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

The interim financial statements issued for Thai 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 2020.

1. **General information**

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 2020 and 31 December 2019 are given in notes 6 and 7.

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

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 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 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 2019.

The Group/Company has initially applied TFRS - Financial instruments standards and TFRS 16 Leases and disclosed impact from changes to significant accounting policies in note 3.

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

In preparing these interim financial statements, judgements and estimates are made by management in applying the Group’s/Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2019, except for the new significant judgements and key sources of estimation uncertainty related to the application of new TFRS and COVID-19 outbreak as described in note 3.

1. ***Use of going concern basis of accounting***

The major sales transactions of the Group/Company have been affected from the fluctuation in rubber price, trade war in China and economic recession as resulted of COVID-19 situation. As at 31 March 2020, the Group’s and the Company’s current liabilities exceeded current assets by Baht 1,980 million and Baht 505 million, respectively *(31 December 2019: Baht 2,079 million and Baht 593 million, respectively)*, and a subsidiary incurred loss resulted from reduction of its production capacity during the first quarter 2020 however the operations is expected to resume as normal in the next quarter. Such circumstances indicate the existence of an uncertainty which may cast significant doubt about the Group’s and the Company’s ability to continue as a going concern.

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

The consolidated and separate interim 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 interim 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. **Changes in accounting policies**

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

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

The Group/Company has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings on 1 January 2020. Therefore, the Group/Company did not adjust the information presented for 2019.

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 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 to other comprehensive income (FVOCI) and fair value to profit or loss (FVTPL). The classification under TFRS 9 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 debt securities, 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.

Under TFRS 9, derivatives are measured at FVTPL. Previously, the Group/Company recognised the derivatives when they were exercised.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Group’s/Company’s financial assets and financial liabilities as at 1 January 2020.

| **Consolidated financial statements** | | | | | |
| --- | --- | --- | --- | --- | --- |
| Classification under previous standards at 31 December 2019 | |  | Classification under TFRS 9 at 1 January 2020 | | |
|  | Carrying amounts |  | Fair value through profit or loss |  | Amortised cost - net |
|  | *(in thousand Baht)* | | | | |
| Cash and cash equivalents | 91,126 |  | - |  | 91,126 |
| Trade and other current receivables | 952,834 |  | - |  | 952,834 |
| Other financial assets |  |  |  |  |  |
| - Deposits at financial institutions | 6,597 |  | - |  | 6,597 |
| - Other non-marketable equity  instruments | 81,200 |  | 81,200 |  | - |
| - Derivative assets | - |  | 209 |  | 209 |
| **Total other financial assets** | **87,797** |  | **81,409** |  | **6,806** |
| **Total** | **1,131,757** |  | **81,409** |  | **1,050,766** |
|  |  |  |  |  |  |
| Bank overdrafts and short-term loans from financial institutions | 3,698,216 |  | - |  | 3,698,216 |
| Trade and other current payables | 264,713 |  | - |  | 264,713 |
| Long-term loans from financial institutions | 1,181,287 |  | - |  | 1,181,287 |
| Loans from related party | 3,100 |  | - |  | 3,100 |
| Other financial liabilities |  |  |  |  |  |
| - Derivative liabilities | - |  | 4,284 |  | 4,284 |
| **Total** | **5,147,316** |  | **4,284** |  | **5,151,600** |

| **Separate financial statements** | | | | | |
| --- | --- | --- | --- | --- | --- |
| Classification under previous standards at 31 December 2019 | |  | Classification under TFRS 9 at 1 January 2020 | | |
|  | Carrying amounts |  | Fair value through profit or loss |  | Amortised cost - net |
|  | *(in thousand Baht)* | | | | |
| 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 |  |  |  |  |  |
| - Deposits at financial institutions | 6,597 |  | - |  | 6,597 |
| - Other non-marketable equity   instruments | 81,200 |  | 81,200 |  | - |
| - Derivative assets | - |  | 90 |  | 90 |
| **Total other financial assets** | **87,797** |  | **81,290** |  | **6,687** |
| **Total** | **1,926,801** |  | **81,290** |  | **1,845,691** |
|  |  |  |  |  |  |
| Bank overdrafts and short-term loans from financial institutions | 2,906,703 |  | - |  | 2,906,703 |
| Trade and other current payables | 71,543 |  | - |  | 71,543 |
| Long-term loans from financial institutions | 831,250 |  | - |  | 831,250 |
| Loans from related party | 47,000 |  | - |  | 47,000 |
| Other financial liabilities - Derivative liabilities | - |  | 1,584 |  | 1,584 |
| **Total** | **3,856,496** |  | **1,584** |  | **3,858,080** |

1. Impairment – Financial assets and contract assets

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas previously the Group/Company estimates 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 will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, except for investments in equity instruments.

