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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 11 August 2022.

1. **Basis of preparation of the interim financial statements**

The condensed interim financial statements are presented in the same format as the annual financial statements together with 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 focus on new activities, events and circumstances to avoid repetition of information previously reported in annual financial statements. 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 2021.

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 2021.

1. **Related parties**

Significant transactions for the three-month and six-month periods ended 30 June with related parties were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Significant transactions with related parties*** | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| ***Six-month periods ended 30 June*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Sales of goods/raw materials | - |  | - |  | 824,821 |  | 875,697 |
| Purchase of goods/raw materials | - |  | - |  | 25,375 |  | 17,962 |
| Interest income | - |  | - |  | 3,293 |  | 3,293 |
| Interest expense | - |  | - |  | 909 |  | 909 |
| Rental income | - |  | - |  | 720 |  | 1,380 |
| Dividend income | - |  | - |  | 75,460 |  | 38,500 |
|  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |
| Sales of goods | 469 |  | - |  | 469 |  | - |
| Purchase of raw materials | 1,578 |  | 1,368 |  | 1,578 |  | 1,368 |
| Interest expense | - |  | 28 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation | 49,070 |  | 15,570 |  | 49,070 |  | 15,570 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Sales of goods | - |  | 16,933 |  | - |  | 16,933 |
| Purchase of raw materials | 4,175 |  | 3,878 |  | 4,175 |  | 3,878 |

|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30  June |  | 31 December |  | 30  June |  | 31 December |
| ***Balances with related parties as at*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts receivable*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 107,682 |  | 223,843 |
| Associates | - |  | - |  | 469 |  | - |
| **Total** | **-** |  | **-** |  | **108,151** |  | **223,843** |
|  |  |  |  |  |  |  |  |
| ***Other receivables*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 2,422 |  | 104,058 |
| Associates | 2 |  | 1 |  | 2 |  | 1 |
| Other related parties | - |  | 1 |  | - |  | 1 |
| **Total** | **2** |  | **2** |  | **2,424** |  | **104,060** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Interest rate** | | | **Separate financial statements** | | | | | | |
|  | 31 December |  | 30  June | 31  December |  |  |  |  |  | 30  June |
| ***Loans to*** | 2021 |  | 2022 | 2021 |  | Increase |  | Decrease |  | 2022 |
|  | *(% per annum)* | | | *(in thousand Baht)* | | | | | | |
| Subsidiary | 4.0 |  | 4.0 | 166,000 |  | - |  | - |  | 166,000 |
| **Total** |  |  |  | **166,000** |  |  |  |  |  | **166,000** |
| *Less* allowance for expected credit loss |  |  |  | (25,246) |  | - |  | - |  | (25,246) |
| **Net** |  |  |  | **140,754** |  |  |  |  |  | **140,754** |

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |  | 31  March  **2022** |  | **31 December 2021** |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Balances with related parties as at*** | 30  June  2022 |  | 31 December 2021 |  | 30  June  2022 |  | 31 December 2021 |
|  | *(in thousand Baht)* | | | | | | |  |  |  |  |  |  |
| ***Trade accounts payable*** |  | | | | | | |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 591 |  | 66 |
| Associates | 214 |  | 181 |  | 214 |  | 181 |
| Other related parties | 797 |  | 786 |  | 797 |  | 786 |
| **Total** | **1,011** |  | **967** |  | **1,602** |  | **1,033** |
|  |  |  |  |  |  |  |  |
| ***Other payables*** |  |  |  |  |  |  |  |
| Subsidiaries | **-** |  | **-** |  | **259** |  | **372** |

|  | **Interest rate** | | |  | Separate financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Loans from*** | 31 December 2021 |  | 30  June  2022 |  | 31 December 2021 |  | Increase |  | Decrease |  | 30  June  2022 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| Subsidiary | 3.9 |  | 3.9 |  | 47,000 |  | - |  | - |  | 47,000 |

As at 30 June 2022, the Group has unutilised credit facilities at the total of Baht 2,315 million and USD 121 million *(31 December 2021: Baht 2,115 million and USD 106 million)* and utilised credit facilities at the total of Baht 4,126 million and USD 14 million *(31 December 2021: Baht 4,314 million and USD 24 million)*, and the Company has issued letter of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 100 million *(31 December 2021: Baht 742 million)*.

