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These notes form an integral part of the interim financial statements.

The interim 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 14 May 2019.

1. **General information**

Thai Rubber Latex Corporation (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office as follows:

|  |  |  |
| --- | --- | --- |
| Head office | : | No. 99/1-3 Moo 13, Bangna-Trad Road, K.M. 7, Tambol Bangkaew, Amphur Bangplee, Samutprakarn |
| Branches at followings | : | No. 29 Moo 2, Tambol Nong Yai, Amphur Nong Yai, Chonburi |
|  | : | No. 35 Moo 4, Tambol Krasom, Amphur Takuatung, Phangnga |
|  | : | No. 198 Moo 7, Tambol Chomsawan, Amphur Maechan, Chiangrai |
|  | : | No. 124 Mooban Klongpom Moo 11, Tambol Banphru, Amphur Hatyai,  Songkhla |
|  | : | No. 293/2 Moo 1, Surat-Nasarn Road, Tambol Khunthale, Amphur Mueang, Suratthani |
|  | : | No. 44/5 Moo 8, Kachet - Hatyai Road, Tambol Kachet, Amphur Mueang, Rayong |
|  | : | No. 680 Moo 2, Tambol Nong Yai, Amphur Nong Yai, Chonburi |
|  | : | No. 19/52 Moo 7, Tambol Bang Chalong, Amphur Bangplee, Samutprakan |

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

The Company’s major shareholders during the financial year were Wongsasuthikul Group (22.57% shareholding) and Woraprateep Group (15.95% shareholding).

The principal activities of the Group are comprehensive rubber businesses covering the whole value chain of rubber and latex products, which are the rubber plantation in Thailand, the producer of latex concentrate and latex rubber, latex rubber thread, and latex foam mattress. Details of the Company’s subsidiaries and associates as at 31 March 2019 and 31 December 2018 are given in notes 3, 5 and 6.

1. **Basis of preparation of the interim financial statements**
2. ***Statement of compliance***

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2018) *Interim Financial Reporting;* guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2018. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company and its subsidiaries for the year ended  
31 December 2018.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2018 except that the Group/Company has adopted all the new TFRS that are effective for annual periods beginning on or after 1 January 2019.

The primary change is that the Group/Company has initially adopted TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”), which replaced TAS 18 *Revenue* (“TAS 18”) and related interpretations.

Under TFRS 15, the Group/Company recognises revenue 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 to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Group/Company recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the financial statements.

For a number of new TFRS which are not yet effective for current period, the Group/Company has not early adopted these standards in preparing these interim financial statements before the effective date. Those new TFRS that are relevant to the Group/Company operations are disclosed in note 14.

1. ***Functional and presentation currency***

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

1. ***Use of judgements and estimates***

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

In preparing these interim financial statements, the significant judgments made by management in applying the Group’s/Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2018, except for revenue recognition which requires judgement in determining the timing of the transfer of control - at a point in time or over time - according to the requirements of TFRS 15 which the Group/Company has initially adopted.

*Measurement of fair values*

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

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

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

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

• *Level 1*: quoted prices (unadjusted) in active markets for identical assets or liabilities.

• *Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or

liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• *Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable

inputs).

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

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

Further information about the assumptions made in measuring fair values is included in note 11 - financial instruments.

*Use of going concern basis of accounting*

Due to the significant fluctuate of latex price in the current period, as at 31 March 2019, the Group’s current liabilities exceeded current assets by Baht 1,672 million (*31 December* *2018: Baht 1,546 million*) and incurred loss of Baht 97 million for the three-month period then ended. Such circumstances indicate the existence of an uncertainty which may cast significant doubt about the Group’s ability to continue as a going. However, as at 31 March 2019, the Group has available credit facilities in place *(see note 3)*.

The Group has implemented policies and procedures in an attempt to manage its liquidity risk and other circumstances. The Group and the Company plan to address the liquidity problem by increasing production capacity in certain businesses, restructure of financing plan and Group’s businesses, raising funds of its subsidiary from other parties and sales of the non-performing assets.

