



บริษัท ไทยรับเบอร์ลาเท็กซ์คอร์ปอเรชั่น (ประเทศไทย) จำกัด (มหาชน)
THAI RUBBER LATEX CORPORATION (THAILAND) CO., LTD.

ANNUAL REPORT 2017

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The Board of Director and Management's History

Details of Director



Name Mr. Vorathep Wongsasuthikul
Age 69 Years
Position Chairman and Chief Executive Officer
Chairman of the Remuneration Committee
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

Master of Arts in Economics, Ramkhamhaeng University

Bachelor of Arts in Economics, Ramkhamhaeng University

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

38,545,657 shares, about 5.66 % of total shares

Biography

Address 101 Soi Anamai Srinakarin Road, Suanluang , Suanluang, Bangkok 10250

Telephone No. (02)751-7171

Fax No. (02)316-3938

Work Experience

2008 - Present	Chairman	Thai Rubber Latex Corporation (Thailand) Pcl.
2005 - Present	Director	Latex Systems Co.,Ltd.
1998 - Present	Chief Executive Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1995 - Present	President	World Flex Pcl.
1994 - Present	Executive Director	Wang Somboon Rubber Estate Co.,Ltd.
1989 - 2011	Managing Director	Thai Rubber Latex Group Co.,Ltd.
1986 - 2007	Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1972 - 1979	Marketing Manager	Karnyang Klongngae Partnership Ltd.

Training / Seminar

* Program-level executives. Science Institute of Capital Markets version 5.

* Guidelines to set up and proceed the audit committee effectively

Institute of Business Managing of Thailand

* To increase the abilities of audit committee

President of Internal audit committee of Thailand

* Progression to apply Balanced Scorecard and how to solve the problem practically

Thailand Productivity Institute

* Certificate of Completion (Directors Certification Program)

Thai Institute of Directors

* Advanced Certificate Course in Public Economics Management for Executives # 9

King Prajadhipok's Institute

* Advanced Certificate Course in Politics and Governance in Democratic Systems for Executives

King Prajadhipok's Institute

Director / Executive Manager in other business

2010 - 2014	Member Advisory Council of the National Economic and Social.
2010 - Present	Directors Association Concentrated Latex Thailand.
2010 - Present	Executive Committee The Latex Rubber Association of Thailand.
2008 - Present	Vice President Association Concentrated Latex Thailand.
2008 - 2010	Honorary President. Concentrated Latex Association of Thailand.
2006 - 2008	Directors. Rubber International Co., Ltd. joint venture. (International Rubber Consortium Limited) IRCO
2005 - 2008	Committee on Agricultural Futures. Rubber type. The Agricultural Futures Exchange of Thailand.
2004 - 2008	Advisory Committee on Policy (PAP) Thai Rubber Association.
2004 - 2008	Concentrated Latex Association of Thailand.
2000 - 2008	Director rubber products industry. Federation of Thai Industries.
1998 - 2008	Rubber arbitration. Rubber Board arbitration.
1995 - 1999	Vice Chairman rubber products industry. Federation of Thai Industries.

Details of Director



Name Mr.Paiboon Waraprateep
Age 79 Years
Position Vice Chairman
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

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

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.
4,008,426 shares, about 0.59 % of total shares

Biography

Address 99/3 Moo 13 T. Bangkaew, A. Bangplee, Samutprakam 10540
Telephone No. (02)751-7171
Fax No. (02)316-3938

Work Experience

2008 - Present	Vice Chairman	Thai Rubber Latex Corporation (Thailand) Pcl.
1995 - Present	Director	World Flex Pcl.
1994 - 2011	Executive Director	Thai Rubber Latex Group Co.,Ltd.
1989 - Present	Managing Director	Wang Somboon Rubber Estate Co.,Ltd.
1986 - Present	Executive Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1983	Managing Director	Wangyang Co.,Ltd.
1972	Manager	Thaichuan Rubber Co.,Ltd.
1967 - 1972	Marketing Manager	Karnyang Klongngae Partnership Ltd.

Training / Seminar

- * Guidelines to set up and proceed the audit committee effectively
Institute of Business Managing of Thailand
- * To increase the abilities of audit committee
President of Internal audit committee of Thailand
- * Progression to apply Balanced Scorecard and how to solve the problem practically
Thailand Productivity Institute
- * Certificate of Completion (Directors Certification Program)
Thai Institute of Directors

Director / Executive Manager in other business

none

Details of Director



Name Mr.Prachnon Temritikulchai
Age 72 Years
Position Vice Chairman
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

Master of Science in Technical Education in Industrial Business
King Mongkut's Institute of Technology North Bangkok

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.
5,555,106 shares, about 0.82 % of total shares

Biography

Address 969 Moo13 T.Bangkaew, A. Bangplee, Samutprakarn 10540
Telephone No. (02)751-7171
Fax No. (02)316-3938

Work Experience

2016 - Present	President of the Alumni Association	King Mongkut's University North Bangkok Faculty of Business Administration
2008 - Present	Vice Chairman	Thai Rubber Latex Corporation (Thailand) Pcl.
1995 - Present	Director	World Flex Pcl.
1994 - 2011	Executive Director	Thai Rubber Latex Group Co.,Ltd.
1986 - Present	Executive Director	Thai Rubber Latex Corporation (Thailand) Pcl.

Training / Seminar

* Progression to apply Balanced Scorecard and how to solve the problem practically
Thailand Productivity Institute
* Certificate of Completion (Directors Certification Program)
Thai Institute of Directors

History of Thai Order Prestigious Insignia

24/10/2013 Companion (Fourth Class) of the Most Admirable Order of the Direkgunabhorn.

Director / Executive Manager in other business

2016 - Present	Chief Lay Judge of the Juvenile and Family Court Nakorn Phanom	Ministry of Justice
2013 - Present	Chairman	Mayor Resin Co., Ltd.
1977 - Present	Executive Director	Sahathanasin Co., Ltd.

Details of Director



Name Mr.Suchart Charoenpornpanichkul
Age 53 Years
Position Director and Member of the Risk Management Committee
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

Master of Business Administration major, Assumption University
Bachelor of Marketing major, Assumption University

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.
— shares, about — % of total shares

Biography

Address 11/149 MooBanNarasisi Sathorn-Wongwan Kanchanaphisek Road, Lak Song, Bang Khae,
Bangkok 10160
Telephone No. (02)453-2148-9

Work Experience

2012 - Present	Member of the Risk Management Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
1999 - Present	Executive Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1999 - 2011	Expense-Control Director	Thai Rubber Latex Corporation (Thailand) Pcl.
1996 - 2012	Managing Director	Top Ten Furniture Co.,Ltd.
1994 - 1995	Investment Officer	Nithipat Capital Co.,Ltd. (NICS)
1990 - 1993	Admin Managing	Thai Rubber Latex Corporation (Thailand) Pcl.
1988 - 1989	Marketing Officer	Toshiba Co.,Ltd. (Thailand)

Training / Seminar

none

Director / Executive Manager in other business

none

Details of Director



Name Mr. Erwin Muller
Age 88 Years
Position Independent Director and Chairman of the Remuneration Committee
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

BA, Major in Accounting from International Institute of Accountants Sydney, Australia

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

__ shares, about __ % of total shares

Biography

Address 260 Panya village, Patanakarn Rd., Kwang Suanluang, Khet Prakanong, Bangkok 10250

Telephone No. (02)300-3574

Fax No. (02)300-3258

Work Experience

2010 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2000 - 2010	Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2000 - 2016	Member of the Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2000 - Present	Chairman of the Remuneration Committee	Thai Rubber Latex Corporation (Thailand) Pcl.