1. **Trade accounts receivable**

Aging analyses for trade accounts receivable are as follows;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 June 2022 |  | 31 December 2021 |  | 30 June  2022 |  | 31 December 2021 |
|  | *(in thousand Baht)* | | | | | | |
| Within credit terms | 1,009,193 |  | 873,622 |  | 852,585 |  | 771,909 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 217,587 |  | 209,901 |  | 110,043 |  | 187,266 |
| 3-6 months | 210 |  | 1,515 |  | 25,334 |  | 5,927 |
| 6-12 months | 593 |  | 2 |  | - |  | - |
| Over 12 months | 293,334 |  | 293,334 |  | 134,242 |  | 134,242 |
| **Total** | **1,520,917** |  | **1,378,374** |  | **1,122,204** |  | **1,099,344** |
| *Less* allowance for expected credit loss | (293,334) |  | (293,334) |  | (134,242) |  | (134,242) |
| **Net** | **1,227,583** |  | **1,085,040** |  | **987,962** |  | **965,102** |
|  |  |  |  |  |  |  |  |
| ***Expected credit loss*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| ***For the three-month period ended 30 June*** | 2022 |  | 2021 |  | 2022 |  | 2021 |
|  | *(in thousand Baht)* | | | | | | |
| * Additions | - |  | 1,132 |  | - |  | - |
| * Reversal | - |  | (17,564) |  | - |  | - |

| ***Expected credit loss*** |  | | |  |  | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***For the six-month period ended***  ***30 June*** |  |  |  |  |  |  |  |
| * Additions | - |  | 3,221 |  | - |  | - |
| * Reversal | - |  | (17,564) |  | - |  | - |

1. **Investments in subsidiaries and associates**

| ***Material movement for the six-month***  ***period ended 30 June 2022*** |  | Separate  financial statements |
| --- | --- | --- |
|  |  | *(in thousand Baht)* |
| ***Subsidiary*** |  |  |
| Increase investment in Thai Rubber Land and Plantation Co., Ltd. |  | 40,000 |
| Impairment loss in Myanmar Thai Rubber Joint Corporation Limited |  | (17,591) |

On 12 January 2022, the Board of the Directors’ meeting of the Company approved an increase of registered share capital of Thai Rubber Land and Plantation Co., Ltd. (“TRLP”) Baht 40.0 million by increase its registered capital 4,000,000 ordinary shares at Baht 10 per share to the Company (increase registered capital from Baht 1,800 million to registered capital Baht 1,840 million). The objective is to establish a company named Thaitex CBD Smart Farm Company Limited, a subsidiary, for investment in hemp and cannabis project.

On 20 January 2022, TRLP registered the establishment of Thaitex CBD Smart Farm Company Limited, with the registered share capital of Baht 40.0 million (share capital 4,000,000 ordinary shares at Baht 10 per share). TRLP owned the total interest of 100% the issue share capital.

On 21 March 2022, Thai Rubber H P N R Co.,Ltd. (“HPNR”), a subsidiary, registered the establishment of Thaitex Innovatex Co., Ltd., an indirect associate of the Company, with the registered share capital of Baht 5.0 million (0.5 million ordinary shares at Baht 10 per share). HPNR paid up the total interest of 30% of the issued share capital, amounting to Baht 1.5 million.