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

1. **Related parties**

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

Relationships with subsidiaries and associates are described in notes 5 and 6. Relationship with key management and other related parties 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 |

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

|  |  |
| --- | --- |
| **Transactions** | **Pricing policies** |
| Sale of goods/raw materials | Market prices |
| Rental | Contractually agreed |
| Purchase of goods/raw materials | Contractually agreed/Market prices less operating expenses at  the agreed rate 1.0 - 5.0 baht per kilogram *(2018: 1.0 - 5.0*  *Baht per kilogram)* |
| Interest income | Contractually agreed rate |
| Interest expense | Contractually agreed rate |
| Dividend income | Declared rate |
|  |  |

Significant transactions for the three-month periods ended 31 March 2019 and 2018 with related parties were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| ***Three-month periods ended 31 March*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Sales of goods/raw materials | - |  | - |  | 352,458 |  | 322,910 |
| Purchases of goods/raw materials | - |  | - |  | 16,692 |  | 37,578 |
| Interest income | - |  | - |  | 66 |  | 13,809 |
| Interest expense | - |  | - |  | 452 |  | 333 |
| Dividend income | - |  | - |  | - |  | 15,569 |
|  |  |  |  |  |  |  |  |
| **Associate** |  |  |  |  |  |  |  |
| Purchases of raw materials | 347 |  | 475 |  | 347 |  | 475 |
| Interest expense | 44 |  | 79 |  | - |  | - |
|  |  |  |  |  |  |  |  |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| ***Three-month periods ended 31 March*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation | 8,171 |  | 8,117 |  | 8,171 |  | 8,117 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Sales of goods | 31 |  | 13,283 |  | - |  | 13,283 |
| Purchase of raw materials | 692 |  | 1,435 |  | 670 |  | 1,422 |
| Rental income | - |  | 255 |  | - |  | 255 |

Balances as at 31 March 2019 and 31 December 2018 with related parties were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  | 31  March |  | 31 December |  | 31  March |  | 31 December |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts receivable - related parties*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 190,627 |  | 230,560 |
| Key management personnel | 4 |  | - |  | - |  | - |
| **Total** | **4** |  | **-** |  | **190,627** |  | **230,560** |
|  |  |  |  |  |  |  |  |
| ***Other receivables - related parties*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 27,402 |  | 27,426 |
| Associate | 3 |  | 1 |  | 3 |  | 1 |
| **Total** | **3** |  | **1** |  | **27,405** |  | **27,427** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Short-term loans to related parties*** | **Interest rate** | | | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  |  |  |  | 31  March |  | 31  December |  | 31  March |  | 31  December |
|  | 2019 |  | 2018 | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(% per annum)* | | | *(in thousand Baht)* | | | | | | |
| ***Short-term loans*** |  |  |  |  |  |  |  |  |  |  |
| **Subsidiaries** |  |  |  |  |  |  |  |  |  |  |
| Thai Rubber Land and  Plantation Co., Ltd. | - |  | - | - |  | - |  | 992,933 |  | 992,933 |
| Latex Systems Public  Company Limited | - |  | - | - |  | - |  | - |  | 38,000 |
| **Short-term loans to related parties** | | | | **-** |  | **-** |  | **992,933** |  | **1,030,933** |

Movements during the three-month periods ended 31 March 2019 and 2018 of short-term loans to related parties were as follows:

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Separate financial statements** | | |
| ***Short-term loans to related parties*** | 2019 |  | 2018 |
| **Subsidiaries** | *(in thousand Baht)* | | |
| At 1 January | 1,030,933 |  | 1,447,203 |
| Increase | - |  | 6,000 |
| Decrease | (38,000) |  | (25,000) |
| **At 31 March** | **992,933** |  | **1,428,203** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  | 31  March |  | 31  December |  | 31  March |  | 31  December |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
| ***Trade accounts payable - related parties*** | *(in thousand Baht)* | | | | | | |
| Subsidiaries | - |  | - |  | 15 |  | 8 |
| Associate | - |  | 931 |  | - |  | 931 |
| Other related parties | - |  | 1,074 |  | - |  | 1,074 |
| **Total** | **-** |  | **2,005** |  | **15** |  | **2,013** |
|  |  |  |  |  |  |  |  |
| ***Other payables - related parties*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 722 |  | 1,347 |
| **Total** | **-** |  | **-** |  | **722** |  | **1,347** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Short-term loans from***  ***related parties*** | **Interest rate** | | | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  |  |  |  | 31  March |  | 31  December |  | 31  March |  | 31  December |
|  | 2019 |  | 2018 | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(% per annum)* | | | *(in thousand Baht)* | | | | | | |
| ***Short-term loans*** |  | | |  | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |  |  |  |
| Thai Rubber H P N R |  |  |  |  |  |  |  |  |  |  |
| Co., Ltd. | 3.9 |  | 3.9 | - |  | - |  | 47,000 |  | 47,000 |
| **Associate** |  |  |  |  |  |  |  |  |  |  |
| Wang Somboon Rubber Estate Co., Ltd. | 4.0 |  | 4.0 | 4,500 |  | 4,500 |  | - |  | - |
| **Short-term loans from related parties** | | | | **4,500** |  | **4,500** |  | **47,000** |  | **47,000** |

