
 - whether performance obligations in a bundled sale of products and services are capable of being distinct;
 - 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; and
- 5 Impact of COVID-19 Outbreak

(ii) Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 December 2020 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:

- 5 Impact of COVID-19 Outbreak;
- 8 Provision for inventories devaluation;
- 12 and 13 Revaluation of investment properties, land, buildings and machinery;
- 19 Measurement of defined benefit obligations: key actuarial assumptions;
- 25 Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
- 28 Determining the fair value of financial instruments on the basis of significant unobservable inputs and measurement of ECL allowance for trade receivables: key assumptions in determining the weighted-average loss rate.

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For the year ended 31 December 2020

(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 economic slowdown as resulted of COVID-19 situation. The Group incurred net loss for the year ended 31 December 2020 of Baht 120.5 million (2019: Baht 473.7 million). As at the same date, the Group's and the Company's current liabilities exceeded current assets by Baht 2,736.5 million and Baht 2,111.0 million, respectively (2019: Baht 2,078.9 million and Baht 593.0 million, respectively). These circumstances indicate the existence of a material uncertainty which may cast significant doubt about the Group's/Company's ability to continue as a going concern. However, the Company incurred net profit of Baht 108.9 million for the year then ended. 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, sales of the non-performing assets including obtaining the lenders' waiver of breaches of the terms of the loan agreements with financial institutions and negotiating for the reschedule the repayment of loan principal.

The consolidated and separate financial statements have been prepared by the management on a going concern basis, which assumes that the Group and the Company will realise its assets and discharge its liabilities in the normal course of business. Therefore, the consolidated and separate 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 Changes in accounting policies

From 1 January 2020, the Group has initially applied TFRS - Financial instruments standards and TFRS 16.

(a) TFRS - Financial instruments standards

The Group has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group did not adjust the information presented for 2019. The disclosure requirements of TFRS for financial instruments have not generally been applied to comparative information.

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. The details of accounting policies are disclosed in note 4(d). The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity, available-for-sale securities, trading securities and general investment as specified by TAS 105.

Under TFRS 9, interest income and interest expenses recognised from all financial assets and financial liabilities measured at amortised cost shall be calculated using effective interest rate method. Previously, the Group/Company recognised interest income and interest expenses at the rate specified in the contract.

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The following table shows classification and measurement categories under TAS 105 and TFRS 9

Consolidated financial statements			
Classification under TAS 105 at 31 December 2019	Carrying amounts	Classification under TFRS 9 at 1 January 2020	
		FVTPL <i>(in thousand Baht)</i>	Amortised cost - net
Cash and cash equivalents	91,126	-	91,126
Trade and other current receivables	952,834	-	952,834
Other financial assets			
- Fixed deposit with guarantee obligation	6,597	-	6,597
- Non-current investments in financial assets	81,200	81,200	-
Total other financial assets	87,797	81,200	6,597
Total	1,131,757	81,200	1,050,557
Bank overdrafts and short-term loans from financial institutions	3,698,216	-	3,698,216
Trade and other current payables	264,713	-	264,713
Short-term loans from related party	3,100	-	3,100
Long-term loans from financial institutions	1,181,287	-	1,181,287
Total	5,147,316	-	5,146,316
Derivative assets	-	4,284	-
Derivative liabilities	-	209	-

Separate financial statements			
Classification under TAS 105 at 31 December 2019	Carrying amounts	Classification under TFRS 9 at 1 January 2020	
		FVTPL <i>(in thousand Baht)</i>	Amortised cost - net
Cash and cash equivalents	34,102	-	34,102
Trade and other current receivables	811,969	-	811,969
Loan to related party	992,933	-	992,933
Other financial assets			
- Fixed deposit with guarantee obligation	6,597	-	6,597
- Non-current investments in financial assets	81,200	81,200	-
Total other financial assets	87,797	81,200	6,597
Total	1,926,801	81,200	1,845,601
Bank overdrafts and short-term loans from financial institutions	2,906,703	-	2,906,703
Trade and other current payables	71,543	-	71,543
Short-term loans from related party	47,000	-	47,000
Long-term loans from financial institutions	831,250	-	831,250
Total	3,856,496	-	3,856,496
Derivative assets	-	1,584	-
Derivative liabilities	-	90	-

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(2) Impairment - Financial assets

TFRS 9 introduces the ‘expected credit loss’ (ECL) model whereas previously the Group/Company estimated the allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which are determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, except for investments in equity instruments.

The Group/Company has determined that the application of TFRS 9’s impairment requirements at 1 January 2020 have no material impact on the financial statements.

(b) TFRS 16 Leases

From 1 January 2020, the Group has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 Leases and TFRIC 4 Determining whether an arrangement contains a lease using the modified retrospective approach.

Previously, the Group, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Group assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 January 2020, the Group and the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Group and the Company recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Group/Company also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- recognition for leases of low-value assets;
- apply a single discount rate to a portfolio of leases with similar characteristics; and
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review.

	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Impact from the adoption of TFRS 16</i>		
<i>At 1 January 2020</i>		
Right-of-use assets	34,603	2,637
Increase in lease liabilities	(34,603)	(2,637)
<i>Measurement of lease liability</i>		
Operating lease commitment as disclosed at 31 December 2019	5,441	-
Add contract is considered as a lease	11,228	895
	<hr/> 16,669	<hr/> 895
Recognition exemption for short-term leases	(5)	(5)
Recognition exemption for leases of low-value assets	(30)	-
Extension and termination options reasonably certain to be exercised	20,291	1,944
Lease is considered as service contract	(156)	-
	<hr/> 36,769 <hr/>	<hr/> 2,834 <hr/>

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<i>Impact from the adoption of TFRS 16</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020	34,603	2,637
Finance lease liabilities recognised as at 31 December 2019	54,190	51,101
Lease liabilities recognised at 1 January 2020	88,793	53,738
Weighted-average incremental borrowing rate (<i>% per annum</i>)	4	4

Right-of-use assets and lease liabilities shown above were presented as part of all segments.

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in note 3.

(a) Basis of consolidation

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

Business combinations

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

The acquisition date is the date on which control is transferred to the acquirer.

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 at 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.

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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.

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) *Investments in subsidiaries and associates*

Investments in subsidiaries and associates in the separate financial statements of the Company are measured at cost less allowance for impairment losses.

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

Disposal of investments in the separate financial statements

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

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(c) 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.

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 a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of an associate while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

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.

(d) Financial instruments

Accounting policies applicable from 1 January 2020

(d.1) Recognition and initial measurement

Trade receivables and trade payables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group/Company becomes a party to the contractual provisions of the instrument.

A financial asset and financial liability (unless it is a trade receivable without a significant financing component or measured at FVTPL) is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing

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component is initially measured at the transaction price. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(d.2) Classification and subsequent measurement

Financial assets - classification

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value to other comprehensive income (FVOCI); or fair value to profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition unless the Group/Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group/Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment,

‘principal’ is defined as the fair value of the financial asset on initial recognition.

‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group/Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group/Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features; and
- terms that limit the Group’s/Company’s claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets - subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
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Financial assets	These assets are subsequently measured at amortised cost using the
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at amortised cost effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities - classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(d.3) Derecognition

Financial assets

The Group/Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group/Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group/Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group/Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group/Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(d.4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group/Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(d.5) Derivatives

Derivative are recognised at fair value. At the end of each reporting period the fair value is measured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(d.6) Hedging

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The Group/Company held certain derivatives to hedge exposure to foreign currency risk and interest rate.

Accounting policies applicable before 1 January 2020

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.

Derivatives

Derivatives were recognised when they were exercised.

(e) *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.

(f) *Trade and other current receivable*

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

A receivable is measured at transaction price less allowance for expected credit loss (2019: *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.

(g) *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.

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(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 properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment properties 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 properties, and are recognised in profit or loss. When investment properties that was previously classified as property, plant and equipment is sold (*see note 4(i)*), the amounts included in the revaluation reserve are transferred to retained earnings.

(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.

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.

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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.

Reclassification to investment properties

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

Subsequent costs

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

Depreciation

Depreciation is calculated based on the depreciable amount of plants and equipment, 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.

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(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/Company 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.

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) Lease

Accounting policies applicable from 1 January 2020

At inception of a contract, the Group/Company assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Group/Company uses the definition of a lease in TFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group/Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group/Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group/Company recognises a right-of-use asset and a lease liability at the lease commencement date, except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

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Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of restoration costs, less any lease incentives received. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group/Company by the end of the lease term or the cost of the right-of-use asset reflects that the Group/Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's/Company's incremental borrowing rate. The lease payments included fixed payments less any lease incentive receivable amount under purchase, extension or termination option if the Group/Company is reasonably certain to exercise option. Variable lease payments that do not depend on index or a rate are recognised as expenses in the accounting period in which they are incurred.