Training / Seminar

- * Certificate of Completion (Directors Certification Program) Thai Institute of Directors
- * Roles and duties of audit committee follow on Section 89/25 and 281/8 in the Act of Securities and Stock Exchange B.E.2535 (Correction Edition)
Association of Thai Institute of Directors (IDO)
- * Accounting for Non-Accounting Audit Committee Stock Exchange of Thailand
- * To prepare for new regulation of audit committee (close video room) // (afternoon section)
Stock Exchange of Thailand

Director / Executive Manager in other business

2005	Director The Thailand Research Fund (TRF)
1993 - 1996	General Manager of Thai-Brantabulia Co., Ltd.
1992 - 2005	Vice President of Thailand Industrial Federation Thailand Industrial Federation
1977 - Present	Honorary Chairman of Rubber Industrial Product Group Thailand Industrial Federation

Details of Director



Name Mrs. Suchada Sodthibhapakul
Age 64 Years
Position Independent Director and Chairman of the Risk Management Committee
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

MBA. Chulalongkorn University.

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

— shares, about — % of total shares

Biography

Address 12 Soi 20 Mithuna Yaek 11 Ratchadapisek Road Khwaeng Samsen Nok

Khet Huay Khwang Bangkok 10310

Telephone No. (02)274-8859

Work Experience

2016 - Present	Chairman of the Risk Management Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
April 2015 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2012 - 2016	Member of the Risk Management Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2008 - March 2015	Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2008 - 2016	Member of the Remuneration Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
April 2001 - October 2014	Managing Director	KGI Securities (Thailand) Plc.
1997 - March 2001	Assistant Managing Director	KGI Securities (Thailand) Plc.
1990 - 1997	Assistant Managing Director	First Asia Securities Plc.
2001 - 2017	Director	The Thai Bond Market Association (Thai BMA)

Training / Seminar

* Director Certification Program # 38/2003 from Thai Institute of Directors Association (IOD)

* Capital Market Academy Leadership Program # 2/2006

Director / Executive Manager in other business

November 2014 - Present	Executive Director	KGI Securities (Thailand) Plc.
2001 - Present	Director	The Thai Bond Market Association (Thai BMA)

Details of Director



Name Mr.Yanyong Tawarorit
Age 79 Years
Position Independent Director and Chairman of the Audit Committee
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

Bachelor in Faculty of Commerce, Major in Accounting, Thammasat University
Bachelor in Faculty of Law, Thammasat University

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.
_ _ shares, about _ _ % of total shares

Biography

Address 208/1 Soi Ngamwongwan 31 , Ngamwongwan Rd., A.Muang, Nontaburi 11000
Telephone No. (02)588-2975 , (081)6864487
Fax No. (02)588-2975

Work Experience

April 2015 - Present	Chairman of Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2011 - March 2015	Member of the Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2010 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2009 - 2010	Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2003 - 2008	Director	World Flex Pcl.

Training / Seminar

- * To study on national securities, Internal securities director section
- * Seminar on high level developing of executive manager, the 3rd generation, NIDA
- * Evaluation on annual report, Office of the Auditor General of Thailand
- * To observe the safety, 73th generation (Regional), National Intelligence Agency
- * Planning and Structural (senior level) 7th generation, NIDA
- * Financial Audit Management Intosai Development Initiative and Supervision Bangkok, Thailand.
- * Accountant Meeting, Association of Accountant & CPA
- * High level governor, 31st generation, Institute of Administration Development
- * Techniques to become the auditor, Office of the Auditor General of Thailand
- * Strategies on Thai auditing, Office of the Auditor General of Thailand
- * Knowledge for taking the high level auditing examination, Office of the Auditor General of Thailand
- * Technology and computer administration (executive manager) , NECTEC

- * Development for executive manager (MINI MBA), Office of the Auditor General of Thailand, NIDA
- * Report (Procedure inspection), Office of the Auditor General of Thailand
- * Meeting to find out the comment under practical policy B.E.2542, Office of the Auditor General of Thailand : Udornthani Province
- * To act on the regulation of Royal Thai Government on material the 4th B.E.2541, Office of the Auditor Gernal of Thailand
- * Accountant meeting, Association of accountant and CPA of Thailand
- * To adjust the direction of auditing under the constitutional law, Office of the Auditor General of Thailand
- * E-Commerce กับ การตรวจสอบ สำนักงานตรวจเงินแผ่นดิน
- * How to develop the leader auditor in the next century, Office of the Auditor General of Thailand
- * Act on the mistake of the offering to the Government Unit, Office of the Auditor General of Thailand

History of Thai Order Prestigious Insignia

01/12/2000	Knight Grand Cordon (First Class) Of The Most Noble Order Of The Crown Of Thailand
02/12/1998	Knight Grand Cross (First Class) Of The Most Exalted Order Of The White Elephant
04/12/1995	Knight Grand Cross (First Class) Of The Most Noble Order Of The Crown Of Thailand
28/05/1990	The Chakrabarti Mala Medal.
23/02/1990	Knight Commander (Second Class) Of The Most Exalted Order Of The White Elephant
07/02/1986	Knight Commander (Second Class) Of The Most Noble Order Of The Crown Of Thailand
31/12/1983	Commander (Third Class) Of The Most Exalted Order Of The White Elephant
21/04/1980	Commander (Third Class) Of The Most Noble Order Of The Crown Of Thailand
15/06/1978	Companion (Fourth Class) Of The Most Exalted Order Of The White Elephant
31/12/1972	Companion (Fourth Class) Of The Most Noble Order Of The Crown Of Thailand
31/12/1969	Member (Fifth Class) Of The Most Exalted Order Of The White Elephant
30/12/1967	Member (Fifth Class) Of The Most Noble Order Of The Crown Of Thailand

Director / Executive Manager in other business

2000	Deputy of Director General of the office of the auditor general of Thailand (executive 10) Office of the Auditor General of Thailand
1998	Assistant of Director General of the Office of the Auditor General of Thailand (executive level 9) Office of the Auditor General of Thailand
1998	Director-General of the Office of the Auditor General of Thailand (Auditor officer level 9th) Office of the Auditor General to Thailand
1997	Director-General of Regional auditor of Thailand (Auditor officer level 9th) Bureau of Regional Auditor no. 8 (Chiangmai Province)
1996	Director-General of Regional auditor of Thailand (Auditor officer level 9th) Bureau of Regional Auditor no. 1 (Ayudthaya Province)
1995	Director-General of Regional auditor of Thailand (Auditor officer level 9th) Bureau of Regional Auditor no. 5 (Ubonratchathani Province)

Details of Director



Name Mr.Somkad Sueptrakul
Age 65 Years
Position Independent Director and Member of the Risk Management Committee
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

Bachelor in Faculty of Law, Ramkhamhaeng University

MPA, Public Administration (Public Policy and Strategic Management), National Institute of Development Administration (NIDA)

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

— shares, about — % of total shares

Biography

Address 55 Ruean Taweewattana, Monton Ville soi 5 Taweewattana, Bangkok 10170

Telephone No. (02)887-1886 , 08-1636-1117

Fax No. -

Work Experience

2016 - Present	Member of the Risk Management Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
April 2015 - 2016	Member of the Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
April 2015 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2013 - 2015	Vice President Chairman of Audit Committee	Electronics Industry Pcl.
2010 - March 2015	Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2009 - 2017	Chairperson of the Investment Committee and Director	Country Group Holding Pcl.
2007 – 2016	Director	Country Group Securities Pcl.
2002 – Present	Legal Consultant	Areeya Properties Plc.