Movements during the three-month periods ended 31 March 2019 and 2018 of borrowings from related parties were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Short-term loans from related parties*** | **Consolidated**  **financial statements** | | |  | **Separate financial statements** | | |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiary** |  |  |  |  |  |  |  |
| At 1 January | - |  | - |  | 47,000 |  | 32,000 |
| Increase | - |  | - |  | - |  | 5,000 |
| **At 31 March** | - |  | - |  | **47,000** |  | **37,000** |
|  |  |  |  |  |  |  |  |
| **Associate** |  |  |  |  |  |  |  |
| At 1 January | 4,500 |  | 8,000 |  | - |  | - |
| **At 31 March** | **4,500** |  | **8,000** |  | - |  | - |
|  |  |  |  |  |  |  |  |

As at 31 March 2019, the Group has unutilised credit facilities at the total of Baht 1,607 million and USD 101 million (*31 December 2018: Baht 1,576 million and USD 99 million*) and utilised credit facilities at the total of Baht 5,095 million and USD 19 million (*31 December 2018: Baht 4,922 million and USD 23 million*), and the Company has issued letter of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 950 million and USD 10 million (*31 December* *2018: Baht 850 million and USD 25 million*).

1. **Trade accounts receivable**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  |  | 31  March |  | 31  December |  | 31  March |  | 31  December |
|  | *Note* | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  | *(in thousand Baht)* | | | | | | |
| Related parties | *3* | 4 |  | - |  | 190,627 |  | 230,560 |
| Other parties |  | 1,190,378 |  | 1,120,602 |  | 802,883 |  | 752,747 |
| **Total** |  | **1,190,382** |  | **1,120,602** |  | **993,510** |  | **983,307** |
| *Less* allowance for doubtful accounts |  | (133,530) |  | (133,531) |  | (133,530) |  | (133,531) |
| **Net** |  | **1,056,852** |  | **987,071** |  | **859,980** |  | **849,776** |
|  |  |  |  |  |  |  |  |  |
|  |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  | *(in thousand Baht)* | | | | | | |
| Reversal of provision for bad and |  |  |  |  |  |  |  |  |
| doubtful debts expense for |  |  |  |  |  |  |  |  |
| the three-month period ended |  |  |  |  |  |  |  |  |
| 31 March |  | (1) |  | - |  | (1) |  | - |

Aging analysis for trade accounts receivable are as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 31  March |  | 31  December |  | 31  March |  | 31  December |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht)* | | | | | | |
| **Related parties** |  |  |  |  |  |  |  |
| Within credit term | 4 |  | - |  | 138,527 |  | 145,831 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | - |  | - |  | 27,150 |  | 61,785 |
| 3 - 6 months | - |  | - |  | 24,950 |  | 22,944 |
|  | **4** |  | **-** |  | **190,627** |  | **230,560** |
|  |  |  |  |  |  |  |  |
| **Other parties** |  |  |  |  |  |  |  |
| Within credit term | 892,765 |  | 793,422 |  | 558,079 |  | 503,702 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 163,083 |  | 190,207 |  | 110,274 |  | 113,432 |
| 3 - 6 months | 23 |  | 1,818 |  | 23 |  | 1,818 |
| 6 - 12 months | 713 |  | - |  | 713 |  | - |
| Over 12 months | 133,794 |  | 135,155 |  | 133,794 |  | 133,795 |
|  | **1,190,378** |  | **1,120,602** |  | **802,883** |  | **752,747** |
| *Less* allowance for doubtful accounts | (133,530) |  | (133,531) |  | (133,530) |  | (133,531) |
|  | **1,056,848** |  | **987,071** |  | **669,353** |  | **619,216** |
| **Net** | **1,056,852** |  | **987,071** |  | **859,980** |  | **849,776** |