1. ***TFRS 16 Leases***

From 1 January 2020, the Group/Company 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/Company, 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/Company assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group/Company 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/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

| ***Impact from the adoption of TFRS 16*** | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| ***At 1 January 2020*** |  | | |
| Right-of-use assets | 39,237 |  | 2,637 |
| Increase in lease liabilities | (39,237) |  | (2,637) |

| ***Measurement of lease liability*** | Consolidated financial statements |  | Separate financial statements | |
| --- | --- | --- | --- | --- |
|  | *(in thousand Baht)* | | | |
| Operating lease commitment as disclosed at  31 December 2019 | 5,441 |  | - |
| *Add* contract is considered as a lease | 12,918 |  | 895 |
|  | 18,359 |  | 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 | 23,352 |  | 1,944 |
| Lease is considered as service contract | (156) |  | - |
|  | **41,520** |  | **2,834** |
|  | *(in thousand Baht)* | | |
| Present value of remaining lease payments, discounted using the incremental borrowing rate at 1 January 2020 | 39,237 |  | 2,637 |
| Finance lease liabilities recognised as at  31 December 2019 | 54,190 |  | 51,101 |
| **Lease liabilities recognised at 1 January 2020** | **93,427** |  | **53,738** |
| Weighted-average incremental borrowing rate*(% per annum)* | **4%** |  | **4%** |

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

1. **Related parties**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| ***Three-month periods ended 31 March*** | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Sales of goods/raw materials | - |  | - |  | 281,535 |  | 352,458 |
| Purchases of goods/raw materials | - |  | - |  | 3,063 |  | 16,692 |
| Interest income | - |  | - |  | - |  | 66 |
| Interest expense | - |  | - |  | 457 |  | 452 |
| Rental income | - |  | - |  | 254 |  | - |
|  |  |  |  |  |  |  |  |
| **Associate** |  |  |  |  |  |  |  |
| Purchases of raw materials | 124 |  | 347 |  | 124 |  | 347 |
| Interest expense | 29 |  | 44 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation | 8,171 |  | 8,171 |  | 8,171 |  | 8,171 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Sales of goods | 5,569 |  | 31 |  | 5,569 |  | - |
| Purchases of raw materials | - |  | 692 |  | - |  | 670 |

Balances as at 31 March 2020 and 31 December 2019 with related parties were as follows:

|  | | | | **Consolidated financial statements** | | | | | |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | 31  March | |  | 31 December | | |  | 31  March | | |  | | 31 December | |
|  | | | | 2020 | |  | 2019 | | |  | 2020 | | |  | | 2019 | |
|  | | | | *(in thousand Baht)* | | | | | | | | | | | | | |
| ***Trade and other current receivables*** | | | |  | |  |  | | |  |  | | |  | |  | |
| Subsidiaries | | | | - | |  | - | | |  | 297,867 | | |  | | 343,399 | |
| Associate | | | | 2 | |  | 2 | | |  | 2 | | |  | | 2 | |
| Related parties | | | | 3,355 | |  | 2,617 | | |  | 3,355 | | |  | | 2,617 | |
| **Total** | | | | **3,357** | |  | **2,619** | | |  | **301,224** | | |  | | **346,018** | |
|  | | | |  | |  |  | | |  |  | | |  | |  | |
|  | **Interest rate** | | | | **Consolidated financial statements** | | | | | | | | | | | | | |
|  | 31 December |  | 31  March | | 31  December | | |  |  | | |  |  | |  | | 31  March | |
| ***Loans to*** | 2019 |  | 2020 | | 2019 | | |  | Increase | | |  | Decrease | |  | | 2020 | |
|  | *(% per annum)* | | | | *(in thousand Baht)* | | | | | | | | | | | | | |
| Subsidiary | - |  | - | | 992,933 | | |  | - | | |  | - | |  | | 992,933 | |

