Note Contents

1. Basis of preparation of the interim financial statements
2. Related parties
3. Trade accounts receivable
4. Investments in subsidiaries
5. Property, plant and equipment
6. Interest-bearing liabilities
7. Segments information and disaggregation of revenue
8. Dividends
9. Financial instruments
10. Commitments with non-related parties
11. Reclassification of accounts

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   
12 November 2024.

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 Thai Rubber Latex Group Public Company Limited and its subsidiaries   
(“the Group”), and interim financial statements of Thai Rubber Latex Group Public Company Limited (“the Company”) for the year ended 31 December 2023.

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 2023.

1. **Related parties**

Relationships with subsidiaries, associates, key management personnel and other related parties have no material changes during the three-month and nine-month periods ended 30 September 2024.

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Significant transactions with related parties*** | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| ***Nine-month period ended 30 September*** | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Sales of goods/raw materials | - |  | - |  | 773,826 |  | 754,324 |
| Purchase of goods/raw materials | - |  | - |  | 38,473 |  | 31,888 |
| Interest income | - |  | - |  | 1,648 |  | 1,642 |
| Interest expense | - |  | - |  | 1,376 |  | 1,371 |
| Rental income | - |  | - |  | 1,080 |  | 1,080 |
| Dividend income | - |  | - |  | - |  | 64,680 |
|  |  |  |  |  |  |  |  |
| **Associate** |  |  |  |  |  |  |  |
| Purchase of raw materials | 2,600 |  | 2,438 |  | 2,600 |  | 2,438 |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation | 34,836 |  | 37,912 |  | 26,335 |  | 25,365 |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Purchase of raw materials | 8,887 |  | 4,839 |  | 8,887 |  | 4,839 |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Balances with related parties*** | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  | 30 |  | 31 |  | 30 |  | 31 |
|  | September |  | December |  | September |  | December |
|  | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts receivable*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 264,632 |  | 266,261 |
| *Less* allowance for expected credit loss | - |  | - |  | (2,188) |  | (2,376) |
| **Net** | **-** |  | **-** |  | **262,444** |  | **263,885** |
|  |  |  |  |  |  |  |  |
| ***Other current receivables*** |  |  |  |  |  |  |  |
| Subsidiaries | **-** |  | **-** |  | **3,961** |  | **1,372** |

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Interest rate** | | | **Separate financial statements** | | | | | | |
|  | 31 December |  | 30  September | 31  December |  |  |  |  |  | 30  September |
| ***Loans to*** | 2023 |  | 2024 | 2023 |  | Increase |  | Decrease |  | 2024 |
|  | *(% per annum)* | | | *(in thousand Baht)* | | | | | | |
| Subsidiary | 4.0 |  | 4.0 | 54,890 |  | - |  | - |  | 54,890 |
| *Less* allowance for  expected credit loss |  |  |  | (25,246) |  | - |  | - |  | (25,246) |
| **Net** |  |  |  | **29,644** |  |  |  |  |  | **29,644** |

| ***Balances with related parties*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 30 |  | 31 |  | 30 |  | 31 |
|  | September |  | December |  | September |  | December |
|  | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts payable*** |  |  |  |  |  |  |  |
| Subsidiary | - |  | - |  | 845 |  | 433 |
| Associate | 289 |  | 235 |  | 289 |  | 235 |
| Other related parties | 1,245 |  | 883 |  | 1,245 |  | 883 |
| **Total** | **1,534** |  | **1,118** |  | **2,379** |  | **1,551** |
|  |  |  |  |  |  |  |  |
| ***Other current payables*** |  |  |  |  |  |  |  |
| Subsidiaries | **-** |  | **-** |  | **249** |  | **592** |

|  | **Interest rate** | | |  | Separate financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Loans from*** | 31 December 2023 |  | 30  September  2024 |  | 31 December 2023 |  | Increase |  | Decrease |  | 30  September  2024 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| Subsidiary | 3.9 |  | 3.9 |  | **47,000** |  | **-** |  | **-** |  | **47,000** |
|  |  |  |  |  |  |  |  |  |  |  |  |