The Group/Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in lease term, change in lease payments, change in the estimate of the amount expected to be payable under a residual value guarantee, or a change in the assessment of purchase, extension or termination options. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group/Company presents right-of-use assets that do not meet the definition of investment property in property, plant and equipment/intangible assets and lease liabilities in 'long-term loan' in the statement of financial position.

As a lessor

At inception or on modification of a contract that contains a lease component and one or more additional lease or non-lease components, the Group/Company allocates the consideration in the contract to each component on the basis of their relative standalone prices.

When the Group/Company acts as a lessor, it determines at lease inception whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

The Group/Company recognises lease payments received under operating leases as rental income on a straight-line basis over the lease term as part of 'Other income.' Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

Accounting policies applicable before 1 January 2020

As a lessee, leases in terms of which the Group/Company 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

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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.

Assets held under other leases were classified as operating leases and lease payments are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

(l) Impairment of financial assets

Accounting policies applicable from 1 January 2020

The Group/Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost (including cash and cash equivalents, trade receivables and other current receivables, loans to related parties).

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group/Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

Loss allowances for trade receivables, lease receivables and contract assets are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both current and forecast general economic conditions at the reporting date.

Loss allowances for all other financial instruments, the Group/Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group/Company is exposed to credit risk.

The Group/Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in financial instruments's credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group/Company.

The Group/Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group/Company in full, without recourse by the Group/Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Credit-impaired financial assets

At each reporting date, the Group/Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence of credit-impairment includes significant financial difficulty, a breach of contract such as more than 90 days past due, probable the debtor will enter bankruptcy.

Write-off

The gross carrying amount of a financial asset is written off when the Group/Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

Accounting policies applicable before 1 January 2020

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

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

Calculation of recoverable amount

The recoverable amount of held-to-maturity securities carried at amortised cost is calculated as the present value of the estimated future cash flows discounted at the original effective interest rate.

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

Reversals of impairment

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For financial assets carried at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

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(m) Impairment of non-financial assets

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 asset's 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.

Reversal 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.

(n) 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.

(o) 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.

(p) 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.

(q) Employee benefits

Defined contribution plans

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

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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.

Termination benefits

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

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group/Company 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) Share-based payments

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognised as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognised as personnel expenses in profit or loss.

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(s) *Provisions*

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

(t) *Fair values measurement*

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group/Company has access at that date. The fair value of a liability reflects its non-performance risk.

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

When one is available, the Group/Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as ‘active’ if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group/Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group/Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received. If the Group/Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

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.

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(u) Revenue

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.

(v) Other income

Other income comprises dividend, interest income and others. Dividend income is recognised in profit or loss on the date on which the Group's/Company's right to receive payment is established.

(w) Interest

Accounting policies applicable from 1 January 2020

Effective Interest Rate (EIR)

Interest income or expense is recognised using the effective interest method. The EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Accounting policies applicable before 1 January 2020

Interest income is recognised in profit or loss at the rate specified in the contract.

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 periods of time to be prepared for its intended use or sale.

(x) 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 items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and associates to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

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

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. 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.

(y) *Earnings (losses) per share*

The Group/Company presents basic earnings (loss) 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.

(z) *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.

(aa) *Segment reporting*

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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.

5 Impact of COVID-19 Outbreak

Due to the COVID-19 outbreak at the beginning of 2020, Thailand and many other countries have enacted several protective measures against the pandemic, e.g. the order to temporarily shut down operating facilities or reduce operating hours, social distancing, etc. This has significantly affected world economy, production, supply chain of goods and business operation of many entities in wide areas. The management is closely monitoring the situation to ensure the safety of the Group's/Company's staff and to manage the negative impact on the business as much as possible. At 31 December 2020, the situation of COVID-19 outbreak is still ongoing, resulting in estimation uncertainty on the potential impact, therefore, the Group/Company elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of COVID-19 outbreak on the following:

(a) Impairment of assets

The Group/Company considered impairment of trade accounts receivables under simplified approach using historical loss rate and did not take forward-looking information into account.

The Group/Company elected to exclude the COVID-19 situation as impairment indicator for property, plant and equipment/investment properties/investment in subsidiaries.

(b) Fair value measurement

The Group/Company elected to measure investment in non-marketable equity securities at 31 December 2020 using fair values at 1 January 2020.

(c) Deferred tax assets

The Group/Company elected to exclude the factor of COVID-19 situation in considering sufficiency of future taxable profits to review the amount of deferred tax assets at 31 December 2020.

6 Related parties

Relationships with associates and subsidiaries are described in notes 9 and 10. Other related parties that the Group/Company had significant transactions with during the year were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
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 Primatch Co., Ltd.	Thailand	Common directors

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

Transactions	Pricing policies
Sales of goods/raw materials	Market price
Rental income	Contractual price
Purchase of goods/raw materials	Market prices less operating expenses at the agreed rate 1.0 - 5.0 baht per kilogram
Interest income	Cost plus margin
Interest expense	Cost plus margin
Commission expense	Cost plus margin

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods/raw materials	-	-	1,172,372	1,425,466
Purchases of goods/raw materials	-	-	55,896	67,013
Interest income	-	-	4,963	66
Interest expense	-	-	1,838	1,833
Commission expense	-	-	212	3,106
Rental income	-	-	1,214	338
Associates				
Purchases of raw materials	3,044	8,502	3,044	8,502
Interest expense	-	163	-	-
Key management personnel				
Key management personnel compensation	28,445	32,682	28,445	32,682
Share-based payments	11,419	-	-	-
Other related parties				
Sales of goods	22,723	19,004	22,729	18,793
Purchases of goods/raw materials	9,509	11,778	9,634	11,778

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

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Trade accounts receivable				
Subsidiaries	-	-	140,209	312,650
Other related parties	6,305	2,616	6,305	2,616
Total	6,305	2,616	146,514	315,266
Other current receivables				
Subsidiaries	-	-	31,793	30,749
Associates	1	2	1	2
Other related parties	-	1	-	1
Total	1	3	31,794	30,752

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<i>Movement of loans to</i>	Interest rate	Separate financial statements			At
	At 31 December (% per annum)	At 1 January	Increase	Decrease	31 December
2020					
Subsidiaries					
Thai Rubber Land and Plantation Co., Ltd.	-	992,933	-	(992,933)	-
Latex Systems Public Company Limited	4.0	-	171,368	(5,368)	166,000
Total		992,933			166,000
2019					
Subsidiaries					
Thai Rubber Land and Plantation Co., Ltd.	-	992,933	-	-	992,933
Latex Systems Public Company Limited	4.0	38,000	-	(38,000)	-
Total		1,030,933			992,933

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<i>(in thousand Baht)</i>				
<i>Trade accounts payable</i>				
Subsidiaries	-	-	1,446	25
Associates	573	433	573	433
Other related parties	1,734	-	1,734	-
Total	2,307	433	3,753	458
<i>Other current payables</i>				
Subsidiaries	-	-	610	226

<i>Movement of loans from</i>	Interest rate	Consolidated financial statements		
	At 31 December (% per annum)	At 1 January	Decrease	At 31 December
<i>(in thousand Baht)</i>				
2020				
Associate				
Wang Somboon Rubber Estate Co., Ltd.	4.0	3,100	(1,500)	1,600
Total		3,100		1,600
2019				
Associate				
Wang Somboon Rubber Estate Co., Ltd.	4.0	4,500	(1,400)	3,100
Total		4,500		3,100

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<i>Movement of loans from</i>	Interest rate	Separate financial statements		
	At 31 December (% per annum)	At 1 January	Increase	At 31 December
<i>2020 and 2019</i>				
Subsidiary				
Thai Rubber H P N R Co., Ltd.	3.9	47,000	-	47,000
Total		47,000		47,000

Significant agreements with related parties

The Company has issued letter of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 945.0 million and USD 10.0 million (31 December 2019: Baht 950.0 million and USD 10.0 million).