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 31  March  2020 |  | 31 December 2019 |  | 31  March  2020 |  | 31 December 2019 |
| ***Trade and other current payables*** | *(in thousand Baht)* | | | | | | |
| Subsidiaries | - |  | - |  | 447 |  | 251 |
| Associate | - |  | 433 |  | - |  | 433 |
| **Total** | **-** |  | **433** |  | **447** |  | **684** |
|  |  |  |  |  |  |  |  |

|  | **Interest rate** | | |  | Consolidated financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Loans from*** | 31 December 2019 |  | 31  March  2020 |  | 31 December 2019 |  | Increase |  | Decrease |  | 31  March  2020 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| Associate | 4.0 |  | 4.0 |  | 3,100 |  | - |  | (300) |  | 2,800 |

|  | **Interest rate** | | |  | Separate financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Loans from*** | 31 December 2019 |  | 31  March  2020 |  | 31 December 2019 |  | Increase |  | Decrease |  | 31  March  2020 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| Subsidiary | 3.9 |  | 3.9 |  | 47,000 |  | - |  | - |  | 47,000 |

As at 31 March 2020, the Group has unutilised credit facilities at the total of Baht 1,922 million and USD 99 million *(31 December 2019: Baht 1,961 million and USD 80 million)* and utilised credit facilities at the total of Baht 4,811 million and USD 18 million *(31 December 2019: Baht 4,947 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 2019: Baht 950 million and USD 10 million)*.

1. **Inventories**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 31  March |  | 31 December |  | 31  March |  | 31 December |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Finished goods | 779,003 |  | 958,466 |  | 470,062 |  | 647,366 |
| Work in process | 23,925 |  | 10,710 |  | - |  | - |
| Raw materials | 110,148 |  | 160,032 |  | 12,870 |  | 25,168 |
| Packing materials | 6,899 |  | 6,877 |  | 577 |  | 458 |
| Supplies | 28,979 |  | 32,611 |  | 7,422 |  | 7,686 |
| **Total** | **948,954** |  | **1,168,696** |  | **490,931** |  | **680,678** |
| *Less* allowance for decline in value | (59,123) |  | (64,929) |  | - |  | - |
| **Net** | **889,831** |  | **1,103,767** |  | **490,931** |  | **680,678** |
|  |  |  |  |  |  |  |  |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(in thousand Baht)* | | | | | | |
| Inventories recognised as an expense |  |  |  |  |  |  |  |
| in ‘cost of sales of goods’ for the: |  |  |  |  |  |  |  |
| Three-month period ended 31 March |  |  |  |  |  |  |  |
| - Cost | 1,433,693 |  | 1,749,557 |  | 1,086,302 |  | 1,456,555 |
| - (Reversal of) write-down to net  realisable value | (5,806) |  | 577 |  | - |  | - |
| **Net** | **1,427,887** |  | **1,750,134** |  | **1,086,302** |  | **1,456,555** |

1. **Investments in associates**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **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 |
|  |  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  |  |  | *(%)* | | |  | *(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 |  | 28,735 |  | 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** |  | **28,735** |  | **29,664** |  | **-** |  | **-** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **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 |
|  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |
|  | *(%)* | | |  | *(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**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | **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 |
|  |  | | 2020 |  | 2019 | 2020 |  | 2019 | |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | | 2020 |  | 2019 |
|  |  | | *(%)* | | | *(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 |  | | - |  | - |
| 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 |  | | - |  | - |
| 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** | |  | - |  | - |
|  |  |  | |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |

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 subsidiaries 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 period ended 31 March 2020 were as follows:

|  | Consolidated financial statements | | |  | Separate financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 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)* | | | | | | |
| Building and building improvement | 1,133 |  | - |  | 1,133 |  | - |
| Machinery | 10,675 |  | 254 |  | - |  | - |
| Office and other equipment | 10,008 |  | 26 |  | 186 |  | - |
| Vehicles | 588 |  | - |  | - |  | - |
| Other fixed assets | 10,105 |  | - |  | - |  | - |
| Assets under construction and  installation | 38,399 |  | 28,015 |  | 952 |  | 1,133 |
| **Total** | **70,908** |  | **28,295** |  | **2,271** |  | **1,133** |

During the three-month period ended 31 March 2020, the Group/Company leased land, buildings and equipment for 1 to 6 years and made fixed payments during the lease term. The Group/Company recognised right-of-use assets amounted of Baht 31.5 million and Baht 2.5 million, respectively.