Training / Seminar

- * Directors Accreditation Program by Thai Institute of Directors Association (DAP77/2009)
- Directors Certification Program by Thai Institute of Directors Association (DCP115/2009)
- * Democratic Politics and Governance for High-Level Administrators, King Prajadhipok's institute KPI (Class 10)
- * The 2nd Training Course on Administrative Justice for Executives
- * Urban Green Development Institute Bangkok, (Class 2)
- * Advanced certificate in Public Administration , NIDA

Director / Executive Manager in other business

2002 – 2003	Consultant to the Speaker of the Senate (General Manoonkrit Roopkachorn)	The Senate
2001	Judicial Selection Commission of the Constitutional Court	House of Representatives
2000 – 2006	Consultant to the Member of Committee on Budget Following up	The Senate
1998 – 1999	Consultant to the Chairperson of the Executive Committee of Telephone Organization of Thailand (Mr.Mechai Viravaidya)	Telephone Organization of Thailand
1996 – 2000	Secretary to the Governor of Bangkok Metropolitan Administration (Dr. Bhichit Rattakul)	Bangkok Metropolitan Administration
1992 - 1996	Academician-Expert and Consultant to the Commission of Justice and Human Rights	House of Representatives

Details of Director



Name Mr. Pakhawat Kovithvathanaphong
Age 69 Years
Position Independent Director and Member of the Audit Committee
 Member of the Remuneration Committee
 Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

M.B.A. Wharton School, University of Pennsylvania, USA
 B.A. in Economics (First Class Honors), Thammasat University

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited
 ___ shares, about ___ % of total shares

Biography

Address 26th Floor., Bangkok City Tower 179/111 South Sathorn Road, Sathorn Bangkok 10120
Telephone No. (02) 088-9118
Fax No. (02) 088-9110

Work Experience

2016 - Present	Member of the Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
April 2015 - 2016	Member of the Remuneration Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2012 - 2016	Chairman of the Risk Management Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
2011 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl.

Training / Seminar

- * National Defense College Class 344
- * Director Certificate Program (DCP) 58/2005
- * Capital Market Academy Class 5
- * Public Director Institute (PDI 15)

Director / Executive Manager in other business

2016 - Present	Chairman	Trinity Watthana Plc.
2010 - Present	Advisor	Association of Securities Companies
2009 - Present	Advisor	Thai Listed Companies Association
2008 - Present	Advisor Master of Economics Program	National Institute of Development Administration
2000 - Present	Performance Agreement Committee	State Enterprise Policy Office, Ministry of Finance
1999 - Present	Independent Director and Chairman of The Audit Committee	Land and House Public Company Limited
2017 - Present	Independent Director	Dusit Thani Plc.
2017 - Present	Chairman	Smart ID Group Ltd.

Details of Director



Name Mr. Rachai Wattanakasaem
Age 71 Years
Position Independent Director and Member of the Audit Committee
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

Honors Degree
MBA Industrial Management II class, Pacific
States University, California, USA

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

— shares, about — % of total shares

Biography

Address 964 Ramkhamhaeng Rd., Huamark Bangkok 10240
Telephone No. (081)825-3236
Fax No. -

Work Experience

2009 - Present	Independent Director	Quality Houses Public CO.,Ltd. Chairman of the Nomination and Remuneration Committee. Auditing Director
2016 - Present	Adviser	Yip In Tsoi & Co.,Ltd.
2016 - Present	Independent Director	Land and Houses Securities Public Co.,Ltd Chairman of Audit Committee
May 2012 - Present	Independent Director ,	Thai Rubber Latex Corporation (Thailand) Pcl. Member of the Audit Committee
May 2012 - 2016	Member of the Risk Management Committee	
March 2013 - November 2014	Adviser	Thai Rubber Latex Corporation (Thailand) Pcl.

Training / Seminar

- * Director Certification Program : Program for Professional Director (DCP) , IOD
- * Role of the Compensation Committee (RCC) , IOD

Director / Executive Manager in other business

2011	Adviser	Krungthai Bank Co.,Ltd.
2009	Chairman	KT Zmico Securities Co.,Ltd.
2009	Director	Krung Thai Computer Services Co.,Ltd.
2009	President	KTBST KTB Securities (Thailand) Co.,Ltd.
2009	Director	Kasetsart University
2006 - 2007	Executive Director	Krungthai Bank Co.,Ltd.

Details of Management



Name Mr. Vanchai Sriherunrusmee

Age 59 Years

Position President

Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

M.B.A., Finance, Long Island University, Brooklyn, New York.

M.S. (Higher Diploma in Auditing), C.P.A. Thammasat University

B.B.A., Accounting, Thammasat University

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited

— shares, about — % of total shares

Biography

Address 251/224 Ramkhamhaeng 112 Sapansoong Sapansoong, Bangkok

Telephone No. (02)751-7171

Fax No. (02)316-3938

Work Experience

2014 - Present	President	Thai Rubber Latex Corporation (Thailand) Pcl.
2014 - Present	Director	Thai Rubber Latex Group Co., Ltd.
2014 - Present	Director	Thai Rubber H P N R Co., Ltd.
2014 - 2015	Director	Thai Rubber Land and Plantation Co., Ltd.
2014 - Present	Director	Latex Systems Co., Ltd.
2014 - 2015	Director	Agrowealth Co., Ltd.

Training / Seminar

* Program-level executives. Science Institute of Capital Markets version 5.

* Certificate of Completion (Directors Certification Program)

Thai Institute of Directors

Director / Executive Manager in other business

2010 - 2014	Chairman of Board of Directors	Wintex Rubber Industry Co., Ltd.
2008 - 2010	Director / CFO	Areeya Property Pcl.,
2006 - 2007	Director and President	Golden Land Property Development Plc.
1995 - 2005	Vice Chairman / Director / CFO	Nation Multimedia Group Pcl.

Details of Management



Name Mr. Suvasitthi Dewan
Age 69 Years
Position ChiefMarketing Officer
 Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

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

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited
 ___ shares, about ___ % of total shares

Biography

Address 99/1-3 Moo 13 T. Bangkaew, A. Bangplee, Samutprakarn 10540
Telephone No. (02)751-7171
Fax No. (02)316-3938

Work Experience

2014 - Present	ChiefMarketing Officer	Thai Rubber Latex Corporation (Thailand) Pcl.
2010 - 2014	Marketing Advisor	Thai Rubber Latex Corporation (Thailand) Pcl.
September 2005 - 2010	Assistant Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
March 2002 - August 2005	Director of Sales and Marketing Office	Thai Rubber Latex Corporation (Thailand) Pcl.
November 2000 - February 2002	Manager of Sales Department	Thai Rubber Latex Corporation (Thailand) Pcl.
September 1999 - October 2000	Assistant Manager of Sales and Marketing Department	Thai Rubber Latex Corporation (Thailand) Pcl.
1992 - 1999	Executive Director Marketing	Southern parawood Co.,Ltd.
1987 - 1992	Executive Director Marketing	Thai thavee rubber Co.,Ltd.
1978 - 1987	Manager	Phuket union thai minerals Co.,Ltd.
1976 - 1978	Assistant Manager	Siam Pewter Co.,Ltd.

Training / Seminar

* Walk Rally for Team Development	* Awakening the Giant within for Effective work
* Management to Reduce Costs Everyone Involved	* Roles and Duties of the Board of Directors
* Cost of Quality	* Leadership Management
* TQM Cross-Functional Alignment	* Leadership Development
* Analysis and Decision Making in Business	* Balanced Scorecard
* Role & Responsibility of Manager	

Director / Executive Manager in other business

none

Details of Management



Name Mr.Prawit Waraprateep
Age 46 Years
Position Assistant Managing Director
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

Master of Science in Finance Chulalongkorn University, Thailand
Master of Business Administration Eastern Michigan University, U.S.A.