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

1. **Investments in associates**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | |  | Consolidated  financial statements | | |
| ***Three-month periods ended 31 March*** |  |  |  |  | 2019 |  | 2018 |
|  |  | | |  | *(in thousand Baht)* | | |
| At 1 January |  |  |  |  | 30,982 |  | 32,304 |
| Share of losses of associates |  |  |  |  | (252) |  | (443) |
| Share of other comprehensive income  of associates |  |  |  |  | (95) |  | (74) |
| **At 31 March** |  |  |  |  | **30,635** |  | **31,787** |

During the three-month period ended 31 March 2019, there were no acquisition and disposal of investments in associates.

Investments in associates as at 31 March 2019 and 31 December 2018 and dividend income from the investments for the three-month periods ended 31 March 2019 and 2018 were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Consolidated financial statements** | | | | | | | | | | | | | | | | | | |
|  | Nature of business | Country of incorporation | Effective  ownership interest | | |  | Paid-up capital | | |  | Cost | | |  | Carrying amount based on equity method | | |  | Dividend income  for the three-month periods ended | | |
|  |  |  | 31  March |  | 31 December |  | 31  March |  | 31 December |  | 31  March |  | 31 December |  | 31  March |  | 31 December |  | 31  March |  | 31  March |
|  |  |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  |  | *(%)* | | |  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| **Associates** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Wang Somboon Rubber Estate Co., Ltd. | Planting of rubber | Thailand | 48.4 |  | 48.4 |  | 55,300 |  | 55,300 |  | 30,101 |  | 30,101 |  | 30,635 |  | 30,982 |  | - |  | - |
| 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** |  | **30,635** |  | **30,982** |  | - |  | - |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | | | | | | | | | | | | | | | | | | | |
|  | Effective | | |  |  | | |  |  | | |  |  | | |  |  | | |  | Dividend income  for the three-month | | |
|  | ownership interest | | |  | Paid-up capital | | |  | Cost | | |  | Impairment | | |  | At cost-net | | |  | periods ended | | |
|  | 31  March |  | 31 December |  | 31  March |  | 31 December |  | 31  March |  | 31 December |  | 31  March |  | 31 December |  | 31  March |  | 31 December |  | 31  March |  | 31  March |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(%)* | | |  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| **Associate** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rosener-Mautby Meditrade (Thailand) Ltd.(\*) | 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’/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.