1. **Segments information and disaggregation of revenue**

## **Disaggregation of revenue**

Revenue from sales of products of the Company is from concentrated and prevulcanized latex and is recognised at a point in time.

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

|  |  | Consolidated financial statement | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Concentrated and | | |  |  | | |  |  | | |  |  |  | | |
|  |  | prevulcanized latex | | |  | Latex products | | |  | Rubber plantation | | |  |  | Total | | |
| ***Three-month period ended 31 March*** |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | | | | | | | | | | | | | | |
| ***Information about reportable segments*** |  |  | | | | | | | | | | | | | | | |
| External revenue |  | 1,074 |  | 1,289 |  | 564 |  | 592 |  | 1 |  | 4 |  |  | 1,639 |  | 1,885 |
| Inter-segment revenue |  | 281 |  | 366 |  | - |  | - |  | 3 |  | 2 |  |  | 284 |  | 368 |
| **Total revenue** |  | **1,355** |  | **1,655** |  | **564** |  | **592** |  | **4** |  | **6** |  |  | **1,923** |  | **2,253** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Disaggregation of revenue*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Primary geographical markets** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Thailand |  | 691 |  | 751 |  | 20 |  | 55 |  | 1 |  | 4 |  |  | 712 |  | 810 |
| PRC |  | 86 |  | 172 |  | 363 |  | 420 |  | - |  | - |  |  | 449 |  | 592 |
| Republic of Korea |  | 3 |  | 37 |  | 7 |  | 10 |  | - |  | - |  |  | 10 |  | 47 |
| Others countries |  | 294 |  | 329 |  | 174 |  | 107 |  | - |  | - |  |  | 468 |  | 436 |
| **Total** |  | **1,074** |  | **1,289** |  | **564** |  | **592** |  | **1** |  | **4** |  |  | **1,639** |  | **1,885** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Timing of revenue recognition** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At a point in time |  | **1,074** |  | **1,289** |  | **564** |  | **592** |  | **1** |  | **4** |  |  | **1,639** |  | **1,885** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Segment profit (loss) before income tax |  | 108 |  | (69) |  | (34) |  | (12) |  | (9) |  | (9) |  |  | 65 |  | (90) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  | 2020 |  | 2019 |  |  | 2020 |  | 2019 |
|  |  | *(in million Baht)* | | | | | | | | | | | | | | | |
| Reportable segment assets as at  31 March/31 December |  | 2,946 |  | 2,993 |  | 2,536 |  | 2,482 |  | 2,133 |  | 2,137 |  |  | 7,615 |  | 7,612 |
| Reportable segment liabilities as at  31 March/31 December |  | 3,822 |  | 4,029 |  | 1,605 |  | 1,448 |  | 156 |  | 149 |  |  | 5,583 |  | 5,626 |

***Reconciliation of reportable segment profit or loss***

| ***For the three-month period ended 31 March*** |  | 2020 |  | 2019 |
| --- | --- | --- | --- | --- |
|  |  | *(in million Baht)* | | |
| Total profit (loss) before income tax for reportable segments |  | 64 |  | (92) |
| Elimination of inter-segment profits |  | 2 |  | 2 |
| Share of profit (loss) of investments in associates |  | (1) |  | - |
| Consolidated profit (loss) before income tax |  | **65** |  | **(90)** |