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited
34,050,000 shares, about 5.00 % of total shares

Relationship between directors and executives

Son of Mr.Paiboon Waraprateep

Biography

Address 99/1-3 Moo 13 T. Bangkaew, A. Bangplee, Samutprakarn 10540
Telephone No. (02)751-7171
Fax No. (02)316-3938

Work Experience

2014 - Present	Accounting & Finance Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2012 - Present	Executive Director	Thai Rubber Latex Group Co.,Ltd.
2010 - February 2015	Executive Director	Thai Rubber H P N R Co.,Ltd.
2008 - Present	Executive Director	World Flex Pcl.
2007 - Present	Executive Director	Thai Rubber Land and Plantation Co.,Ltd.
2006 - Present	Director	Latex Systems Co.,Ltd.
2005 - Present	Assistant Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2003 - 2015	Executive Director	Agrowealth Co.,Ltd.

Training / Seminar

- * Director Certification Program class 242/2017
- * Balanced Scorecard – Direction to the successful implementation
- * Leadership Development for Organizational Excellence
- * Leadership Management
- * Roles and duties of the Board of Directors
- * Teamwork development and building organizational relationship by Walk
- * Impact of being Asian Economic Community (AEC)
- * Goal setting techniques to performance assessment
- * Business analysis and decision making
- * Cost-reduction management for everyone involved

Director / Executive Manager in other business

none

Details of Management and Company Secretary



Name Miss.Chalongkwan Wongsasuthikul
Age 46 Years
Position Company Secretary and Assistant Managing Director
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

Master of Management, Major Organizational Management
University of Central Oklahoma, U.S.A.
Assumption University, Bangkok

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited
1,813,851 shares, about 0.27 % of total shares

Relationship between directors and executives

Daughter of Mr.Vorathep Wongsasuthikul

Biography

Address 205/164 Moo 10 Manthana-Srinakarin Soi 9 Srinakarin Road, Bang Mueang
Mueang Samut Prakan, Samutprakarn 10270
Telephone No. (02)751-7171
Fax No. (02)316-3938

Work Experience

2014 - Present	Resource Planning and Management Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2012 - Present	Executive Director	Thai Rubber Latex Group Co.,Ltd.
2010 - February 2015	Executive Director	Thai Rubber H P N R Co.,Ltd.
2008 - Present	Executive Director	World Flex Pcl.
2007 - Present	Executive Director	Thai Rubber Land and Plantation Co.,Ltd.
2003 - Present	Assistant Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2001 - 2004	Sales and Marketing Manager (Rubber glove Products)	Universal Latex Products Co., Ltd.
1999 - 2001	Management Trainee	Thai Rubber Latex Corporation (Thailand) Pcl.

Training / Seminar

- * Director Certification Program (229/2559) - Thai Institute of Directors Association (IOD)
- * Company Secretary Program - Thai Institute of Directors Association (IOD)
- * Attending short-term training provided by Thai Rubber Latex Co, Public Company Limited
- * Joining student internship program (SIP'21) of Bangkok Bank LTD.
- * Public Relation of Economic Faculty in Chulalongkorn University Festival 1993
- * Subcommittee of rubber business department - Thai Rubber Association
- * Balanced Scorecard – Direction to the successful implementation
- * Leadership Development for Organizational Excellence
- * Leadership Management
- * Role and responsibility and principle of direction of the Manager
- * Roles and duties of the Board of Directors
- * Awakening the Giant within for Effective work
- * Business analysis and decision making
- * Teamwork development and building organizational relationship by Walk Rally
- * TQM Cross-Functional Alignment and coordination
- * Cost of quality
- * Cost-reduction management for everyone involved
- * New criteria accordingly to enforcement Act of Security
- * Safety officer for executive level
- * Goal setting techniques to performance assessment
- * Organizational culture & job description

Director / Executive Manager in other business

none

Details of Management



Name Mr.Pattarapol Wongsasuthikul
Age 44 Years
Position Assistant Managing Director
Thai Rubber Latex Corporation (Thailand) Public Company Limited.

Education

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

Shareholding in company and its subsidiaries

Thai Rubber Latex Corporation (Thailand) Public Company Limited
300,068 shares, about 0.04 % of total shares

Relationship between directors and executives

Son of Mr.Vorathep Wongsasuthikul

Biography

Address 50/205 Moo 13 T. Bangkaew, A. Bangplee, Samutprakarn 10540
Telephone No. (02)751-7171
Fax No. (02)316-3938

Work Experience

2010 - Present	Managing Director	Thai Rubber Latex Group Co.,Ltd.
2010 - February 2015	Executive Director	Thai Rubber H P N R Co.,Ltd.
2008 - Present	Executive Director	World Flex Pcl.
2007 - Present	Executive Director	Thai Rubber Land and Plantation Co.,Ltd.
2006 - Present	Director	Latex Systems Co.,Ltd.
2005 - Present	Assistant Managing Director	Thai Rubber Latex Corporation (Thailand) Pcl.
2003 - 2015	Executive Director	Agrowealth Co.,Ltd.

Training / Seminar

- * Director Certification Program class 242/2017
- * Smart Exporter 3 at Department of Export Promotion
- * Executive Development Program 3 (EDP #3)
- Thai registered company
- * Balanced Scorecard – Direction to the successful implementation
- * Leadership Development for Organizational Excellence
- * Leadership Management
- * Impact of being Asian Economic Community (AEC)
- * Awaken Motivate the Team.
- * Safety officer for executive level
- * Goal setting techniques to performance assessment
- * Organizational culture & job description

Training / Seminar

- * Role and responsibility and principle of direction of the Manager
- * Awakening the Giant within for Effective work
- * TQM Cross-Functional Alignment and coordination
- * Teamwork development and building organizational relationship by Walk
- * Cost-reduction management for everyone involved
- * Cost of quality

Director / Executive Manager in other business

none

Part 1

Business Operations

1. Policy and Overall Business Operations

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

Thai Rubber Latex Corporation (Thailand) PCL. “the company” has been incorporated on 6 December 1985, with business operations as the manufacturer and distributor of concentrated latex and latex products. On 29 July 1991, the company has been listed as registered company at the Stock Exchange of Thailand. TRUBB Securities is the trading name of the group, a group called THAITEX. THAITEX has expanded its ongoing investments in businesses related to rubber.

PHILOSOPHY

THAI RUBBER LATEX CORPORATION (THAILAND) PUBLIC COMPANY LIMITED

HAS LONG BEEN RECOGNISED AS THAILAND’S LEADING PRODUCER OF
LATEX CONCENTRATE.

THE COMPANY IS TOTALLY COMMITTED TO MANUFACTURING
WORLD CLASS PRODUCTS TO MEET

THE REQUIREMENTS OF CUSTOMERS IN THE DOMESTIC
AS WELL AS OVERSEAS MARKETS.

OUR PRODUCTS ARE CHARACTERISED BY THEIR HIGH QUALITY
THAT EASILY MEETS AND

EVEN EXCEEDS THE HIGHEST INTERNATIONAL STANDARDS.
WE TAKE IT UPON OURSELVES

TO CONTINUALLY STRIVE TO MAINTAIN OUR ABILITY TO CLOSELY
MATCH THE REQUIREMENTS OF OUR CLIENTS AND

TO CONSISTENTLY ENSURE CUSTOMER SATISFACTION

VISION

WE ARE COMMITTED TO BE THE WORLD LEADER IN LATEX INDUSTRY

BY ACHIEVING AND MAXIMIZING CUSTOMER’S REQUIREMENTS.

MISSION

TO BE THE PRODUCER OF LATEX CONCENTRATE FOCUSING ON HIGH
QUALITY THAT EXCEEDS THE HIGHEST INTERNATIONAL STANDARDS AND
ENSURES TO ACHIEVE CUSTOMER'S REQUIREMENTS AND UTMOST
SATISFACTION

THAITEX's VALUES

T	=	TEAMWORK
H	=	HIGH QUALITY
A	=	ACCOUNTABILITY
I	=	INTEGRITY
T	=	TRANSPARENCY
E	=	EFFICIENCY AND ENVIRONMENT
X	=	EXCELLENCE

STRATEGY

1. To find cheaper raw material sources with adequate supply and less competition in order to achieve lower product cost and better profitability.
2. To increase efficiency in back-office system, improve and make IT system up-to-date, reduce inefficient manpower and resize to a smaller and tidier organization.
3. To increase sales volume by clearly identifying the market segmentation.
4. To develop varieties of innovative products through intensive R & D to distinguish ourselves from other competitors, to satisfy customers' requirements and to avoid price war.
5. To stop production of our factories, those are not breaking-even.