1. **Property, plant and equipment**

| ***For the six-month period ended 30 June 2022*** |  | Consolidated  financial statements |  | Separate financial statements |
| --- | --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| Acquisitions - at cost | 504,538 |  | 83,062 |
| Right-of-use assets - at cost | 3,704 |  | 503 |
| Disposals - net book value | (278) |  | - |
| Written-off - net book value | (1,500) |  | - |

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.

|  |  | Consolidated financial statements | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Concentrated and | | |  |  | | |  |  | | |  |  |  | | |
|  |  | prevulcanized latex | | |  | Latex products | | |  | Rubber plantation | | |  |  | Total | | |
| ***Six-month period ended 30 June*** |  | 2022 |  | 2021 |  | 2022 |  | 2021 |  | 2022 |  | 2021 |  |  | 2022 |  | 2021 |
|  |  | *(in million Baht)* | | | | | | | | | | | | | | | |
| ***Information about reportable segments*** |  |  | | | | | | | | | | | | | | | |
| External revenues |  | 2,815 |  | 2,609 |  | 2,309 |  | 1,886 |  | 7 |  | 2 |  |  | 5,131 |  | 4,497 |
| Inter-segment revenue |  | 825 |  | 875 |  | - |  | 1 |  | 25 |  | 18 |  |  | 850 |  | 894 |
| **Total revenue** |  | **3,640** |  | **3,484** |  | **2,309** |  | **1,887** |  | **32** |  | **20** |  |  | **5,981** |  | **5,391** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Disaggregation of revenue*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Primary geographical markets** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Thailand |  | 1,553 |  | 1,518 |  | 142 |  | 232 |  | 7 |  | 2 |  |  | 1,702 |  | 1,752 |
| PRC |  | 460 |  | 264 |  | 1,654 |  | 1,253 |  | - |  | - |  |  | 2,114 |  | 1,517 |
| Malaysia |  | 315 |  | 349 |  | 5 |  | 7 |  | - |  | - |  |  | 320 |  | 356 |
| Others |  | 487 |  | 478 |  | 508 |  | 394 |  | - |  | - |  |  | 995 |  | 872 |
| **Total revenue** |  | **2,815** |  | **2,609** |  | **2,309** |  | **1,886** |  | **7** |  | **2** |  |  | **5,131** |  | **4,497** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Segment profit (loss) before income tax |  | 200 |  | 223 |  | 154 |  | 83 |  | (6) |  | (11) |  |  | 348 |  | 295 |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Segment assets as at 30 June/  31 December |  | 3,520 |  | 3,324 |  | 3,887 |  | 3,991 |  | 2,197 |  | 2,166 |  |  | 9,604 |  | 9,481 |
| Segment liabilities as at 30 June/  31 December |  | 3,371 |  | 3,626 |  | 1,873 |  | 1,599 |  | 165 |  | 164 |  |  | 5,409 |  | 5,389 |

| ***Reconciliation of reportable segment profit or loss*** |  | **Consolidated**  financial statements | | |
| --- | --- | --- | --- | --- |
| ***For the six-month period ended 30 June*** |  | 2022 |  | 2021 |
|  |  | *(in million Baht)* | | |
| Reportable segments |  | 318 |  | 239 |
| Elimination of inter-segment transactions |  | (50) |  | (22) |
| Unallocated amounts: |  |  |  |  |
| - Share of loss of investments in associates |  | - |  | (1) |
| Total |  | **268** |  | **216** |

1. **Dividends**

The shareholders of the Company have approved dividends as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | Approval date | Payment schedule | Dividend rate per share |  | Amount |
|  |  |  | *(Baht)* |  | *(in million Baht)* |
| *2022* |  |  |  |  |  |
| Annual dividend | 26 April 2022 | May 2022 | 0.15 |  | 122.67 |

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, but 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** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Carrying amount** | | |  | **Fair value** | | | | |
| ***At 30 June 2022*** | Financial instruments measured at FVTPL |  | Financial instruments measured at amortised cost |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |
| Other financial assets: |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | 227 |  | - |  | 227 |  | - |  | 227 |
| Non-current investments  in financial assets | 50,710 |  | - |  | - |  | 50,710 |  | 50,710 |
| **Total other financial assets** | **50,937** |  | **-** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |
| Long-term borrowings from financial institutions | - |  | 1,062,519 |  | 1,043,067 |  | - |  | 1,043,067 |
| Other financial liabilities: |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | 7,593 |  | - |  | 7,593 |  | - |  | 7,593 |
| **Total other financial**  **liabilities** | **7,593** |  | **1,062,519** |  |  |  |  |  |  |