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Cash on hand	1,024	1,405	768	591
Cash at bank - current accounts	52,817	55,315	855	10,045
Cash at bank - saving accounts	31,708	34,406	122	23,466
Total	85,549	91,126	1,745	34,102

8 Inventories

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Finished goods	820,875	953,673	675,721	647,366
Work in process	2,653	10,710	-	-
Raw materials	169,484	160,032	45,765	25,168
Packing materials	7,787	6,877	437	458
Supplies	26,083	37,404	6,913	7,686
Goods in transit	35,660	-	-	-
Total	1,062,542	1,168,696	728,836	680,678
<i>Less allowance for decline in value</i>	<i>(10,222)</i>	<i>(64,929)</i>	<i>-</i>	<i>-</i>
Net	1,052,320	1,103,767	728,836	680,678
Inventories recognised in 'cost of sales of goods':				
- Cost	6,263,374	6,256,069	4,558,883	4,921,464
- Reversal of write-down	(64,633)	-	-	(16,999)
- Write-down to net realisable value	9,926	64,929	-	16,999
Net	6,208,667	6,320,998	4,558,883	4,921,464

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9 Investments in associates

Investments in associates as at 31 December 2020 and 2019 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			
			2020	2019	2020	2019	Cost		Carrying amount based on equity method		2020	2019		
			2020		2019		2020	2019	2020	2019	2020	2019	2020	2019
			(%)				<i>(in thousand Baht)</i>							
Associates														
Wang Somboon Rubber Estate Co., Ltd.	Planting of rubber	Thailand	48.4	48.4	55,300	55,300	30,101	30,101	28,444	29,664	-	-		
Rosener-Mautby Meditrade (Thailand) Ltd.(*)	Production of latex examination gloves	Thailand	31.5	31.5	120,000	120,000	37,849	37,849	-	-	-	-		
Total							67,950	67,950	28,444	29,664	-	-		
Separate financial statements														
			Effective ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend income for the year	
			2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
			(%)						<i>(in thousand Baht)</i>					
Associate														
Rosener-Mautby Meditrade (Thailand) Ltd.(*)	Thailand	31.5	31.5	120,000	120,000	37,849	37,849	(37,849)	(37,849)	-	-	-	-	
Total						37,849	37,849	(37,849)	(37,849)	-	-	-	-	

None of the Group's/Company's associates are publicly listed and consequently do not have published price quotations.

(*) 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.

	Wang Somboon Rubber Estate Co., Ltd.	
	2020	2019
	<i>(in thousand Baht)</i>	
Revenue	9,705	18,392
Loss from continuing operations	(2,325)	(2,525)
Other comprehensive income (expense)	(195)	(195)
Total comprehensive income (100%)	<u>(2,520)</u>	<u>(2,720)</u>
Total comprehensive income of the Group's interest	(1,220)	(1,318)
Current assets	16,673	17,601
Non-current assets	44,437	46,390
Current liabilities	(246)	(585)
Non-current liabilities	(1,915)	(2,027)
Net assets (100%)	<u>58,949</u>	<u>61,379</u>
Group's share of net assets	<u>30,505</u>	<u>31,715</u>
Carrying amount of interest in associate	<u>28,444</u>	<u>29,664</u>

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10 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2020 and 2019 and dividend income for the years then ended were as follows:

	Nature of business	Country of operation	Ownership interest		Separate financial statements								Dividend income for the year	
					Paid-up capital		Cost		Impairment		At cost-net			
					2020	2019	2020	2019	2020	2019	2020	2019		
			(%)						(in thousand Baht)					
Direct subsidiaries														
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	1,800,000	800,000	1,800,000	800,000	-	-	1,800,000	800,000	-	-
Thai Rubber HPNR 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	(41,000)	-	13,310	54,310	-	-
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	(48,980)	(39,180)	19,930	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	-	-
Total							2,912,454	1,912,454	(89,980)	(39,180)	2,822,474	1,873,274	-	-

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On 30 April 2020, Thai Rubber Land and Plantation Co., Ltd. registered to increase its share capital by Baht 1,000.0 million with the Ministry of Commerce (increase authorised share capital of Baht 800.0 million to Baht 1,800.0 million).

During 2020, World Flex Public Company Limited, a subsidiary, amended the Memorandum of Association from the registered share at par value of Baht 4 per share to Baht 1 per share (from 77.0 million shares to 308.0 million shares) and increased its authorised share capital by Baht 14.2 million (from registered share capital of Baht 308.0 million to Baht 322.2 million). The Company registered the increase of share capital with the Ministry of Commerce on 24 November 2020 and received advance from share subscription by Baht 14.2 million on 30 December 2020, it was recognised as advance received from share subscription. The subsidiary registered the change to paid-up capital with the Ministry of Commerce on 13 January 2021.

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

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

Testing for CGUs containing investments

During 2020, the spread of Covid-19 affected the operation of the subsidiaries significantly. The management of the Company believes that the investments in Myanmar Thai Rubber Joint Corporation Limited and Latex Systems Public Company Limited might be impaired and estimated the discounted cash flows to determine the recoverable of the cash generating units of investments. As a result, the Company recognised impairment losses in the separate statement of comprehensive income for the year ended 31 December 2020 for such subsidiaries amounting to Baht 9.8 million and Baht 41.0 million, respectively (2019: nil).

The estimated recoverable amount of this CGU was based on its value in use, measured by discounting the future cash flows prepared by the management. The key assumptions used in the estimation of the recoverable amount included the discount rate and EBITDA. The discount rate was a post-tax measure estimated based on the average weighted-average cost of capital of the investments.

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11 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 2020	
	Latex Systems Public Company Limited	Total
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	43.84%	
Current assets	150,338	
Non-current assets	711,459	
Current liabilities	(615,247)	
Non-current liabilities	(329,382)	
Net assets	(82,832)	
Carrying amount of non-controlling interest	(36,308)	(36,308)
Other individually immaterial subsidiaries		10,429
Net		(25,879)
Revenue	247,496	
Loss	(325,939)	
Other comprehensive income	53,306	
Total comprehensive income	(272,633)	
Loss allocated to non-controlling interest	(142,868)	(142,868)
Other individually immaterial subsidiaries		(1,823)
Net		(144,691)
Other comprehensive income allocated to non-controlling interest	(119,503)	(119,503)
Other individually immaterial subsidiaries		(2,537)
Net		(122,040)
Cash flows used in operating activities	(30,342)	
Cash flows used in investing activities	(6,061)	
Cash flows from financing activities	36,995	
Net increase in cash and cash equivalents	592	

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	31 December 2019	
	Latex Systems Public Company Limited	Total
	<i>(in thousand Baht)</i>	
Non-controlling interest percentage	43.84%	
Current assets	393,532	
Non-current assets	733,381	
Current liabilities	(707,148)	
Non-current liabilities	(229,965)	
Net assets	189,800	
Carrying amount of non-controlling interest	83,208	83,208
Other individually immaterial subsidiaries		12,952
Net		96,160
Revenue	589,497	
Loss	(271,331)	
Total comprehensive income	(271,331)	
Loss allocated to non-controlling interest	(118,952)	(118,952)
Other individually immaterial subsidiaries		(3,001)
Net		(121,953)
Other comprehensive income allocated to non-controlling interest	(118,952)	(118,952)
Other individually immaterial subsidiaries		(3,755)
Net		(122,707)
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: amounted to Baht 16,287 thousand)	57,017	
Net decrease in cash and cash equivalents	(8,482)	

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12 Investment properties

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
At 1 January					
- Land		438,467	430,123	68,143	62,843
- Building		109,223	130,947	40,467	57,747
		547,690	561,070	108,610	120,590
Gain (loss) on fair value adjustments					
- Land		20,372	8,344	7,572	5,300
- Building		5,718	(21,724)	(6,672)	(17,280)
		26,090	(13,380)	900	(11,980)
Transfer from property, plant and equipment					
- Land		167,223	-	118,923	-
- Building		63,723	-	63,723	-
	13	230,946	-	182,646	-
At 31 December					
- Land		626,062	438,467	194,638	68,143
- Building		178,664	109,223	97,518	40,467
Total		804,726	547,690	292,156	108,610
Year ended 31 December				2020	2019
<i>(in thousand Baht)</i>					
Amounts recognised in profit or loss					
Rental income				15,648	7,020

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 1 to 3 years for land and building. Renewals are negotiated with the lessee. No contingent rents are charged.

The Group and the Company have pledged investment properties amounting to approximately Baht 673.9 million and Baht 292.2 million, respectively (2019: Baht 327.2 million and Baht 108.6 million, respectively) as collateral against credit facilities from a financial institution (see note 18).