1.2 Key Changes and Developments

The controlling authority of the company remains in the hands of the company's founders, who currently hold positions on the company's Board of Directors and Board of Executives.

The Board of Directors has appointed a new generation of executives to learn about the work and share the workload of the Board of Executives. The Board of Directors currently has three additional members. Furthermore, the company has appointed other new executives as managing directors in the company's subsidiaries to increase flexibility and work effectiveness.

Over the past two years, significant changes have been made in business operations from 2016 to 2017 as follows:

- Increased management effectiveness in Latex and pre-vulcanized Group: As the end of 2017, the company accepted the complete entire business transfer of Thai Rubber Latex Group (THAITEK) (a subsidiary with 99.99 percent of shares held by TRUBB) because both companies are in the same business. The primary aim was to enhance management and internal control effectiveness by facilitating the analysis of latex concentrate group information and cutting management costs. Nevertheless, the capital increase during the process of the entire business transfer was aimed at tax benefits, and the newly issued ordinary share was not offered to the market. After THAITEK completes its liquidation, the company will decrease capital to the value preceding the capital increase.
- New concentrated latex tanks built by Latex and pre-vulcanized Group: As of 2016, the company added latex tanks in factories at Surat Thani and Songkhla in order to accommodate increased raw materials and enhance storage capacity, which increased potential for future production as a result of increased availability of raw materials. Furthermore, the company adjusted its manufacturing plan and its production objectives to be consistent with stable costs and increased income.
- Building the concentrated latex factory in Chiang Rai Province: In order to increase the production value of rubber plantations in the company's group, a latex concentrate factory was constructed near the company's rubber plantations. This will allow fresh field latex from the group's own plantations to be supplied over a short period of time and distance to the factory with less use of chemicals in latex. This can lead to the production of a special grade of latex concentrate to be sold at a higher price. Furthermore, up to five baht per kilogram of fresh field latex transportation costs can be saved. In the past, it was necessary to deliver the latex to the company's factory in the eastern region. The factory in Chiang Rai Province will start operating in 2018.
- Latex tapping commenced in rubber plantations in the northern region: Thai Rubber Land and Plantation Company Limited, a subsidiary, has been planting rubber trees in the northern region since 2006. These rubber trees are currently producing field latex, and maturing trees are soon to generate returns. In 2013, the rubber trees were test-tapped for the first time. Nearly all of the trees are expected to be tapped by 2019.
- Increased production in the Company's subsidiaries: In 2017, Latex Systems Company Limited increased production capacity. Furthermore, a plan is ongoing

for factory expansion and new factory construction in the future because natural rubber pillows and mattresses are generating good and high returns on investments. Since World Flex Company Limited has been generating improved revenue in the rubber thread business, so its parent company has been reaping the benefits. Plans are in place for increasing production capacity based on increased product demand, and 2018 will see the opening of the third and fourth factories in the same region.

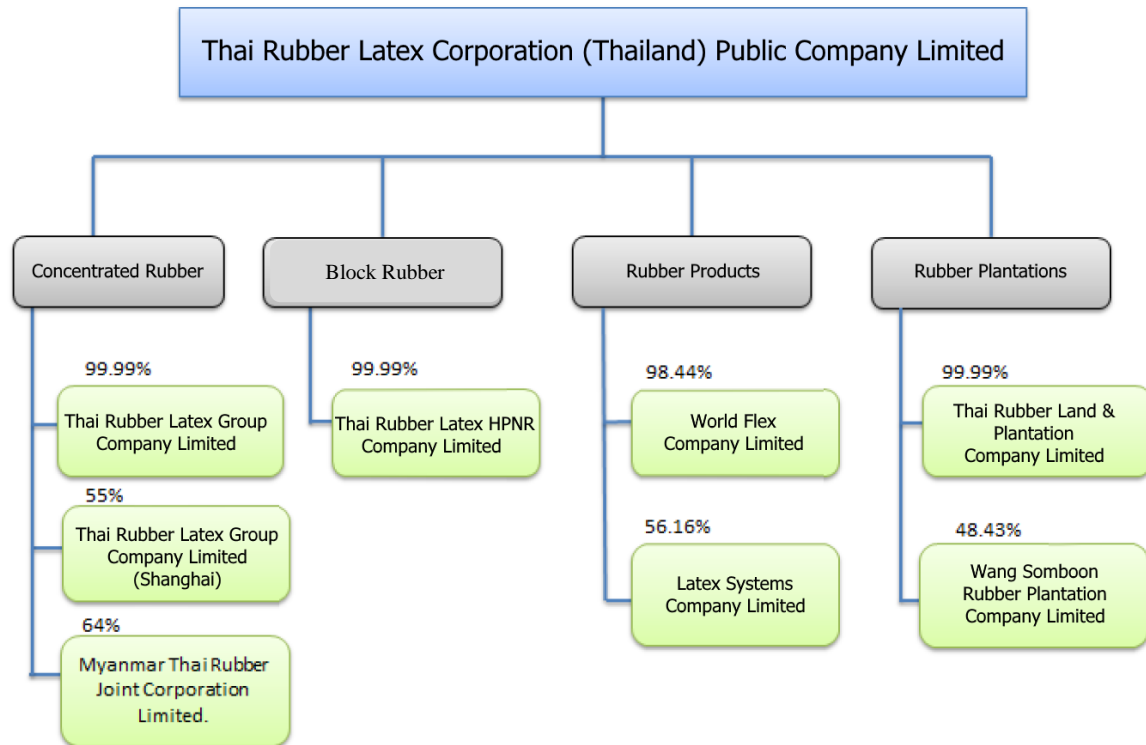
- Sales and rental of unprofitable assets: The Company sold unprofitable assets such as the office building on Bang Na-Trat Km. 1 Road and the Ban Klang Krung Project in 2017. Furthermore, the company is preparing to sell unused land in the future as a means of cutting financial costs.

The list of companies in the company's group and the share structure for 2017 is as follows:

<u>Company Name and Group</u>	<u>Share Holding</u>
1. <u>Latex concentrate Group</u>	
1. Thai Rubber Latex Corporation (Thailand) Company Limited	
2. Thai Rubber Latex Group Company Limited (subsidiary) (Thai Rubber Latex Group Company Limited has one subsidiary, namely, Thai Rubber Latex Group (Shanghai) Company Limited.)	99.99%
3. Thai Rubber Latex Group (Shanghai) Company Limited (subsidiary as of 29/12/2017)	55.00%
4. Myanmar Thai Rubber Joint Corporation Limited (subsidiary)	64.00%
2. <u>Rubber Bar Group</u>	
1. Thai Rubber HPNR Company Limited (subsidiary)	99.99%
3. <u>Rubber Product Group</u>	
1. World Flex Public Company Limited (subsidiary)	98.44%
2. Latex Systems Company Limited (subsidiary)	56.16%
4. <u>Rubber Plantation Group</u>	
1. Thai Rubber Land and Plantation Company Limited (subsidiary) (Thai Rubber Land and Plantation Company Limited has one joint company, namely, Wang Sombun Rubber Plantation Company Limited.)	99.99%
5. <u>Broker Group</u>	
1. Agro Wealth Company Limited (subsidiary)*	99.99%