1. **Trade accounts receivable**

Aging analyses for trade accounts receivable were as follows:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 30 |  | 31 |  | 30 |  | 31 |
|  | September |  | December |  | September |  | December |
|  | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  | *(in thousand Baht)* | | | | | | |
| Within credit terms | 656,859 |  | 672,838 |  | 462,220 |  | 542,656 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 158,520 |  | 117,624 |  | 132,062 |  | 82,498 |
| 3-6 months | 259 |  | - |  | 43,224 |  | 32,393 |
| 6-12 months | 3,742 |  | 3,501 |  | 49,957 |  | 37,537 |
| Over 12 months | 295,051 |  | 294,089 |  | 243,070 |  | 192,648 |
| **Total** | **1,114,431** |  | **1,088,052** |  | **930,533** |  | **887,732** |
| *Less* allowance for expected credit  loss | (294,089) |  | (294,089) |  | (136,429) |  | (136,618) |
| **Net** | **820,342** |  | **793,963** |  | **794,104** |  | **751,114** |

| ***Allowance for expected credit loss*** | Consolidated  financial statements | | |  | Separate  financial statement | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Nine-month period ended 30 September*** | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  | *(in thousand Baht)* | | | | | | |
| Reversal | - |  | - |  | 189 |  | - |

1. **Investments in subsidiaries**

| ***Material movements***  ***Nine-month period ended 30 September 2024*** |  |  |  |  | Separate  financial statements |
| --- | --- | --- | --- | --- | --- |
|  |  |  |  |  | *(in thousand Baht)* |
| ***Subsidiaries*** |  |  |  |  |  |
| Acquisition of investment in Latex Systems Public Company Limited |  |  |  |  | 590 |

In September 2024, the Group acquired an additional 21.9% interest in Latex Systems Public Company Limited, a subsidiary, for Baht 0.59 million, increasing its ownership interest from 74.2% to 96.1%. The carrying amount of Latex Systems Public Company Limited’s net assets in the Group’s financial statements on the date of the acquisition was Baht 392.6 million. The Group recognised an increase in non-controlling interests of Baht 80.3 million, an increase in revaluation reserves of Baht 10.4 million, and an increase in the legal reserve of Baht 3.0 million attributable to owners of the Group of Baht 13.4 million of changes in the Group’s ownership interest in Latex Systems Public Company Limited.

1. **Property, plant and equipment**

| ***Nine-month period ended 30 September 2024*** |  | Consolidated  financial statements |  | Separate financial statements |
| --- | --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| Acquisitions - at cost | 89,466 |  | 36,257 |
| Disposals - net book value | (1,122) |  | - |
| Write-off of right-of-use assets - net book value |  | (2,189) |  | - |
| Transfer to investment property – net book value |  | (567) |  | - |

The Company and a subsidiary sold their machineries to local companies and leased them back under finance lease agreements with net book value of Baht 30.1 million and Baht 52.1 million, respectively. The finance lease liabilities were repayable in monthly installments commencing from March 2024 to March 2029 and March 2024 to March 2028, respectively. Under the lease agreements, the Company and the subsidiary must comply with conditions covering the lease assets.

1. **Interest-bearing liabilities**

As at 30 September 2024, the Group had credit facilities granted by the financial institutions totaling Baht 6,800.2 million and USD 232.4 million *(31 December 2023: Baht 6,917.2 million and USD 229.4 million)*. The Group had unutilised credit facilities of Baht 2,473.8 million and USD 216.0 million *(31 December 2023: Baht 2,694.4 million and USD 212.7 million)*. The Company had issued letter of guarantee to banks to secure credit facilities granted by the banks to its subsidiary totaling Baht 225.6 million *(31 December 2023: Baht 238.0 million)*.

The Group and the Company have pledged their property, plant and machinery with net book value of   
Baht 3,186.0 million and Baht 849.9 million, respectively *(31 December 2023: Baht 3,121.1 million and Baht 772.3 million, respectively)*, as collateral to secure the Group’s and the Company’s bank overdrafts, trust receipts, short-term and long-term loans.

The Group and the Company have pledged investment properties amounting to approximately Baht 405.3 million and Baht 209.9 million, respectively *(31 December 2023: Baht 404.8 million and Baht 209.9 million, respectively)* as collateral against credit facilities from a financial institution.