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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.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
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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13 Property, plant and equipment

	Consolidated financial statements							Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment <i>(in thousand Baht)</i>	Vehicles	Other fixed assets	Assets under construction and installation	
Cost/Revaluation								
At 1 January 2019	1,559,431	1,053,392	987,664	523,670	142,529	179,845	202,865	4,649,396
Additions	-	-	1,106	12,125	3,011	75	96,656	112,973
Surplus on revaluation	-	-	57,348	-	-	-	-	57,348
Transfers	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)
At 31 December 2019	1,560,004	1,172,183	814,331	536,364	138,191	184,215	132,813	4,538,101
Recognition of right-of-use asset on initial application of TFRS 16 <i>(see note 3(b))</i>	-	32,087	-	466	2,050	-	-	34,603
At 1 January 2020 - as adjusted	1,560,004	1,204,270	814,331	536,830	140,241	184,215	132,813	4,572,704
Additions	1,082	1,619	199	17,597	11,957	-	138,309	170,763
Surplus on revaluation	168,293	191,301	112,559	-	-	-	-	472,153
Transfers	-	2,987	31,980	7,395	-	10,723	(53,085)	-
Revaluation of land and building transferred to investment properties	20,097	22,070	-	-	-	-	-	42,167
Transfer to investment properties <i>(see note 12)</i>	(167,223)	(73,503)	-	-	-	-	-	(240,726)
Write-off	-	(4,331)	(6,024)	(3,943)	(1,840)	(56)	(338)	(16,532)
Disposals	-	-	(1,330)	(51,706)	(9,470)	-	-	(62,506)
Reversal of assets revaluation	-	(233,639)	(278,090)	-	-	-	-	(511,729)
At 31 December 2020	1,582,253	1,110,774	673,625	506,173	140,888	194,882	217,699	4,426,294

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	Consolidated financial statements							Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment <i>(in thousand Baht)</i>	Vehicles	Other fixed assets	Assets under construction and installation	
<i>Depreciation and impairment losses</i>								
At 1 January 2019	15,447	153,060	384,885	368,783	121,252	104,755	-	1,148,182
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)
At 31 December 2019 and 1 January 2020	15,447	194,594	259,512	395,053	120,744	115,213	-	1,100,563
Depreciation charge for the year	-	74,013	115,770	37,576	7,180	12,092	-	246,631
(Reversal of) Impairment losses	(2,907)	2,959	2,377	-	-	-	-	2,429
Transfer to investment properties <i>(see note 12)</i>	-	(9,780)	-	-	-	-	-	(9,780)
Write-off	-	(800)	(4,739)	(2,930)	(1,145)	(43)	-	(9,657)
Disposals	-	-	(1,330)	(51,403)	(9,374)	-	-	(62,107)
Reversal of accumulated depreciation on assets revaluation	-	(233,639)	(278,090)	-	-	-	-	(511,729)
At 31 December 2020	12,540	27,347	93,500	378,296	117,405	127,262	-	756,350
<i>Net book value</i>								
At 31 December 2019								
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
	1,544,557	977,589	554,819	141,311	17,447	69,002	132,813	3,437,538
At 31 December 2020								
Owned assets	1,563,723	987,229	580,125	127,585	14,123	67,620	217,699	3,558,104
Right-of-use assets	5,990	96,198	-	292	9,360	-	-	111,840
	1,569,713	1,083,427	580,125	127,877	23,483	67,620	217,699	3,669,944

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The gross amount of the Group and the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 505.8 million (2019: Baht 489.2 million).

The Group has borrowing costs related to the acquisition of buildings and machinery as part of the cost of assets amounting to Baht 1.3 million with interest rate at 4.0% p.a. (2019: Baht 4.2 million with interest rate at 4.3% p.a.).

In December 2020, land, building and machinery are revalued by market approach and depreciated replacement cost ("DRC") approach. The Group/Company determined fair value based on valuations performed by valuer approved by the Office of the SEC resulted to increase in revaluation surplus of land, building and machinery of the Group and the Company by Baht 472.2 million and Baht 111.9 million, respectively.

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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 <i>(in thousand Baht)</i>	Vehicles	Other fixed assets		
<i>Cost/Revaluation</i>								
At 1 January 2019	464,129	441,103	436,403	154,779	97,395	141,947	6,668	1,742,424
Additions	-	-	-	2,839	-	-	2,954	5,793
Surplus on revaluation	-	-	57,348	-	-	-	-	57,348
Transfers	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)
At 31 December 2019	464,702	441,343	239,626	157,138	91,506	146,297	2,208	1,542,820
Recognition of right-of-use asset on initial application of TFRS 16 <i>(see note 3(b))</i>	-	2,495	-	142	-	-	-	2,637
At 1 January 2020 - as adjusted	464,702	443,838	239,626	157,280	91,506	146,297	2,208	1,545,457
Additions	-	57	13	1,206	-	-	6,033	7,309
Revaluation of assets	35,708	76,145	-	-	-	-	-	111,853
Transfers	-	1,527	407	-	-	618	(2,552)	-
Revaluation of land and building transferred to investment properties	9,204	22,070	-	-	-	-	-	31,274
Transfer to investment properties <i>(see note 12)</i>	(118,923)	(73,503)	-	-	-	-	-	(192,426)
Write-off	-	-	(1,999)	-	-	-	-	(1,999)
Disposals	-	-	-	(69)	(7,004)	-	-	(7,073)
Reversal of assets revaluation	-	(72,487)	-	-	-	-	-	(72,487)
At 31 December 2020	390,691	397,647	238,047	158,417	84,502	146,915	5,689	1,421,908

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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 <i>(in thousand Baht)</i>	Vehicles	Other fixed assets		
<i>Depreciation and impairment losses</i>								
At 1 January 2019	12,540	81,515	257,970	141,803	86,025	84,247	-	664,100
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	-	-	(253,426)	-	-	-	-	(253,426)
At 31 December 2019 and 1 January 2020	12,540	87,254	60,525	146,138	83,760	91,705	-	481,922
Depreciation charge for the year	-	24,526	34,425	3,917	2,713	7,342	-	72,923
Reversal of impairment losses	-	(5,454)	-	-	-	-	-	(5,454)
Offset of accumulated depreciation on building transferred to investment properties <i>(see note 12)</i>	-	(9,780)	-	-	-	-	-	(9,780)
Write-off	-	-	(1,926)	-	-	-	-	(1,926)
Disposals	-	-	-	(69)	(7,002)	-	-	(7,071)
Reversal of accumulated depreciation on assets revaluation	-	(72,487)	-	-	-	-	-	(72,487)
At 31 December 2020	12,540	24,059	93,024	149,986	79,471	99,047	-	458,127

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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>								
At 31 December 2019								
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
	452,162	354,089	179,101	11,000	7,746	54,592	2,208	1,060,898
At 31 December 2020								
Owned assets	378,151	294,087	145,023	8,375	2,250	47,868	5,689	881,443
Right-of-use assets	-	79,501	-	56	2,781	-	-	82,338
	378,151	373,588	145,023	8,431	5,031	47,868	5,689	963,781

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The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 December 2020 amounted to Baht 292.7 million (2019: Baht 292.6 million).

The Group and the Company have pledged their property, plant and equipment which have a net book value of Baht 2,476.6 million and Baht 719.4 million, respectively (2019: Baht 2,318.2 million and Baht 805.3 million, respectively), as collateral to secure the Group's and the Company's bank overdrafts, trusted receipts, short and long term loans (see note 18).

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

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
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).

If property, plant and machinery were measured using the cost model, the carrying amounts would be, as follows:

	31 December 2020	
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
- Cost	2,403,941	411,271
- Accumulated depreciation and impairment losses	(819,094)	(98,003)
	<u>1,584,847</u>	<u>313,268</u>

Transfer to investment properties

During 2020, the Group/Company has transferred land and building to investment properties amounted to Baht 230.9 million and Baht 182.6 million, respectively. However, before transfer, the Group/Company remeasured land and building to fair value and recognised a gain of Baht 42.2 million and Baht 31.3 million, respectively, presented under revaluation of land and building transferred to investment properties in the statement of comprehensive income. The valuation techniques and significant unobservable inputs used in measuring the fair value of the asset at the date of transfer were the same as those applied to investment properties at the reporting date (see note 12).

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14 Goodwill

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Cost		
At 1 January	<u>12,303</u>	<u>12,303</u>
Impairment losses		
At 1 January	(5,427)	-
Impairment loss	<u>(6,876)</u>	<u>(5,427)</u>
At 31 December	<u>(12,303)</u>	<u>(5,427)</u>
Net book value		
At 31 December	<u>-</u>	<u>6,876</u>

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. 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. The carrying amount of the CGU was determined to be higher than its recoverable amount, hence, an impairment loss of Baht 6.9 million was recognised and included in administrative expense during 2020 (2019: Baht 5.4 million).

15 Land possessory rights

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	192,192	193,158	6,239	6,270
Amortisation	<u>(3,863)</u>	<u>(966)</u>	<u>(126)</u>	<u>(31)</u>
At 31 December	<u>188,329</u>	<u>192,192</u>	<u>6,113</u>	<u>6,239</u>

As at 31 December 2020, the Group and the Company have land possessory rights of approximately 13,558 rais and 49 rais, respectively (2019: 13,558 rais and 49 rais, respectively). The Group and the Company are currently in the process of obtaining legal ownership acquisition.