1. **Financial instruments**

***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 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** | | | | |  | **Separate financial statements** | | | | |
|  |  | **Carrying amount** |  | **Fair value** | | |  | **Carrying amount** |  | **Fair value** | | |
|  |  | Fair value through profit or loss |  | Level 2 |  | Level 3 |  | Fair value through profit or loss |  | Level 2 |  | Level 3 |
|  |  | *(in thousand Baht)* | | | | | | | | | | |
| **At 31 March 2020** |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |  |  |  |
| Other financial assets |  |  |  |  |  |  |  |  |  |  |  |  |
| Derivatives assets |  | 12,842 |  | 12,842 |  | - |  | 3,296 |  | 3,296 |  | - |
| Other non-marketable equity instrument |  | 75,000 |  | - |  | 75,000 |  | 75,000 |  | - |  | 75,000 |
| **Total other financial assets** |  | **87,842** |  | **12,842** |  | **75,000** |  | **78,296** |  | **3,296** |  | **75,000** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |  |  |  |
| Other financial liabilities |  |  |  |  |  |  |  |  |  |  |  |  |
| Derivatives liabilities |  | (577) |  | (577) |  | - |  | (172) |  | (172) |  | - |
| **Total other financial liabilities** |  | **(577)** |  | **(577)** |  | **-** |  | **(172)** |  | **(172)** |  | **-** |

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |  | **Separate financial statements** | | |
|  |  |  |  | Fair value | |  |  |  | Fair value |
|  |  | Carrying amount |  | | Level 2 |  | Carrying amount |  | Level 2 |
|  | *(in thousand Baht)* | | | | | | | | |
| **At 31 December 2019** |  |  |  | |  |  |  |  |  |
| ***Financial assets*** |  |  |  | |  |  |  |  |  |
| Other financial assets |  |  |  | |  |  |  |  |  |
| Derivatives assets |  | - |  | | 209 |  | - |  | 90 |
| **Total other financial assets** |  | **-** |  | | **209** |  | **-** |  | **90** |
|  |  |  |  | |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  | |  |  |  |  |  |
| Other financial liabilities |  |  |  | |  |  |  |  |  |
| Derivatives liabilities |  | **-** |  | | (4,284) |  | - |  | (1,584) |
| **Total other financial liabilities** |  | - |  | | **(4,284)** |  | **-** |  | **(1,584)** |

**Financial instruments measured at fair value**

| **Type** |  | **Valuation technique** |
| --- | --- | --- |
| Forward exchange contracts |  | Determined using quoted forward exchange rates at the reporting date |
| Other non-marketable equity instrument measured at FVTPL |  | The fair values are based on cost which considered as estimated fair values, except there are significant changes in their operations. |

***Credit risk***

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

|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***At 31 March 2020*** | Trade accounts receivables |  | Allowance for impairment losses |  | Trade accounts receivables |  | Allowance for impairment losses |
|  | *(in thousand Baht)* | | | | | | |
| Within credit terms | 646,089 |  | - |  | 501,868 |  | - |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 298,833 |  | - |  | 202,481 |  | - |
| 3-6 months | 48,457 |  | 9,704 |  | 78,597 |  | - |
| 6-12 months | 154,205 |  | 109,421 |  | 91,083 |  | - |
| Over 12 months | 151,269 |  | 150,575 |  | 134,241 |  | 133,529 |
| **Total** | **1,298,853** |  | **269,700** |  | **1,008,270** |  | **133,529** |
| *Less* allowance for impairment | (269,700) |  |  |  | (133,529) |  |  |
| **Net** | **1,029,153** |  |  |  | **874,741** |  |  |

| **Trade accounts receivables** | **Consolidated financial statements** |  | **Separate financial statements** |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| ***At 31 December 2019*** |  |  |  |
| Within credit terms | 517,514 |  | 475,970 |
| Overdue: |  |  |  |
| Less than 3 months | 241,380 |  | 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** |
| *Less* allowance for doubtful accounts | (269,700) |  | (133,529) |
| **Net** | **827,137** |  | **743,490** |

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

| ***At 31 March 2020*** | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| ***Capital commitments*** |  |  |  |
| Assets under construction | 29 |  | - |
| **Total** | **29** |  | **-** |
|  |  |  |  |

**Bank guarantees**

As at 31 March 2020, there were outstanding bank guarantees of approximately Baht 14 million and Baht 8 million, respectively *(31 December 2019: Baht 16 million and 10 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 30 April 2020, Thai Rubber Land and Plantation Co., Ltd., a subsidiary, increased the authorised share capital by Baht 1,000 million (from Baht 800 million to Baht 1,800 million). The Company increased its investment amounting to Baht 1,000 million according to proportionate of existing ownership interest.