The Company pledged its share certificates of World Flex Public Company Limited, a subsidiary, by 263.9 million shares at carrying value of Baht 384.1 million *(31 December 2023: 147.9 million shares and Baht 215.3 million, respectively)* as collateral to secure the Company's bank overdrafts and short-term loans.

The Group and the Company must comply 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 and Debt Service Coverage Ratio.

As at 30 September 2024, two subsidiaries received the waiver letters related to financial ratios from the financial institutions as its unable to maintain the level of financial ratios as defined in the loan agreements.

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

## *Disaggregation of revenue*

Revenue from sales of products of the Company is from concentrated and prevulcanized latex, latex products and plantations.

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 statements | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Concentrated and | | |  |  | | |  |  | | |  |  | | |
|  | prevulcanized latex | | |  | Latex products | | |  | Plantations | | |  | Total | | |
| ***Nine-month period ended 30 September*** | 2024 |  | 2023 |  | 2024 |  | 2023 |  | 2024 |  | 2023 |  | 2024 |  | 2023 |
|  | *(in million Baht)* | | | | | | | | | | | | | | |
| ***Information about reportable segments*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| External revenues | 2,996 |  | 2,555 |  | 2,515 |  | 2,235 |  | 18 |  | 18 |  | 5,529 |  | 4,808 |
| Inter-segment revenue | 774 |  | 754 |  | 2 |  | 1 |  | 38 |  | 32 |  | 814 |  | 787 |
| **Total revenue** | **3,770** |  | **3,309** |  | **2,517** |  | **2,236** |  | **56** |  | **50** |  | **6,343** |  | **5,595** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Disaggregation of revenue*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Primary geographical markets** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Thailand | 1,916 |  | 1,565 |  | 132 |  | 143 |  | 18 |  | 18 |  | 2,066 |  | 1,726 |
| People Republic of China | 148 |  | 355 |  | 1,869 |  | 1,581 |  | - |  | - |  | 2,017 |  | 1,936 |
| Malaysia | 346 |  | 258 |  | - |  | - |  | - |  | - |  | 346 |  | 258 |
| Others | 586 |  | 377 |  | 514 |  | 511 |  | - |  | - |  | 1,100 |  | 888 |
| **Total revenue** | **2,996** |  | **2,555** |  | **2,515** |  | **2,235** |  | **18** |  | **18** |  | **5,529** |  | **4,808** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Segment profit (loss) before income tax | 27 |  | (98) |  | (220) |  | (216) |  | (15) |  | (41) |  | (208) |  | (355) |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Segment assets as at 30 September/  31 December | 3,125 |  | 3,198 |  | 3,539 |  | 3,396 |  | 2,152 |  | 2,168 |  | 8,816 |  | 8,762 |
| Segment liabilities as at 30 September/  31 December | 3,497 |  | 3,578 |  | 1,761 |  | 1,420 |  | 182 |  | 178 |  | 5,440 |  | 5,176 |

1. **Dividends**

|  | Approval date | Payment schedule | Dividend rate per share |  | Amount |
| --- | --- | --- | --- | --- | --- |
|  |  |  | *(Baht)* |  | *(in million Baht)* |
| ***2023*** |  |  |  |  |  |
| 2022 Annual dividend | 26 April 2023 | May 2023 | 0.12 |  | 98.13 |