16 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. MTRJC paid advance payment for land possessory right at Baht 45 million. However, the land possessory rights have not yet been transferred to MTRJC. As a result, an

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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 2020, 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.

17 Rubber plantation development costs

	Consolidated financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
At 1 January	891,575	885,902
Additions	2,931	7,842
Amortisation	(4,203)	(2,169)
At 31 December	<u>890,303</u>	<u>891,575</u>

18 Interest-bearing liabilities

	<i>Note</i>	Consolidated financial statements					
		2020			2019		
		Secured	Unsecured	Total	Secured	Unsecured	Total
		<i>(in thousand Baht)</i>					
Bank overdrafts		36,888	-	36,888	12,302	-	12,302
Short-term loans from financial institutions		3,845,124	-	3,845,124	3,685,914	-	3,685,914
Short-term loans from related party	6	-	1,600	1,600	-	3,100	3,100
Long-term loans from financial institutions		1,076,429	-	1,076,429	1,181,287	-	1,181,287
Lease liabilities <i>(2019: Finance lease liabilities)</i>		56,869	-	56,869	54,190	-	54,190
Total interest-bearing liabilities		<u>5,015,310</u>	<u>1,600</u>	<u>5,016,910</u>	<u>4,933,693</u>	<u>3,100</u>	<u>4,936,793</u>
		Separate financial statements					
		2020			2019		
		Secured	Unsecured	Total	Secured	Unsecured	Total
		<i>(in thousand Baht)</i>					
Bank overdrafts		36,888	-	36,888	2,545	-	2,545
Short-term loans from financial institutions		3,163,323	-	3,163,323	2,904,158	-	2,904,158
Short-term loans from related party	6	-	47,000	47,000	-	47,000	47,000
Long-term loans from financial institutions		726,250	-	726,250	831,250	-	831,250
Lease liabilities <i>(2019: Finance lease liabilities)</i>		32,672	-	32,672	51,102	-	51,102
Total interest-bearing liabilities		<u>3,959,133</u>	<u>47,000</u>	<u>4,006,133</u>	<u>3,789,055</u>	<u>47,000</u>	<u>3,836,055</u>

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As at 31 December 2020, the Group has unutilised credit facilities at the total of Baht 1,355.6 million and USD 83.4 million (2019: Baht 1,961.0 million and USD 79.5 million), utilised credit facilities at the total of Baht 4,986.1 million and USD 31.0 million (2019: Baht 4,947.3 million and USD 23.5 million), and the Company has issued letter of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 945.0 million and USD 10.0 million (2019: Baht 950.0 million and USD 10.0 million). The Company had unutilised credit facilities totalling Baht 396.8 million (2019: Baht 920.3 million).

	Consolidated financial statements			Separate financial statements		
	Minimum lease payments	Interest	Present value of minimum lease payments	Minimum lease payments	Interest	Present value of minimum lease payments
<i>Finance lease liabilities</i>			(in thousand Baht)			
At 31 December 2019						
Within one year	24,379	(2,252)	22,127	22,949	(2,063)	20,886
1 - 5 years	33,924	(1,861)	32,063	31,913	(1,697)	30,216
Total	58,303	(4,113)	54,190	54,862	(3,760)	51,102

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.

Breach of loan covenant

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. During the year ended 31 December 2020, the Group failed to comply with maintaining the level of financial ratios as defined in the loan agreements. Breach of the terms of these agreements may cause the bank to recall all outstanding payables under such agreements. However, during 2020 the Group received the relief letter related to the level of financial ratios from the financial institutions and was negotiating for the reschedule the repayment of loan principal.

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

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Long-term borrowings of the Company				
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.	204,000	228,000	204,000	228,000
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.	491,000	547,000	491,000	547,000
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 6-16 and the remain principle for installment 17). The repayments are to be made for every 3-month period, commencing March 2018.	31,250	56,250	31,250	56,250
Long-term borrowings of subsidiary				
<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 Baht 12.5 million per installment. The repayments are to be made for every 3-month period, commencing September 2017.	170,300	175,000	-	-

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	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Long-term borrowings of subsidiary				
<i>Latex Systems Public Company Limited</i>				
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.	93,100	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.	86,779	75,037	-	-
Total	1,076,429	1,181,287	726,250	831,250
<i>Less: Current portion of long term borrowings</i>	<i>(773,000)</i>	<i>(238,600)</i>	<i>(720,000)</i>	<i>(105,000)</i>
Net	303,429	942,687	6,250	726,250

19 Non-current provision for employee benefits

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Post - employment benefits	93,323	95,557	67,653	71,871
Total	93,323	95,557	67,653	71,871

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.

<i>Present value of the defined benefit obligations</i>	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	95,557	55,369	71,871	37,238
Include in profit or loss:				
Current service cost	6,893	7,716	3,156	4,238
Past service cost	-	19,744	-	15,741
Interest on obligation	1,998	2,192	1,288	1,575
	8,891	29,652	4,444	21,554

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<i>Present value of the defined benefit obligations</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Included in other comprehensive income				
Actuarial (gain) loss				
- Demographic assumptions	(1,496)	14,124	1,849	14,124
- Financial assumptions	3,440	-	3,008	-
- Experience adjustment	6,081	-	4,095	-
	8,025	14,124	8,952	14,124
Benefit paid	(19,150)	(3,588)	(17,614)	(1,045)
At 31 December	93,323	95,557	67,653	71,871

<i>Principal actuarial assumptions</i>	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	(%)			
Discount rate	1.3 - 1.8	1.8 - 4.4	1.4	1.8 - 4.4
Future salary growth	3.0 - 4.0	3.0 - 5.5	4.0	3.0 - 5.5

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

At 31 December 2020, the weighted-average duration of the defined benefit obligation was 10 years (2019: 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 At 31 December</i>	Consolidated financial statements			
	Increase		Decrease	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate (1%)	(6,616)	(7,211)	7,707	8,373
Future salary growth (1%)	7,173	8,858	(6,301)	(7,748)
Employee turnover rate (20%)	(5,436)	(5,916)	6,382	6,972

<i>Effect to the defined benefit obligation At 31 December</i>	Separate financial statements			
	Increase		Decrease	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Discount rate (1%)	(3,879)	(4,359)	4,491	5,010
Future salary growth (1%)	4,166	5,342	(3,682)	(4,720)
Employee turnover rate (20%)	(2,703)	(3,366)	3,092	3,892

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20 Reserves and share premium

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.

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.

Other components of equity

Translation reserve

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

Revaluation reserves

The revaluation reserve comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of.

	Revaluation reserves			
	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
At 1 January	1,260,289	1,266,412	516,734	511,789
Revaluation of land, building and machinery, net of tax	355,821	45,878	89,482	45,878
Revaluation of land and building transferred to investment properties, net of tax	33,733	-	25,020	-
Amortisation	(52,343)	(52,001)	(41,006)	(40,933)
At 31 December	<u>1,597,500</u>	<u>1,260,289</u>	<u>590,230</u>	<u>516,734</u>

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

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21 Segments information and disaggregation of revenue

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.

Revenue from sales of products of the Group came from concentrated and prevulcanized latex, latex products and rubber plantation and recognised at a point in time.

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<i>For the year ended 31 December</i>	Concentrated and prevulcanized latex		Latex products				Rubber plantation		Total	
	2020	2019	2020	2019	2020	2019	2020	2019		
			<i>(in million Baht)</i>							
Information about reportable segments										
External revenue	4,199	4,185	2,644	2,634	5	8	6,848	6,827		
Inter-segment revenue	1,172	1,448	1	-	55	43	1,228	1,491		
Total revenue	5,371	5,633	2,645	2,634	60	51	8,076	8,318		
Disaggregation of revenue										
Primary geographical markets										
Thailand	2,547	2,341	126	158	5	8	2,678	2,507		
PRC	354	576	1,837	2,010	-	-	2,191	2,586		
Malaysia	601	513	2	-	-	-	603	513		
Hong Kong Special Administrative Region of the People's Republic of China	244	99	2	-	-	-	246	99		
Islamic Republic of Pakistan	60	62	54	24	-	-	114	86		
Republic of Korea	52	106	26	25	-	-	78	131		
Others countries	341	488	597	417	-	-	938	905		
Total revenue	4,199	4,185	2,644	2,634	5	8	6,848	6,827		
Timing of revenue recognition										
At a point in time	4,199	4,185	2,644	2,634	5	8	6,848	6,827		
Segment profit (loss) before income tax	163	(172)	(266)	(258)	1	(14)	(102)	(444)		
Interest income	1	1	-	-	-	-	1	1		
Interest expense	(134)	(158)	(51)	(47)	-	-	(185)	(205)		
Depreciation and amortisation	(78)	(85)	(166)	(137)	(6)	(10)	(250)	(232)		
Selling-related expenses	(127)	(169)	(34)	(34)	-	-	(161)	(203)		
Personnel-related expenses	(199)	(243)	(250)	(252)	(18)	(15)	(467)	(510)		