1. **Investments in subsidiaries and other long-term investment**

Investments in subsidiaries and other long-term investment as at 31 March 2019 and 31 December 2018 and dividend income from the investments for the three-month periods ended 31 March 2019 and 2018 were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | **Separate financial statements** | | | | | | | | | | | | | | | | | | | | | | | |
| ***Subsidiaries*** | Nature of business | | Ownership interest | | | Paid-up capital | | | |  | Cost | | |  | Impairment | | |  | At cost-net | | |  | | Dividend income  for the three-month periods ended | | |
|  |  | | 31  March |  | 31 December | 31  March |  | 31  December | |  | 31  March |  | 31  December |  | 31  March |  | 31  December |  | 31  March |  | 31  December |  | | 31  March |  | 31  March |
|  |  | | 2019 |  | 2018 | 2019 |  | 2018 | |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | | 2019 |  | 2018 |
|  |  | | *(%)* | | | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | | | |
| **Direct subsidiaries** |  | |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |
| World Flex Public Company Limited | Production and  distribution of  rubber thread | | 100.00 |  | 100.00 | 308,000 |  | 308,000 | |  | 448,400 |  | 448,400 |  | - |  | - |  | 448,400 |  | 448,400 |  | | - |  | - |
| Thai Rubber Land and Plantation Co., Ltd. | Planting of rubber | | 100.00 |  | 100.00 | 800,000 |  | 800,000 | |  | 800,000 |  | 800,000 |  | - |  | - |  | 800,000 |  | 800,000 |  | | - |  | - |
| Thai Rubber H P N R Co., Ltd. | Distribution of  products from  natural rubber | | 100.00 |  | 100.00 | 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 | | 56.20 |  | 56.20 | 158,784 |  | 158,784 | |  | 54,310 |  | 54,310 |  | - |  | - |  | 54,310 |  | 54,310 |  | | - |  | 15,569 |
| Myanmar Thai Rubber Joint Corporation Limited | Production and  distribution of  products from  natural rubber | | 64.00 |  | 64.00 | 107,672 |  | 107,672 | |  | 68,910 |  | 68,910 |  | (39,180) |  | (39,180) |  | 29,730 |  | 29,730 |  | | - |  | - |
|  |  | | **Separate financial statements** | | | | | | | | | | | | | | | | | | | | | | | |
|  | Nature of business | | Ownership interest | | | Paid-up capital | | | |  | Cost | | |  | Impairment | | |  | At cost-net | | |  | | Dividend income  for the three-month periods ended | | |
|  |  | | 31  March |  | 31 December | 31  March |  | 31  December | |  | 31  March |  | 31  December |  | 31  March |  | 31  December |  | 31  March |  | 31  December |  | | 31  March |  | 31  March |
|  |  | | 2019 |  | 2018 | 2019 |  | 2018 | |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | | 2019 |  | 2018 |
|  |  | | *(%)* | | | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | | | |
| Shanghai Runmao International  Trading Co., Ltd. | Trading of  products from  natural rubber | 100.00 | |  | 100.00 | 35,399 |  | 35,399 |  | | 40,834 |  | 40,834 |  | - |  | - |  | 40,834 |  | 40,834 | |  | - |  | - |
| **Total** |  |  | |  |  |  |  |  |  | | **1,912,454** |  | **1,912,454** |  | **(39,180)** |  | **(39,180)** |  | **1,873,274** |  | **1,873,274** | |  | - |  | **15,569** |
|  |  |  | |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |

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.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Separate and consilidated financial statements** | | | | | | | | | | | | | | | | | | | | | |
|  | Nature of business | Ownership interest | | | Authorised share capital | | |  | Cost | | |  | Impairment | | |  | At cost-net | | |  | Dividend income  for the three-month periods ended | | |
|  |  | 31  March |  | 31 December | 31  March |  | 31  December |  | 31  March |  | 31  December |  | 31  March |  | 31  December |  | 31  March |  | 31  December |  | 31  March |  | 31  March |
|  |  | 2019 |  | 2018 | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  |  | *(%)* | | | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Other long-term investment*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Thai Rubber Joint Venture Co., Ltd. | Trading of products  from natural  rubber | 16.67 |  | 16.67 | 1,200,000 |  | 1,200,000 |  | 100,000 |  | 100,000 |  | (18,800) |  | (18,800) |  | 81,200 |  | 81,200 |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  | **100,000** |  | **100,000** |  | **(18,800)** |  | **(18,800)** |  | **81,200** |  | **81,200** |  | **-** |  | **-** |

During the three-month period ended 31 March 2019, there were no acquisition and disposal of investments in subsidiaries and other long-term investment.

None of the Group/Company’s subsidiaries and other long-term investment are publicly listed and consequently do not have published price quotation.

1. **Property, plant and equipment**

Acquisitions, disposals and transfers of property, plant and equipment during the three-month periods ended 31 March 2019 and 2018 were as follows:

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Three-month periods ended 31 March*** | 2019 | | |  | 2018 | | |
|  | Acquisitions  and  transfers in  - at cost |  | Disposals  and transfers  out - net book value |  | Acquisitions  and  transfers in  - at cost |  | Disposals  and transfers out - net book value |
|  | *(in thousand Baht)* | | | | | | |
| Land and land improvement | 573 |  | - |  | - |  | - |
| Building and building improvement | 5,920 |  | 47 |  | 42,892 |  | - |
| Machinery | 4,792 |  | 75 |  | 110,114 |  | 1,713 |
| Office and other equipment | 11,332 |  | 473 |  | 29,209 |  | 24 |
| Vehicles | 866 |  | - |  | 6,432 |  | - |
| Other fixed assets | 2,988 |  | - |  | 19 |  | - |
| Assets under construction and installation | 27,618 |  | 23,106 |  | 29,279 |  | 172,545 |
| **Total** | **54,089** |  | **23,701** |  | **217,945** |  | **174,282** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Three-month periods ended 31 March*** | 2019 | | |  | 2018 | | |
|  | Acquisitions  and  transfers in  - at cost |  | Disposals  and transfers out - net book value |  | Acquisitions  and  transfers in  - at cost |  | Disposals  and transfers out - net book value |
|  | *(in thousand Baht)* | | | | | | |
| Land and land improvement | 573 |  | - |  | - |  | - |
| Machinery | - |  | - |  | 3,939 |  | - |
| Office and other equipment | 768 |  | - |  | 1,849 |  | - |
| Vehicles | - |  | - |  | 5,437 |  | - |
| Other fixed assets | 2,969 |  | - |  | - |  | - |
| Assets under construction and installation | 897 |  | 5,230 |  | 5,104 |  | 4,367 |
| **Total** | **5,207** |  | **5,230** |  | **16,329** |  | **4,367** |

1. **Changes in liabilities arising from financing activities**

|  |  |  | Consolidated financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Bank  Overdrafts and short-term borrowings  used for cash  management  purposes |  | Other long-term  borrowings |  | Finance lease  liabilities |  | Total |
|  |  |  | *(in thousand Baht)* | | | | | | |
| Balance at 1 January 2019 |  |  | 3,627,605 |  | 1,298,787 |  | 95,159 |  | 5,021,551 |
| Changes from financing cash flows |  |  | 204,323 |  | (31,250) |  | (19,588) |  | 153,485 |
| **Balance at 31 March 2019** |  |  | **3,831,928** |  | **1,267,537** |  | **75,571** |  | **5,175,036** |

|  |  |  | Separate financial statements | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | Bank  Overdrafts and short-term borrowings  used for cash  management  purposes |  | Other long-term  borrowings | |  | Finance lease  liabilities |  | Total |
|  |  |  | *(in thousand Baht)* | | | | | | | |
| Balance at 1 January 2019 |  |  | 3,021,032 |  | | 898,750 |  | 90,716 |  | 4,010,498 |
| Changes from financing cash flows |  |  | (44,061) |  | | (18,750) |  | (19,182) |  | (81,993) |
| **Balance at 31 March 2019** |  |  | **2,976,971** |  | | **880,000** |  | **71,534** |  | **3,928,505** |
|  |  |  |  |  | |  |  |  |  |  |

Loans 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.

The Group/Company sold buildings and machineries and leased them back under finance lease agreements. The finance lease liabilities were repayable in monthly instalments commencing from January 2015 to November 2022. Under the lease agreements, the Group/Company must comply with conditions covering the lease assets.

1. **Segments information and revenue**

*Revenue*

The Group’s/Company’s operations and main revenue streams are described in the last annual financial

Statements. The Group’s/Company’s main revenue is derived from selling products.

*Segments information*

The Group’s has three reportable segments, as described below, which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. For each of the principal reportable segments, the chief operating decision maker (CODM) reviews internal management reports on at least a quarterly basis. The following summary describes the operations in each of the Group’s principal reportable segments.

Segment 1 Concentrated and prevulcanized latex

Segment 2 Latex products

Segment 3 Rubber plantation

There are varying levels of integration between the Segment 1, Segment 2 and Segment 3 reportable segments. This integration includes sales of finished goods and fixed assets. Inter-segment pricing is determined on an arm’s length basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit (loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