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 September 2024*** | Financial instruments measured at FVTPL |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |
| Other financial assets: |  |  |  |  |  |  |  |
| Forward exchange contract | 29,346 |  | 29,346 |  | - |  | 29,346 |
| Non-current investments  in financial assets | 5,100 |  | - |  | 5,100 |  | 5,100 |
| **Total other financial assets** | **34,446** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |
| Other financial liabilities: |  |  |  |  |  |  |  |
| Forward exchange contract | (1,818) |  | (1,818) |  | - |  | (1,818) |
| **Total other financial**  **liabilities** | **(1,818)** |  |  |  |  |  |  |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount |  | Fair value | | | | |
| ***At 30 September 2024*** | Financial instruments measured at FVTPL |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |
| Forward exchange contract | 5,029 |  | 5,029 |  | - |  | 5,029 |
| Non-current investments  in financial assets | 5,100 |  | - |  | 5,100 |  | 5,100 |
| **Total other financial assets** | **10,129** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |
| Other financial liabilities: |  |  |  |  |  |  |  |
| Forward exchange contract | (146) |  | (146) |  | - |  | (146) |
| **Total other financial**  **liabilities** | **(146)** |  |  |  |  |  |  |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | |
|  | Carrying amount |  | Fair value | | | | |
| ***At 31 December 2023*** | Financial instruments measured at FVTPL |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |
| Other financial assets: |  |  |  |  |  |  |  |
| Forward exchange contract | 23,725 |  | 23,725 |  | - |  | 23,725 |
| Non-current investments  in financial assets | 5,100 |  | - |  | 5,100 |  | 5,100 |
| **Total other financial assets** | **28,825** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |
| Other financial liabilities: |  |  |  |  |  |  |  |
| Forward exchange contract | (85) |  | (85) |  | - |  | (85) |
| **Total other financial**  **liabilities** | **(85)** |  |  |  |  |  |  |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount |  | Fair value | | | | |
| ***At 31 December 2023*** | Financial instruments measured at FVTPL |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | |
| ***Financial assets*** |  |  |  |  |  |  |  |
| Other financial assets: |  |  |  |  |  |  |  |
| Forward exchange contract | 3,677 |  | 3,677 |  | - |  | 3,677 |
| Non-current investments  in financial assets | 5,100 |  | - |  | 5,100 |  | 5,100 |
| **Total other financial assets** | **8,777** |  |  |  |  |  |  |

**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 |

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

| ***At 30 September 2024*** | Consolidated financial statements |  | Separate financial statements |
| --- | --- | --- | --- |
|  | *(in thousand Baht)* | | |
| ***Capital commitments*** |  |  |  |
| Building and building improvement | 9,751 |  | 6,121 |
| Machineries and equipments | 15,148 |  | 15,148 |
| Other fixed assets | 284 |  | 284 |
| **Total** | **25,183** |  | **21,553** |
|  | | | |
| ***Other commitments*** | | | |
| Short-term lease | 170 |  | 162 |
| Purchase orders of goods and supplies | 33,723 |  | - |
| **Total** | **33,893** |  | **162** |

***Bank guarantees***

As at 30 September 2024, there were outstanding bank guarantees of approximately Baht 20 million and Baht 10 million, issued by the banks on behalf of the Group and the Company, respectively, in respect of certain performance obligation as required in the normal course of their businesses.

1. **Reclassification of accounts**

Certain accounts in the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2023 have been reclassified to conform to the presentation in the comprehensive income as at 30 September 2024 as follows:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | |
| ***For the nine-month period***  ***ended 30 September*** | Before reclassification |  | Reclassification |  | After reclassification |
|  | *(in thousand Baht)* | | | | |
|  |  |  |  |  |  |
| Administrative expenses | (219,850) |  | 22,830 |  | (197,020) |
| Gain on exchange rate | - |  | 19,783 |  | 19,783 |
| Gain (loss) on derivatives | - |  | (42,613) |  | (42,613) |
|  |  |  | - |  |  |
|  |  |  |  |  |  |
| ***For the three-month period***  ***ended 30 September*** |  |  |  |  |  |
| Administrative expenses | (72,800) |  | 15,721 |  | (57,079) |
| Gain on exchange rate | - |  | 8,132 |  | 8,132 |
| Gain (loss) on derivatives | - |  | (23,853) |  | (23,853) |
|  |  |  | - |  |  |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **Separate financial statements** | | | | |
| ***For the nine-month period***  ***ended 30 September*** | Before reclassification |  | Reclassification |  | After reclassification |
|  | *(in thousand Baht)* | | | | |
|  |  |  |  |  |  |
| Gain on exchange rate | - |  | 12,929 |  | 12,929 |
| Administrative expenses | (114,115) |  | 4,528 |  | (109,587) |
| Gain (loss) on derivatives | - |  | (17,457) |  | (17,457) |
|  |  |  | - |  |  |
|  |  |  |  |  |  |
| ***For the three-month period***  ***ended 30 September*** |  |  |  |  |  |
| Other income | 3,811 |  | 1,084 |  | 4,895 |
| Gain on exchange rate | - |  | 3,147 |  | 3,147 |
| Administrative expenses | (41,874) |  | 4,528 |  | (37,346) |
| Gain (loss) on derivatives | - |  | (8,759) |  | (8,759) |
|  |  |  | - |  |  |

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Group’s business.