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	Concentrated and prevulcanized latex		Consolidated financial statements				Total	
	2020	2019	Latex products		Rubber plantation		2020	2019
			2020	2019	2020	2019		
			<i>(in million Baht)</i>					
Other material non-cash items								
- Impairment losses of trade accounts receivables	(1)	-	(44)	(137)	-	-	(45)	(137)
Investment in equity securities	70	81	-	-	30	30	100	111
Segment assets	3,535	2,993	2,459	2,482	2,181	2,137	8,265	7,612
Segment liabilities	4,302	4,029	1,498	1,448	160	149	5,960	5,626

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(a) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	Consolidated financial statements			
	Revenues		Profit or loss	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Reportable segments	8,076	8,318	(168)	(471)
Other segments	127	50	-	-
Elimination of inter-segment transactions	<u>(1,237)</u>	<u>(1,497)</u>	<u>48</u>	<u>(3)</u>
Total	<u>6,966</u>	<u>6,871</u>	<u>(120)</u>	<u>(474)</u>

	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Reportable segments	11,501	10,892	6,352	7,022
Elimination of inter-segment transactions	<u>(3,236)</u>	<u>(3,280)</u>	<u>(392)</u>	<u>(1,396)</u>
Total	<u>8,265</u>	<u>7,612</u>	<u>5,960</u>	<u>5,626</u>

<i>Other material items</i>	Consolidated financial statements					
	2020			2019		
	Reportable segment totals	Adjustments	Total <i>(in million Baht)</i>	Reportable segment totals	Adjustments	Total
Interest income	8	(7)	1	3	(2)	1
Interest expense	192	(7)	185	207	(2)	205
Depreciation and amortisation	251	(1)	250	233	(1)	232
Impairment losses of trade accounts receivable	45	-	45	137	-	137

(b) 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.

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<i>Geographical information</i>	Consolidated financial statements			
	Revenues		Non-current assets	
	2020	2019	2020	2019
			<i>(in million Baht)</i>	
Thailand	2,678	2,507	5,668	5,202
PRC	2,191	2,586	-	-
Malaysia	603	513	-	-
Hong Kong Special Administrative Region of the People's Republic of China	246	99	-	-
Islamic Republic of Pakistan	114	86	-	-
Republic of Korea	78	131	-	-
Other countries	938	905	94	96
Investments in equity - accounted investees	-	-	98	111
Total	6,848	6,827	5,860	5,409

<i>Geographical information</i>	Separate financial statements			
	Revenues		Non-current assets	
	2020	2019	2020	2019
			<i>(in million Baht)</i>	
Thailand	3,462	3,486	4,306	3,299
PRC	349	565	-	-
Malaysia	601	513	-	-
Hong Kong Special Administrative Region of the People's Republic of China	244	99	-	-
Islamic Republic of Pakistan	60	62	-	-
Republic of Korea	52	106	-	-
Other countries	341	463	-	-
Total	5,109	5,294	4,306	3,299

(c) Promotional privileges

The Group has been granted promotional certificates by the Office of the Board of Investment for rubber products. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certain terms and conditions prescribed in the promotional certificates.

<i>Year ended 31 December</i>	Consolidated financial statements					
	Promoted businesses	2020		Promoted businesses	2019	
		Non- promoted businesses	Total		Non- promoted businesses	Total
			<i>(in million Baht)</i>			
Export sales	865	3,335	4,200	1,466	2,905	4,371
Local sales	95	3,781	3,876	126	3,822	3,948
Eliminations	-	(1,228)	(1,228)	-	(1,492)	(1,492)
Total	960	5,888	6,848	1,592	5,235	6,827

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22 Other income

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
Interest compensation		11,866	15,315	11,866	-
Sales of scrap		22,141	9,981	18,927	5,265
Rental income		17,383	12,302	8,637	6,262
Gain on foreign exchange		18,692	-	13,726	-
Interest income					
- Related parties	6	-	-	4,963	66
- Other parties		1,219	1,561	93	282
Gain on of fair value adjustment in investment properties	12	26,090	-	900	-
Others		20,718	4,512	6,343	702
Total		118,109	43,671	65,455	12,577

23 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Wages and salaries	373,989	432,048	157,893	199,850
Defined benefit plans	8,891	9,909	4,444	5,813
Defined contribution plans	7,682	10,555	3,389	4,432
Termination benefits	11,750	-	-	-
Equity-settled share-based payments	17,395	-	-	-
Others	90,220	80,617	36,294	33,109
Total	509,927	533,129	202,020	243,204

At the extraordinary meeting of the shareholders of the Company held on 30 December 2020, the shareholders approved the resolution to allocating the newly issue common stock of World Flex Public Company Limited., a subsidiary, to its directors and employees (ESOP) and the Company's directors amounting to 14.2 million shares at Baht 1 per share, which equals to Baht 14.2 million. Fair value of share as at the allotment date was Baht 2.23 per shares. Such difference was recognised as share-based payments in the consolidated statement of comprehensive income for the year ended 31 December 2020 of Baht 17.4 million.

Such subsidiary has measured share-based payments by fair value of external advisor service fee referenced with the estimated fair value of equity securities as at granted date calculated by a financial advisor under (Discounted Cash Flow Approach : DCF) equal to Return on Equity or Cost of Equity (Ke). Value is calculated by performance and profitability in the future by model theory in Capital Asset Pricing Model (CAPM) which has significant assumption as risk free return and market return referenced by retroactive return of stock market. Beta is the average beta of the subsidiary comparing to the industry.

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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.

24 Expenses by nature

The statement of income include an analysis of expenses by function. Significant expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Change in finished goods and work in process	(140,695)	(70,598)	(28,355)	102,108
Raw materials and supplies used	5,506,019	3,507,655	3,667,994	3,903,531
Purchase of finished goods	905,299	862,933	650,038	587,648
Depreciation and amortisation	164,975	217,574	64,757	78,570
Employee benefit expenses	481,107	518,508	195,250	241,637
Bad and doubtful accounts	44,225	136,704	713	-
Idle costs	124,882	43,921	17,307	2,527

25 Income tax

Income tax recognised in profit or loss	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Deferred tax expense				
Movements in temporary differences	18,957	30,137	(11,178)	(4,548)
Total income tax expense	18,957	30,137	(11,178)	(4,548)

	Consolidated financial statements					
	2020			2019		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Income tax						
Recognised in other comprehensive income						
Revaluation of property, plant and equipment	514,293	(102,859)	411,434	57,348	(11,470)	45,878
Defined benefit plan actuarial gains (losses)	(8,025)	1,605	(6,420)	(14,124)	2,825	(11,299)
Net	506,268	(101,254)	405,014	43,224	(8,645)	34,579

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	Separated financial statements					
	Before tax	2020 Tax (expense) benefit	Net of tax <i>(in thousand Baht)</i>	Before tax	2019 Tax (expense) benefit	Net of tax
<i>Income tax</i>						
<i>Recognised in other comprehensive income</i>						
Revaluation of property, plant and equipment	143,127	(28,625)	114,502	57,348	(11,470)	45,878
Defined benefit plan actuarial gains (losses)	<u>(8,951)</u>	<u>1,790</u>	<u>(7,161)</u>	<u>(14,124)</u>	<u>2,825</u>	<u>(11,299)</u>
Net	<u>134,176</u>	<u>(26,835)</u>	<u>107,341</u>	<u>43,224</u>	<u>(8,645)</u>	<u>34,579</u>

	Consolidated financial statements			
	2020		2019	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Loss before income tax expense		<u>(101,573)</u>		<u>(443,538)</u>
Income tax using the Thai corporation tax rate	(20)	(20,315)	(20)	(88,771)
Promotional privileges		(4,800)		-
Expenses not deductible for tax purposes		19,161		47,917
Recognition of previously unrecognised tax losses		(36,601)		-
Current year losses for which no deferred tax assets were recognised		63,349		47,702
Written-off unrecoverable deferred tax assets from loss carry forward		2,537		27,551
Others		<u>(4,374)</u>		<u>(4,262)</u>
Net	19	<u>18,957</u>	7	<u>30,137</u>

	Separate financial statements			
	2020		2019	
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit (loss) before income tax expense		<u>97,730</u>		<u>(176,664)</u>
Income tax using the Thai corporation tax rate	20	19,546	(20)	(35,333)
Expenses not deductible for tax purposes		953		1,014
Recognition of previously unrecognised tax losses		(28,244)		-
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>(3,433)</u>		<u>(145)</u>
Net	(11)	<u>(11,178)</u>	(3)	<u>(4,548)</u>