## ***Information about reportable segments***

|  |  | Consolidated financial statement | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Concentrated and | | |  |  | | |  |  | | |  |  |  | | |
|  |  | prevulcanized latex | | |  | Latex products | | |  | Rubber plantation | | |  |  | Total | | |
| ***Three-month periods ended 31 March*** |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  |  | 2019 |  | 2018 |
|  |  | *(in million Baht)* | | | | | | | | | | | | | | | |
| External revenue |  | 1,289 |  | 1,359 |  | 592 |  | 777 |  | 4 |  | - |  |  | 1,885 |  | 2,136 |
| Inter-segment revenue |  | 366 |  | 356 |  | - |  | - |  | 2 |  | 5 |  |  | 368 |  | 361 |
| Total revenue |  | **1,655** |  | **1,715** |  | **592** |  | **777** |  | **6** |  | **5** |  |  | **2,253** |  | **2,497** |
| Segment profit (loss)  before income tax |  | (69) |  | 24 |  | (12) |  | 133 |  | (9) |  | (21) |  |  | (90) |  | 136 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Segment assets |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| As at 31 March/ 31 December |  | 3,295 |  | 3,393 |  | 2,712 |  | 2,558 |  | 2,145 |  | 2,147 |  |  | 8,152 |  | 8,098 |
| Segment liabilities |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| As at 31 March/ 31 December |  | 4,107 |  | 4,206 |  | 1,569 |  | 1,317 |  | 145 |  | 137 |  |  | 5,821 |  | 5,660 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

## ***Disaggregation of revenue***

In the following table, revenue from sales of products is disaggregated by primary geographical market and is recognised at a point in time.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Concentrated and  prevulcanized latex | | |  | **Latex products** | | |  | **Rubber plantation** | | |  | **Total** | | |
| ***For the three-month periods ended 31 March*** | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in million Baht)* | | | | | | | | | | | | | | |
| **Primary geographical markets** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Thailand | 751 |  | 690 |  | 55 |  | 254 |  | 4 |  | - |  | 810 |  | 944 |
| PRC | 172 |  | 313 |  | 420 |  | 398 |  | - |  | - |  | 592 |  | 711 |
| Republic of Korea (KOREA) | 37 |  | 23 |  | 10 |  | 22 |  | - |  | - |  | 47 |  | 45 |
| Others countries | 329 |  | 333 |  | 107 |  | 103 |  | - |  | - |  | 436 |  | 436 |
| **Total** | **1,289** |  | **1,359** |  | **592** |  | **777** |  | **4** |  | **-** |  | **1,885** |  | **2,136** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

1. **Earnings (loss) per share**

The calculation of earnings (loss) per share for the three-month periods ended 31 March 2019 and 2018 were based on the profit or loss for the periods attributable to owners of parent and the weighted average number of ordinary shares outstanding during the periods as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
| ***Three-month periods ended 31 March*** | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in thousand Baht/thousand shares)* | | | | | | |
| **Profit (loss) attributable to owners of**  **parent** | **(82,174)** |  | **87,775** |  | **(72,666)** |  | **42,569** |
| **Number of ordinary shares issued** | **681,480** |  | **1,685,080** |  | **681,480** |  | **1,685,080** |
| **Number of ordinary shares outstanding** | **681,480** |  | **681,480** |  | **681,480** |  | **681,480** |
| **Earnings (loss) per share *(in Baht)*** | **(0.12)** |  | **0.13** |  | **(0.11)** |  | **0.06** |

1. **Financial instruments**

## ***Carrying amount 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 for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

|  |  |  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount |  | Fair value | | | | | | |
|  |  |  | Level 1 |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| **31 March 2019** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | - |  | - |  | 5,325 |  | - |  | 5,325 |
|  |  |  |  |  |  |  |  |  |  |
| **31 December 2018** |  |  |  |  |  |  |  |  |  |
| ***Current*** |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | - |  | - |  | 8,227 |  | - |  | 8,227 |

As at 31 March 2019 and 31 December 2018, the fair value of financial assets and liabilities, except forward exchange contract, do not differ significantly from amounts recorded in the statement of financial position.

***Measurement of fair value***

The Group/Company determines Level 2 fair values for non-derivative financial assets and liabilities using a discounted cash flow technique, which uses contractual cash flows and a market-related discounted rate.

Level 2 fair values for other derivative financial instruments are based on broker quotes. Those quotes are tested for reasonableness by discounting expected future cash flows using market interest rate for a similar instrument at the measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group/Company and counterparty when appropriate.