|  | **Separated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Carrying amount** | | |  | **Fair value** | | | | |
| ***At 30 June 2022*** | Financial instruments measured at FVTPL |  | Financial instruments measured at amortised cost |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |
| Other financial assets: |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | 49 |  | - |  | 49 |  | - |  | 49 |
| Non-current investments  in financial assets | 48,960 |  | - |  | - |  | 48,960 |  | 48,960 |
| **Total other financial assets** | **49,009** |  | **-** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |
| Long-term borrowings from financial institutions | - |  | 497,340 |  | 487,746 |  | - |  | 487,746 |
| Other financial liabilities: |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | 4,808 |  | - |  | 4,808 |  | - |  | 4,808 |
| **Total other financial**  **liabilities** | **4,808** |  | **497,340** |  |  |  |  |  |  |

|  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Carrying amount** | | |  | **Fair value** | | | | |
| ***At 31 December 2021*** | Financial instruments measured at FVTPL |  | Financial instruments measured at amortised cost |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |
| Other financial assets: |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | 3,071 |  | - |  | 3,071 |  | - |  | 3,071 |
| Non-current investments  in financial assets | 50,000 |  | - |  | - |  | 50,000 |  | 50,000 |
| **Total other financial assets** | **53,071** |  | **-** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |
| Long-term borrowings from financial institutions | - |  | 995,240 |  | 999,214 |  | - |  | 999,214 |
| Other financial liabilities: |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | 3,514 |  | - |  | 3,514 |  | - |  | 3,514 |
| **Total other financial**  **liabilities** | **3,514** |  | **995,240** |  |  |  |  |  |  |

|  | **Separated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Carrying amount** | | |  | **Fair value** | | | | |
| ***At 31 December 2021*** | Financial instruments measured at FVTPL |  | Financial instruments measured at amortised cost |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |  |  |
| Other financial assets: |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | 63 |  | - |  | 63 |  | - |  | 63 |
| Non-current investments  in financial assets | 50,000 |  | - |  | - |  | 50,000 |  | 50,000 |
| **Total other financial assets** | **50,063** |  | **-** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |  |  |
| Long-term borrowings from financial institutions | - |  | 555,090 |  | 556,966 |  | - |  | 556,966 |
| Other financial liabilities: |  |  |  |  |  |  |  |  |  |
| Forward exchange contract | 2,361 |  | - |  | 2,361 |  | - |  | 2,361 |
| **Total other financial**  **liabilities** | **2,361** |  | **555,090** |  |  |  |  |  |  |

***Financial instruments measured at fair value***

| **Type** |  | **Valuation technique** |
| --- | --- | --- |
| Forward exchange contracts |  | Determined using quoted forward exchange rates at the reporting date |
| Non-current investments in financial assets measured at FVTPL |  | The latest net asset value as of the reporting date |

The fair value of financial liabilities measured at amortised costs are calculated by discounted cash flows technique.

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

| ***At 30 June 2022*** | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in million Baht)* | | |
| ***Capital commitments*** |  |  |  |
| Building and building improvement | 20 |  | - |
| Machineries | 32 |  | 8 |
| Vehicles | 1 |  | - |
| Purchase orders for goods and supplies | 6 |  | - |
| **Total** | **59** |  | **8** |

***Bank guarantees***

As at 30 June 2022, there were outstanding bank guarantees of approximately Baht 16 million and Baht 8 million, respectively *(31 December 2021: Baht 15 million and Baht 8 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**

At the Board of Director’s meeting of the Company held on 11 August 2022, the Company’s Board of Directors approved the Company to enter into the transaction of conversion of loan at the amount of not over than Baht 111.1 million to newly issued ordinary shares of Latex Systems Public Company Limited ("LS") not exceeding 222.2 million shares at the price of Baht 0.5 per share. The transaction must be approved by the shareholders' meeting from LS first in order to be able to enter into such transaction.