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<i>Deferred tax</i> <i>At 31 December</i>	Consolidated financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	80,074	98,955	(470,941)	(369,585)
Set off of tax	(80,074)	(98,955)	80,074	98,955
Net deferred tax asset (liabilities)	-	-	(390,867)	(270,630)

<i>Deferred tax</i> <i>At 31 December</i>	Separate financial statements			
	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	83,114	81,843	(156,469)	(139,541)
Set off of tax	(83,114)	(81,843)	83,114	81,843
Net deferred tax asset (liabilities)	-	-	(73,355)	(57,698)

Movements in total deferred tax assets and liabilities during the years ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements			
	At 1 January 2020	(Charged) / Credited to:		At 31 December 2020
		Profit or loss	Other comprehensive income	
	<i>(in thousand Baht)</i>			
Deferred tax assets				
Trade accounts receivable (<i>doubtful accounts</i>)	26,706	143	-	26,849
Property, plant and equipment (<i>sales and leaseback</i>)	12,591	(7,933)	-	4,658
Employee benefit obligations	19,112	(2,052)	1,605	18,665
Financial assets at FVTPL	3,760	2,240	-	6,000
Others	2,218	(1,601)	-	617
Loss carry forward	34,568	(11,283)	-	23,285
Total	98,955	(20,486)	1,605	80,074
Deferred tax liabilities				
Property, plant and equipment (<i>revaluation</i>)	(292,534)	15,769	(102,859)	(379,624)
Investment properties (<i>revaluation</i>)	(63,260)	(6,331)	-	(69,591)
Amortisation of rubber plantation development costs	(12,389)	(4,854)	-	(17,243)
Others	(1,402)	(3,081)	-	(4,483)
Total	(369,585)	1,503	(102,859)	(470,941)
Net	(270,630)	(18,983)	(101,254)	(390,867)

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	Consolidated financial statements			At 31 December 2019
	At 1 January 2019	<u>(Charged) / Credited to:</u>		
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
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
Total	134,503	(38,373)	2,825	98,955
<i>Deferred tax liabilities</i>				
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)
Total	(366,351)	8,236	(11,470)	(369,585)
Net	(231,848)	(30,137)	(8,645)	(270,630)
	Separate financial statements			At 31 December 2020
	At 1 January 2020	<u>(Charged) / Credited to:</u>		
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Trade accounts receivable <i>(doubtful accounts)</i>	26,706	143	-	26,849
Property, plant and equipment <i>(sales and leaseback)</i>	12,591	(7,933)	-	4,658
Employee benefit obligations	14,374	(2,634)	1,790	13,530
Financial assets measured at FVTPL	11,596	12,420	-	24,016
Others	1,404	53	-	1,457
Loss carry forward	15,172	(2,568)	-	12,604
Total	81,843	(519)	1,790	83,114

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	At 1 January 2020	Separate financial statements (Charged) / Credited to:		At 31 December 2020
		Profit or loss (in thousand Baht)	Other comprehensive income	
Deferred tax liabilities				
Property, plant and equipment (revaluation)	(126,211)	18,119	(28,625)	(136,717)
Investment properties (revaluation)	(11,770)	(757)	-	(12,527)
Derivatives	-	(2,876)	-	(2,876)
Others	(1,560)	(2,789)	-	(4,349)
Total	(139,541)	11,697	(28,625)	(156,469)
Net	(57,698)	11,178	(26,835)	(73,355)
Deferred tax assets				
Separate financial statements (Charged) / Credited to:				
	At 1 January 2019	Profit or loss (in thousand Baht)	Other comprehensive income	At 31 December 2019
Trade accounts receivable (doubtful accounts)	26,706	-	-	26,706
Property, plant and equipment (sales and leaseback)	20,455	(7,864)	-	12,591
Employee benefit obligations	7,448	4,101	2,825	14,374
Other long-term investments (allowance for impairment loss)	11,596	-	-	11,596
Others	2,267	(863)	-	1,404
Loss carry forward	18,965	(3,793)	-	15,172
Total	87,437	(8,419)	2,825	81,843
Deferred tax liabilities				
Property, plant and equipment (revaluation)	(127,386)	12,645	(11,470)	(126,211)
Investment properties (revaluation)	(13,596)	1,826	-	(11,770)
Others	(56)	(1,504)	-	(1,560)
Total	(141,038)	12,967	(11,470)	(139,541)
Net	(53,601)	4,548	(8,645)	(57,698)

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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	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Loss carry forward	122,787	124,201	-	28,244
Total	<u>122,787</u>	<u>124,201</u>	<u>-</u>	<u>28,244</u>

The tax losses expire in 2021 - 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 2020 and 2019, the Group/Company recognised deferred tax assets in respect of a portion of unused tax losses because the Group 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.

26 Earnings (losses) per share

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht/thousand shares)</i>			
Profit (losses) attributable to ordinary shareholders of the Company	<u>24,162</u>	<u>(351,723)</u>	<u>108,908</u>	<u>(172,116)</u>
Number of issued shares at 31 December	681,480	681,480	681,480	681,480
Weighted average number of ordinary shares outstanding	<u>681,480</u>	<u>681,480</u>	<u>681,480</u>	<u>681,480</u>
Basic earnings (losses) per share (in Baht)	<u>0.04</u>	<u>(0.52)</u>	<u>0.16</u>	<u>(0.25)</u>

27 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>

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28 Financial instruments

(a) Carrying amounts and fair values

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

	Consolidated financial statements			
	<u>Carrying amount</u>	<u>Fair value</u>		
	Financial instruments measured at FVTPL	Level 2 <i>(in thousand Baht)</i>	Level 3	Total
At 31 December 2020				
Financial assets				
Other financial assets:				
Other derivatives assets	21,542	21,542	-	21,542
Non-current investments in financial assets	<u>70,000</u>	-	70,000	70,000
Total other financial liabilities	<u>91,542</u>			
Financial liabilities				
Other financial liabilities:				
Other derivatives liabilities	<u>(1,882)</u>	(1,882)	-	(1,882)
Total other financial liabilities	<u>(1,882)</u>			
		Separated financial statements		
	<u>Carrying amount</u>	<u>Fair value</u>		
	Financial instruments measured at FVTPL	Level 2 <i>(in thousand Baht)</i>	Level 3	Total
At 31 December 2020				
Financial assets				
Other financial assets:				
Other derivatives assets	14,818	14,818	-	14,818
Non-current investments in financial assets	<u>70,000</u>	-	70,000	70,000
Total other financial liabilities	<u>84,818</u>			
Financial liabilities				
Other financial liabilities:				
Other derivatives liabilities	<u>(440)</u>	(440)	-	(440)
Total other financial liabilities	<u>(440)</u>			

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	Consolidated financial statements			
	Carrying amount	Fair value		Total
		Level 2	Level 3	
		<i>(in thousand Baht)</i>		
31 December 2019				
<i>Financial assets and financial liabilities measured at fair value</i>				
Derivatives assests	-	4,284	-	4,284
Non-current investments in financial assets	81,200	-	81,200	81,200
Derivatives liabilities	-	(209)	-	(209)

	Separated financial statements			
	Carrying amount	Fair value		Total
		Level 2	Level 3	
		<i>(in thousand Baht)</i>		
31 December 2019				
<i>Financial assets and financial liabilities measured at fair value</i>				
Derivatives assests	-	1,584	-	1,584
Non-current investments in financial assets	81,200	-	81,200	81,200
Derivatives liabilities	-	(90)	-	(90)

Financial instruments measured at fair value

Type	Valuation technique
Forward exchange contracts	<i>Forward pricing:</i> The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.
Non-current investments in financial assets measured at FVTPL	The latest net asset value.

(b) *Financial risk management policies*

Risk management framework

The Group's/Company's board of directors has overall responsibility for the establishment and oversight of the Group's/Company's risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group's/Company's risk management policies. The committee reports regularly to the board of directors on its activities.

The Group's/Company's risk management policies are established to identify and analyse the risks faced by the Group/Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's/Company's activities. The Group/Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

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The Group's/Company's audit committee oversees how management monitors compliance with the Group's/ Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group/Company. The Group's/Company's audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

(b.1) Credit risk

Credit risk is the risk of financial loss to the Group/Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's/Company's receivables from customers.

(b.1.1) Trade accounts receivables

The Group's/Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's/Company's standard payment and delivery terms and conditions are offered. The Group's/Company's review sale limits which established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group/Company limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of three months.

The following table provides information about the exposure to credit risk and ECLs for trade accounts receivables.