1. **Commitments with non-related parties**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 31  March |  | 31  December |  | 31  March |  | 31  December |
|  | 2019 |  | 2018 |  | 2019 |  | 2018 |
|  | *(in million Baht)* | | | | | | |
| ***Capital commitments*** |  |  |  |  |  |  |  |
| *Contracted but not provided for*: |  |  |  |  |  |  |  |
| Machinery, buildings and construction in progress | 51 |  | 84 |  | - |  | - |
| **Total** | **51** |  | **84** |  | **-** |  | **-** |
|  |  |  |  |  |  |  |  |
| ***Non-cancellable operating lease commitments:*** |  |  |  |  |  |  |  |
| Within 1 year | 7 |  | 14 |  | - |  | - |
| **Total** | **7** |  | **14** |  | **-** |  | **-** |
| ***Other commitments:*** |  |  |  |  |  |  |  |
| Bank guarantees | 15 |  | 16 |  | 9 |  | 11 |
| Forward exchange contract - buy | - |  | 6 |  | - |  | - |
| Forward exchange contract - sell | 238 |  | 244 |  | 6 |  | 6 |
| **Total** | **253** |  | **266** |  | **15** |  | **17** |

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

* + - The Group has entered into forward exchange contracts to sell USD 7.4 million *(31 December 2018: USD 7.4 million)* at the forward rate of Baht 31.3 - 33.1 per USD *(31 December 2018: 32.2 - 33.2 Baht per USD)*. These contracts are due between 9 April 2019 to 11 March 2020 *(31 December 2018:18 January 2019 to 18 December 2019)*. The Company has entered into forward exchange contracts to sell USD 0.2 million *(31 December 2018: USD 0.2 million)* at the forward rate of Baht 31.3 - 32.9 per USD *(31 December 2018: 32.2 - 33.2 Baht per USD)*. These contracts are due between 9 April 2019 to 23 September 2019 *(31 December 2018: 1 February 2019 to 18 June 2019)*.
    - As at 31 March 2019, the Group and the Company has no forward exchange contracts to buy *(31 December 2018: The Group has entered into forward exchange contracts to buy USD 0.2 million at the forward rate of 32.7 Baht per USD and these contracts are due on 18 March 2019).*
    - A subsidiary had outstanding commitments of approximately Baht 50.6 million *(31 December 2018: Baht 83.5 million)*, in respect of construction and installation contract of machinery and tools.
    - Two subsidiaries had outstanding commitments of approximately Baht 6.8 million *(31 December 2018: Baht 13.6 million)*, in respect of warehouse and office rental.

**Bank guarantees**

As at 31 March 2019, there were outstanding bank guarantees of approximately Baht 15 million and Baht 9 million *(31 December 2018: Baht 16 million and 11 million, respectively)* issued by the banks on behalf of the Group and the Company, respectively, as required in the normal course of their businesses.

1. **Events after the reporting period**

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Group/Company has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the second quarter of 2019. As a result of this change, the provision for retirement benefits as at 30 June 2019 as well as past service cost recognised during the three-month and six-month periods then ended in the consolidated and separate financial statements increased by an amount of Baht 19.9 million and Baht 15.7 million, respectively.

At the annual general meeting of the shareholders of the Company held on 26 April 2019, the shareholders approved the payment of the dividends of Baht 0.01 per share amounting to Baht 6.8 million and approved the change of the Company’s name to Thai Rubber Latex Group Public Company Limited.

1. **Thai Financial Reporting Standards (TFRS) not yet adopted**

A number of new TFRS which relevant to the Group/Company operations are expected to have significant impact on the consolidated and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

| **TFRS** | **Topic** |  |
| --- | --- | --- |
| TFRS 7\* | Financial Instruments: Disclosures |  |
| TFRS 9\* | Financial Instruments |  |
| TFRS 16 | Leases |  |
| TAS 32\* | Financial Instruments: Presentation |  |

\* TFRS - Financial instruments standards

* 1. ***TFRS - Financial instruments standards***

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS -Financial instruments standards on the consolidated and separate financial statements.

* 1. ***TFRS 16 Leases***

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the consolidated and separate financial statements.