***Registered completion of liquidation on 21 September 2017**

The Share Structure of the Company's Group



2. Business Characteristics

Revenue Structure

Business Group	2017		2016		2015	
	Revenue	%	Revenue	%	Revenue	%
1. Latex concentrate	10,002	77.25%	7,925	75.93%	8,169	70.14%
2. Rubber Products	2,482	19.17%	1,833	17.56%	1,742	14.96%
3. Block Rubber	-	0.00%	342	3.28%	1,402	12.04%
4. Rubber Plantations	56	0.43%	120	1.15%	58	0.50%
5. Brokers	-	0.00%	-	0.00%	1	0.01%
6. Other Revenue	408	3.15%	217	2.09%	274	2.35%
Total Revenue before Deduction of Connected Transactions	12,948	100.00%	10,437	100.00%	11,646	100.00%
Deduction: Connected Transactions	(3,480)		(2,584)		(2,656)	
Total Revenue after Deduction of Connected Transactions	9,468		7,853		8,990	

Latex concentrate Group

2.1 Types of Products and Services

Thai Rubber Latex Corporation (Thailand) Public Company Limited and Thai Rubber Latex Group Company Limited manufacturers of concentrated latex derived from the separation of field latex and rubber by mechanical centrifugation. Concentrated latex is natural rubber that is composed of 60-percent fermented latex. Concentrated latex mixed with the right chemicals provides the primary components for the production of medical gloves, rubber cleaning gloves, condoms, elastic rubber thread, glue, balloons, pacifiers, foam and mattresses. Although synthetic rubber provides an alternative to latex concentrate, it cannot be made into medical and surgical gloves and condoms.

Thai Rubber Latex Group (Shanghai) Company Limited is registered in China and engaged in the trade of all forms of rubber products in China. For the most part, the company trades in block rubber (TSR#20) and concentrated latex.

Thai Rubber Latex Corporation (Thailand) Public Company Limited is industrially certified for ISO 9001:2008, ISO 14001:2004 and IEC 17025 (Standard Lab) standards. Furthermore, the company is the first in the concentrated latex industry to have been certified by IEC 17025, which is a certification for standardized rubber testing laboratories. Thai Rubber Latex Group Company Limited is also industrially certified by ISO 9001:2008 and ISO 14001:2004.

2.2 Marketing and Competition

(1) Policy and Nature of Market

1. Key Competitive Strategies

- Receiving forward orders not exceeding 3 months.
The company is able to compare purchase prices with cost prices, thereby allowing the company to set profitable prices, which helps with good production planning.
- Setting profitable and competitive sales prices
The company has factories located in the southern and eastern regions of Thailand. Since climate conditions vary only slightly between these two regions, the company has less shortage of raw materials. Hence, the company is able to effectively control production as a leader in setting prices.
- Regularly selling and delivering on time.
As a major company in the natural rubber business means, the company constantly prepares rubber for delivery to customers year-round. This is in line with the company's delivery plans.
- Building product confidence.

The company manufactures products tailored to the needs of its customers. If a product does not meet requirements, the company will make adjustments until it does.

- Guarantee the quality of products until delivery to consumers.

The company delivers products and services to customers honestly and provides attentive care.

2. Customers

The majority of the company's customers have contacted and done business with the company for a long time through maintaining good relations. This is because the company delivers products and services honestly and pays attention to customers. Furthermore, the company provides assistance and consultation to solve problems when customers face shortages or surpluses in their products.

3. Target Customers

The company's main customers are manufacturers and processors of natural rubber products using concentrated latex as the primary ingredient such as rubber gloves, elastic rubber thread, pacifiers, condoms, mattresses, pillows, balloons and glue.

4. Transportation and Distribution

Domestic and international sales for 60 percent and 40 percent of all sales. Products are exported to China, Malaysia, South Korea, Pakistan, India, Europe, etc. Meanwhile, shares of sales are divided into 80 percent in direct sales to natural rubber processing businesses and 20 percent in sales to exporters. The concentrated latex group has no risks because products are not sold to a customer by volumes exceeding 30 percent of total sales.

(2) Competition over the Past Year and Industry Trends

In 2017, the market trend of natural rubber remained the same as in 2016. Heavy rains and flooding occurred during part of 2017 in the southern region where over 80 percent of the country's natural rubber is grown. This led to a shortage of natural rubber. Consequently, natural rubber skyrocketed in price, stabilized over a certain month and slowly declined by the middle of February. In reality, however, natural rubber prices were under pressure throughout the entire year, even though the majority of natural rubber plantations experienced heavy rains and product supply was not sufficient for the year. As a result of decreased demand, natural rubber prices dropped by over 30 percent during 2017. In particular, strict pollution and environmental regulation in China caused Chinese factories to shut down before improvements could be made. China is the leading user of natural rubber at 30 percent of the global demand. Furthermore, demands in economic nations such as the European Union, the United States, Japan and Korea remained unchanged. The only exception is India where there is high domestic demand due to the domestic manufacturing of natural rubber products over the past several years.

Meanwhile, natural rubber production capacity in 2017 equaled roughly 12.56 million tons, which is an increase of about three percent when compared to the previous year. In addition, natural rubber consumption equaled 12.52 million tons, an increase of 2.1 percent when compared to the previous year (the figure remains unclear).

Crude oil prices have increased to about USD 55-63 per barrel over the past few months due to an agreement between the OPEC nations and Russia that halted crude oil production. In 2018, crude oil prices are expected to rise to approximately USD 60 to 70 per barrel. The company expects the increase in crude oil prices to raise natural rubber prices in 2018 because the price for synthetic rubber will increase along with crude oil prices. Synthetic rubber is used instead of natural rubber in the production of rubber gloves such as medical and household cleaning gloves.

Thailand, Indonesia and Malaysia have agreements in place for the suspension of export of 350,000 tons of natural rubber between January and March 2018. This agreement was achieved at the International Tripartite Rubber Council in which Thailand, Indonesia and Malaysia are members.

The company expects the rubber industry in 2018 to improve in comparison to the previous year due to the improving world economy and cooperation of major operators in controlling and limiting excess natural rubber supply on the world market. Thus, supply and demand should improve in 2018. The company also believes that 2018 will be another good year in addition to 2017 as predicted by the company's group.

2.3 Factories and Production Facilities

The company's group currently has a total of five latex concentrate production factories in Thailand. Three of these are located in the southern region provinces of Songkhla, Surat Thani and Phangnga, while the remaining two are located in the eastern region in Rayong and Chon Buri. The total combined production capacity is 250,000 tons per year.

The company is currently engaged in the construction of an additional concentrated latex manufacturing factory in Chiang Rai. Its production is expected to commence by mid-2018 with initial capacity of 10,000 tons per year, which will later be increased to 20,000 tons per year. In addition, the company has a concentrated latex manufacturing factory in Myanmar under the name of Myanmar Thai Rubber Joint Corporation. Its current capacity is 10,000 tons per year.

Rubber Product Group

Rubber Thread

2.1 Products and Services

World Flex Public Company Limited, a "subsidiary", mainly manufactures elastic rubber thread using concentrated latex as the primary raw material. The majority of products are

used in the textile industry. Customers purchase elastic rubber thread as a raw material for use in textile production in combination with polyester fiber to produce elastic bands for ready-to-wear apparel such as women's underwear, elastic waistbands, sock bands, etc. Synthetic rubber can be used as a substitute for natural rubber. If synthetic rubber prices drop to a certain level, customers will turn to using synthetic rubber instead of natural rubber. In 2017, as synthetic elastic rubber thread production increased, the price of synthetic rubber is likely to decline and lead to more users switching over to synthetic rubber. Nevertheless, customers who use the aforementioned products are still separated since the usage of both products remains different.