	Consolidated financial statements		Separate financial statements	
	Trade accounts receivables	Allowance for expected credit loss	Trade accounts receivables	Allowance for expected credit loss
At 31 December 2020				
Within credit terms	802,227	-	732,169	-
Overdue:				
Less than 3 months	261,328	-	232,886	-
3-6 months	259	-	8	-
6-12 months	3,554	3,201	-	-
More than 12 months	311,259	311,259	134,242	134,242
Total	1,378,627	314,460	1,099,305	134,242
Less allowance for expected credit loss	(314,460)		(134,242)	
Net	1,064,167		965,063	

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Loss rates are based on actual credit loss experience over the past 3 years. These rates are multiplied by scalar factors to reflect differences between economic conditions during the period over which the historical data has been collected, current conditions and the Group's/Company's view of economic conditions over the expected lives of the receivables.

<i>Trade accounts receivables</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
At 31 December 2019		
Within credit terms	522,651	475,970
Overdue:		
Less than 3 months	236,243	179,623
3-6 months	169,800	80,007
6-12 months	33,901	7,177
Over 12 months	134,242	134,242
Total	1,096,837	877,019
<i>Less allowance for doubtful accounts</i>	<i>(269,700)</i>	<i>(133,529)</i>
Net	827,137	743,490

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

<i>Movement of allowance for expected credit loss of trade accounts receivables</i>	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
At 1 January 2020	269,700	133,529
Addition	44,760	713
At 31 December 2020	314,460	134,242

(b.1.2) Cash and cash equivalent and derivatives

The Group's/Company's exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions with a low credit risk.

(b.1.3) Guarantees

The Group's/Company's policy is to provide financial guarantees only for subsidiaries' liabilities. At 31 December 2020, the Group/Company has issued a guarantee to certain banks in respect of credit facilities granted to subsidiaries (*see note 6*).

(b.2) 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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The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

<i>At 31 December 2020</i>	Consolidated financial statements				
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
<i>Non-derivative financial liabilities</i>					
Bank overdrafts	36,888	36,888	-	-	36,888
Short-term loans from financial institutions	3,845,124	3,845,124	-	-	3,845,124
Trade payables	222,818	222,818	-	-	222,818
Short-term loans from related party	1,600	1,600	-	-	1,600
Long-term loans from financial institutions	1,076,429	773,000	303,429	-	1,076,429
Lease liabilities	56,869	33,696	16,323	9,596	59,615
	5,239,728	4,913,126	319,752	9,596	5,242,474
<i>Derivative financial liabilities</i>					
Forward exchange contracts					
- Cash outflow	(440)	(942,770)	-	-	(942,770)
- Cash inflow	20,100	980,497	-	-	980,497
	19,660	37,727	-	-	37,727

<i>At 31 December 2020</i>	Separate financial statements				
	Carrying amount	1 year or less	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total
<i>Non-derivative financial liabilities</i>					
Bank overdrafts	36,888	36,888	-	-	36,888
Short-term loans from financial institutions	3,163,323	3,163,323	-	-	3,163,323
Trade payables	52,903	52,903	-	-	52,903
Short-term loans from related party	47,000	47,000	-	-	47,000
Long-term loans from financial institutions	726,250	720,000	6,250	-	726,250
Lease liabilities	32,672	22,211	9,256	2,534	34,001
	4,059,036	4,042,325	15,506	2,534	4,060,365

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Separate financial statements					
<i>At 31 December 2020</i>	Carrying amount	1 year or less	Contractual cash flows		Total
			More than 1 year but less than 2 years	More than 2 years but less than 5 years	
<i>(in thousand Baht)</i>					
Derivative financial liabilities					
Forward exchange contracts					
- Cash outflow	(440)	(640,091)	-	-	(640,091)
- Cash inflow	14,818	658,422	-	-	658,422
	<u>14,378</u>	<u>18,331</u>	<u>-</u>	<u>-</u>	<u>18,331</u>

Consolidated financial statements				
<i>At 31 December 2019</i>	Effective interest rate <i>(% per annum)</i>	Maturity period		Total
		Within 1 year	After 1 year but within 5 years	
<i>(in thousand Baht)</i>				
Financial liabilities				
Bank overdrafts and short-term borrowings from financial institutions				
	3.0 - 7.4	3,698,216	-	3,698,216
Short-term loans from related party				
	4.0	3,100	-	3,100
Long-term loans from financial institutions				
	MLR - 2	238,600	942,687	1,181,287
Lease liabilities				
	4.4 - 6.5	22,127	32,063	54,190
Total		<u>3,962,043</u>	<u>974,750</u>	<u>4,936,793</u>

Separate financial statements				
<i>At 31 December 2019</i>	Effective interest rate <i>(% per annum)</i>	Maturity period		Total
		Within 1 year	After 1 year but within 5 years	
<i>(in thousand Baht)</i>				
Financial asset				
Loans receivable - Related parties				
	-	992,933	-	992,933
Total		<u>992,933</u>	<u>-</u>	<u>992,933</u>

Financial liabilities				
Bank overdrafts and short-term borrowings from financial institutions				
	3.0 - 7.4	2,906,703	-	2,906,703
Short-term loans from related party				
	3.9	47,000	-	47,000
Long-term loans from financial institutions				
	MLR - 2	105,000	726,250	831,250
Lease liabilities				
	4.4 - 6.5	20,886	30,216	51,102
Total		<u>3,079,589</u>	<u>756,466</u>	<u>3,836,055</u>

The cash inflows/cash outflows disclosed in the above table represent the contractual undiscounted cash flows relating to derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

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(c.3) Market risk

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 derivatives for speculative or trading purposes.

(c.3.1) 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 utilizes forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

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<i>Exposure to foreign currency</i> <i>31 December</i>	Consolidated financial statements						
	2020				2019		
	USD	EUR	CNY	Total	USD	CNY	Total
	<i>(in million Baht)</i>						
Cash and cash equivalents	-	-	50	50	-	45	45
Trade accounts receivables	617	-	-	617	509	-	509
Trade payables	(26)	-	(6)	(32)	-	(3)	(3)
<i>Net statement of financial</i>							
<i>Position exposure</i>	591	-	44	635	509	42	551
Forward exchange purchase contracts	77	-	-	77	26	-	26
Forward exchange selling contracts	(1,046)	(7)	-	(1,053)	(573)	-	(573)
Net exposure	(378)	(7)	44	(341)	(38)	42	4

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(c.3.2) 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 18*). The Group/Company mitigates this risk by ensuring that the majority of borrowings are at fixed interest rates.

29 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.

30 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
	<i>(in million Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Machinery, buildings and construction in progress	19	37	-	-
Total	19	37	-	-

As at 31 December 2020 and 2019, the Group and the Company had the following commitments:

- A subsidiary had outstanding commitments of approximately Baht 18.4 million (*2019: Baht 36.9 million*), in respect of construction and installation contract of machinery and tools.
- 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 rais. 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.

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Bank guarantees

As at 31 December 2020, there were outstanding bank guarantees of approximately Baht 14 million and Baht 8 million, respectively (2019: Baht 16 million and Baht 10 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.

31 Events after the reporting period

Establishment of a subsidiary

At the Board of the Directors' meeting of the Company held on 22 December 2020, the Board approved the establishment of Thai Rubber Gloves Co., Ltd., a subsidiary. The Company invested in 10,000 ordinary shares at Baht 100 per share, totaling to the investment of Baht 1.0 million. As a result, the Company's interest in the subsidiary is 99.99% of the issued and paid-up share capital. Such company registered the establishment with the Ministry of Commerce on 8 January 2021.

At the Board of Director's meeting of the Company held on 25 February 2021, the Board approved the resolution to increase share capital of such subsidiary by Baht 59 million, from registered share capital of Baht 1 million to registered share capital of Baht 60 million and, at the same date, approved sales of the Company's certain assets to Thai Rubber Gloves Co., Ltd.

Accounting guidance on accounting relief

As disclosed in note 5, the Group/Company has elected to apply accounting guidance on temporary accounting relief measures for additional accounting options in response to impact from the situation of coronavirus pandemic (COVID-19). The guidance expired on 31 December 2020.

The COVID-19 pandemic continued subsequent to the expiration of the guidance as increasingly affected cases were found and spread all over Thailand. In response to the situation, Thailand has enacted measures to monitor and control the spread, encouraging people to keep social distancing, avoid crowded gathering and travel less. Meanwhile, according to information from the World Health Organization (WHO), vaccines for COVID-19 have become available and are being rolled out around the world. However, it is still not possible to predict for how long and to what extent the vaccines will provide protection and when the spread will be over.

As the situation is highly uncertain and fluid, it is currently not possible to determine the impact of the continued pandemic, government measures and roll out of the vaccination on the business of the Group/Company. Management is closely monitoring the situation and managing to lessen the impact as much as possible.