2.2 Marketing and Competition

(1) Policy and Nature of Market

1. Key Competitive Strategies

- Successfully meeting the needs of minor and major customers.
- Building confidence in customers by delivering products on schedule.
- Providing post-sale services with regular local representatives assigned to monitor the market.
- Making regular visits to customers to boost confidence.
- Ensuring the quality of products until they are delivered to consumers.
- Offering products covering every need ranging from small to large numbers.

2. Distribution and Sales Channels

Domestic distribution sales for five percent of all sales and involves both direct and agent sales, while international distribution sales for up to 95 percent of total sales through local agents in key markets, such as China, Vietnam, Cambodia, India, Pakistan, Bangladesh, Turkey, Egypt, Iran, Portugal, Poland, Italy, Brazil, Mexico and Argentina, etc.

(2) Competition over the Past Year and Industry Trends

The elastic rubber thread industry directly involves concentrated latex. It is classified as a natural rubber product industry. These items are semi-processed products for the textile industry. There are five top manufacturers in this industry nationwide. Most competitors are domestic, while others are found in Malaysia and China. In 2017, the demand for elastic rubber thread stabilized due to China's restructuring. Nonetheless, every factory in China has been required to make environmentally friendly improvements in response to the Chinese government's intention to reduce pollution. Thus, many textile factories in China have been shut down, and some have considered establishing factories outside China instead.

Despite heavy competition and fluctuating demands since 2017, the company has been able to increase sales by 6.5 percent. This was due to continuous quality improvement, increased production and increased marketing, whereupon other markets aside from China were pioneered such as South America, European nations and Muslim countries. These markets are more valuable than China.

2.3 Product Procurement

(1) Procurement

A subsidiary has a factory in Rayong with a full production capacity of 24,000 tons per year. An important production policy is to manufacture products based on customer needs by using domestically available raw materials. The main raw materials for latex concentrate are purchased domestically, partly from related companies and partly from domestic traders. Chemical purchases are largely made from importers. The elastic rubber thread group is at risk for dependence on a major supplier, namely, the THAITEX group, since over 30 percent of total purchases are made from the aforementioned supplier. However, doing so also guarantees that raw materials are available for year-round production.

(2) Environmental Impacts

The production process requires an effective water treatment system. The company recognizes this need and permanently uses water treatment systems for every stage of production. Furthermore, processes are set in place for the recycling of certain chemicals in production with the aim of reducing chemical usage in addition to improving water treatment effectiveness, reducing water pollution and cutting public utility expenses. Over the past three years, there were no environmental issues.

Rubber Plantation Group

2.1 Products and Services

Thai Rubber Land and Plantation Company Limited, a “subsidiary”, operates a natural rubber plantation business in the provinces of Chiang Rai, Phayao and Nan. Cultivation commenced since 2015 and lasts up to the present, covering over 12,020 rai as follows:

1. Cultivation in Chiang Rai Province covered 7,293 rai and lasted from 2007 to 2015. Rubber tapping commenced in 2015.
2. Cultivation in Nan Province covered 2,556 rai and lasted from 2005 to 2015. Rubber tapping commenced in 2015.
3. Cultivation in Phayao Province covered 1,219 rai and lasted from 2008 to 2015. Rubber tapping commenced in 2015.
4. Cultivation in Chai Nat Province covered 952 rai and lasted from 2013 to 2014. Rubber tapping commenced in 2019.

2.2 Marketing and Competition

(1) Policy and Nature of Market

In 2017, the subsidiary sold field latex from rubber plantations to the parent company, which is Thai Rubber Latex Corporation (Thailand) Public Company Limited, at Chon Buri Province, in addition to a purchasing point belonging to a company in the group, namely, Thai Rubber Latex Group Company Limited, which is also located in Chiang Rai Province. The purpose was to manufacture premium-grade latex concentrate. The parent company and group companies are able to control raw material quality by buying from companies in the same group.

(2) Competition over the Past Year and Industry Trends

In 2017, the northern rubber plantations in the new rubber plantation zones began to produce for the market. However, latex rubber in the northern region popularly come in the form of cup lump rubber. In any case, the subsidiary is considered to not have any business competition because it produces field latex and delivers all crops from the subsidiary's rubber plantations to Thai Rubber Latex Corporation (Thailand) Public Company Limited and Thai Rubber Latex Group Company Limited. In the future, the company will try to offer incentives to rubber plantation owners to tap fresh latex rather than produce cup lump rubber in order to increase revenue and ensure consistency with the provincial administration on environmental conservation and reduction of air pollution caused by cup lump rubber. At the same time, production will be boosted for the company's group as the value of fresh latex and profits for the company's group increase.

Latex Mattresses

2.1 Overview of Business

Latex Systems Company Limited commenced operations in 2003 and is engaged in the manufacturing and distribution of mattresses, pillows and other products derived from 100-percent natural rubber foam based on customers' orders (OEM) and under the company's brand.

The company's products are composed of the following four main categories:

- 1) Mattresses and mattress toppers sized 3 feet, 3.5 feet, 5 feet and 6 feet.
- 2) Pillows.
- 3) Children's beds.
- 4) Other products such as seat cushions, back cushions and neck pillows.

2.2 Marketing and Competition

(3) Policy and Nature of Market

The company focuses on manufacturing 100-percent natural rubber mattresses and pillows with no synthetic rubber or filler chemicals. This is because THAITEX companies

are Thailand's leading high-quality latex concentrate manufacturers. Thus, the company pays attention to quality and the environment. As a result, the company is certified by the ISO 9001:2015 quality management system and TIS standards. There are only a few 100-percent natural rubber mattress manufacturers in Thailand that are certified by these standards. Furthermore, the company is certified by Green Industry Symbol Class 2 and international quality standards such as the LGA Product and Eco Institute Label by a quality certification institute in Germany. Customers are guaranteed high-quality, durable and environmentally-friendly products at reasonable prices. In addition, the company gives importance to enhancing product value through research and development in order to develop innovative products under the company's brand.

(1) Distribution Channels

The company has both domestic and international distribution channels.

For the domestic market, the company sells its products through the main distribution channel composed of wholesale merchants, bedding manufacturers, furniture retailers, dealers and government agency auctions with customers in various projects such as hotels, resorts and apartments.

In the domestic market, the company sells products through trade partners such as importers, sales representatives and local distributors of foreign countries.

(2) Industry Competition and Trends

- Competition.

Domestically, the company has three main competitors. Internationally, the company has competitors from Sri Lanka, India, Vietnam and Malaysia.

In 2017, the company faced both challenges and pressure from the economic situation, competition and prices. However, certain factors allowed the company to generate growth and successfully retain its competitive edge under current economic conditions. These are as follows: 1. The quality of the company's 100-percent natural rubber products not containing synthetic rubber; 2. Modern production technology; 3. The company's reputation and quality standards; and 4. Highly experienced personals.

As for consumers, a trend toward health-mindedness has been gaining traction over the past two to three years and will remain a major trend for the next several years. As a result, consumers pay more attention to health and exercise, so natural rubber products are increasing in popularity, especially among Chinese and Korean customers who prefer natural rubber mattresses. At the same time, tourists are also major customers. Based on projections by the Tourism Authority of Thailand, the number of tourists in Thailand in 2018 will continue to increase from 2017, which should effectively increase the company's sales. The government also has a policy to support the use of natural rubber, which benefits our business.

2.3 Product Procurement

Procurement of Raw Materials

The company has factories located in Chachoengsao Province and Bangkok with an annual production capacity of 120,000 mattresses and 1,500,000 pillows. In addition, a project for increasing mattress topper production is ongoing and expected to be complete by

the end of 2018, which will lead to a production increase of 100,000 mattress toppers per year.

The company procures its primary raw material of concentrated latex from the parent company, Thai Rubber Latex Corporation (Thailand) Public Company Limited. This is because the company requires high-quality latex concentrate with reliable quality control. The company buys other raw materials such as chemicals from domestic suppliers.

3. Risk Factors

3.1 Risks Involving Natural Rubber Supply and Raw Material Prices

Raw Material Supply – Natural rubber is an agricultural product obtained from rubber plantations. However, the amount of rubber released on the market is dependent on many factors such as the following:

- (1) Rubber Plantation Production: Rubber trees have periods for production and disruption of production (as rubber trees shed leaves). On average, this process lasts from March until May. This period might be shorter or longer, depending on the climate conditions of each region, which can facilitate new leaf growth and allow rubber trees to grow sufficiently healthy for tapping. Accordingly, the aforementioned situation can prevent rubber raw materials from being released on the market and lead to periods without production or diminished production due to decreased production capacity.
- (2) Climate conditions: For example, if a significant drought occurs on a rubber plantation, production drops. On the other hand, heavy rains can result in smaller harvests. In addition, natural phenomena such as El Nino and El Nina have caused excessive droughts and precipitation over the past several years. These conditions affect the volume of latex that can be tapped. And in years where off-season tropical storms occur such as the Doksuri Typhoon, which caused heavy precipitation and flashfloods in the southern provinces such as Surat Thani, Phangnga and Hat Yai, natural rubber-producing countries such as Thailand can experience a decline in natural rubber production.
- (3) Shortage of labor in rubber tapping: While rubber prices are low, farmers and rubber plantation owners are more inclined to stop tapping rubber and change their occupations to provide better income. Continued decline in rubber prices can lead to a shortage of rubber tappers, which can in turn lead to production shortages.

Rubber Prices – Since natural rubber is a consumer product, prices might fluctuate due to a number of factors as follows:

- (1) Demand and supply of natural rubber: This is because the demand for natural rubber is mostly in the manufacturing of tires for cars and other vehicles. Although there are many other natural rubber-derived products, tires continue to be the main product. Therefore, the demand for car tires significantly affects the rubber demand. On the other hand, the supply of rubber is largely dependent on the cultivation area of rubber trees that can be tapped.
- (2) Competition with alternative products: Alternative products include various types of synthetic rubber. With high production of synthetic

rubber, competition might ensue in products switching over to use synthetic rubber instead of natural rubber.

- (3) Oil prices: Natural rubber prices are subject to both direct and indirect impacts because oil prices provide the main component in the capital structure of synthetic rubber production. Hence, periods of low oil prices can lead to lower prices for synthetic rubber, an alternative to natural rubber. On the other hand, oil price crisis also cause a drop in consumer product investment.
- (4) Guidance of rubber price in the Agricultural Future Market: Natural rubber is traded in many Agricultural Future Market, such as Thailand, Japan and China. In these markets, many groups of traders are engaged, namely, rubber sellers who want to prevent risks and various investors. Accordingly, the volume of future contracts each year (as counted in volume of rubber) is several times greater than the actual production of rubber. As a result, the price of rubber in the future market impacts the trading of natural rubber.

3.2 Risks from Currency Exchange Rates

Because the company's group exports the rubber to international customers, revenue is received in foreign currencies. However, most costs and expenses occur domestically. Hence, all foreign currencies are converted into the Thai baht currency. Due to fluctuations in the Thai baht, revenue might increase or decrease if risk preventive measures are not set in place.

3.3 Risks from Government Policies

Because Thailand is the world's largest manufacturer of natural rubber, and because natural rubber generates main income for the nation in which many farmers are involved, the government is inclined to subsidize prices if the government views that farmers would suffer from lower income. This has been apparent in previous government projects, such as those from 2012 to 2014, with impact on private sector businesses through cost increases and potential failure to compete with exporters from other nations. In other words, if competitive situations are not facilitative, global prices might not increase with the prices set through intervention by any given nation. Furthermore, when news arrives that the government intends to release its rubber stock, the prices of rubber in the market will drop due to the pressure to sell. In addition, rubber quantity control occurs through reduction of rubber cultivation areas by development fund projects in promotion of reduced rubber cultivation. This offers financial assistance to farmers who reduce rubber cultivation or who switch over from rubber to other crops that are suitable to their areas.

4. Business Assets

4.1 Fixed Assets

The company and subsidiaries comprehensively operate business in the manufacturing, distribution and export of natural rubber. The fixed assets used in production consist of land, structures, factories and machinery. The fixed assets owned by the company are as follows:

(1) Assets Used in Manufacturing and Distribution

Business Assets	Owner	Account Value (million baht)	Obligations
1. Land, Structures and Land Development	Owned by Group Company.	1,527	Partial mortgage with financial institutes.
2. Structures and Building Development 2.1 Two office buildings located in the provinces of Samut Prakan and Chiang Rai. 2.2 Five concentrated latex manufacturing factories located in the provinces of Chon Buri, Rayong, Surat Thani, Songkhla and Phangnga. 2.3 One elastic rubber thread factory located in Rayong Province. 2.4 One natural rubber mattress and pillow manufacturing factory located in Chachoengsao Province. 2.5 Three rubber plantation facilities located in the provinces of Chiang Rai, Nan, Phayao.	Owned by Group Company. Owned by Group Company. World Flex PCL. Latex Systems Thai Rubber & Plantation Co., Ltd.	780	The two office buildings are under mortgage obligations with financial institutes. Mortgage with financial institutes. Mortgage with a financial institute. Partial mortgage with a financial institute. Mortgage with financial institutes.
3. Machinery 3.1 Machinery in concentrated latex production. 3.2 Machinery in elastic rubber thread production. 3.3 Machinery in natural rubber mattress and pillow production. 3.4 Machinery used in rubber plantations.	Owned by Group Company & under financial lease contracts. World Flex PCL. Latex Systems Co., Ltd. Thai Rubber & Plantation Co., Ltd.	542	Largely under mortgage with financial institutes. Largely under mortgage with financial institutes. Partial mortgage with financial institutes. Not under mortgage with financial institutes.

As of 31 December 2017, the company's group had a total net book value of 2,234.3 million baht in land, structures and machinery that are collateral for financial institute loans.

Remarks: Book value means appraised asset value less accrued price depreciation.

(2) Real Estate for Investment composed of the following:

On land and factory buildings for rent, the company has 12 buildings located on 75 rai, 2 ngan and 86.0 square wa of land that are owned by the company with a total book value of 120.5 million baht. A related company is currently renting from the company at a rate of 1.02 million baht (with a contract term of 14 years from 3 January 2017 to 31 January 2031). The aforementioned real estate has mortgage obligations with financial institutions.

Land for rent consisting of 2,049 rai, 2 ngan and 54 square wa belongs to a subsidiary, namely, World Flex PCL. With a value of 337.8 million baht, the real estate is rented out to unconnected people for sugarcane cultivation from 1 December 2014 to 31 March 2018 with rental fees charged at six million baht. This real estate has partial mortgage obligations with financial institutes.

Land and factory buildings consisting of eight buildings and other structures on 36 rai, 2 ngan and 48 square wa belong to a subsidiary, Thai Rubber HPNR, with a total book value of 99.7 million baht. Currently, an unconnected company is renting this asset at the rate of six million baht per year (with a contract term of five years beginning from 15 January 2014). This real estate has no mortgage obligations with financial institutions.

As of 31 December 2017, the aforementioned investments in real estate amounted to 558 million baht in total book value (as appraised by an independent appraiser on 3 January 2018 and 18 January 2018 for sales prices).

(3) Intangible Assets

Significant intangible assets of the company and subsidiaries in business consist of computer software, which, as of 31 December 2017, have a book value of 5.2 million baht.

4.2 Investment Policy in Subsidiaries and Associate Companies

The company has a policy to invest in businesses that manufacture products for sale because of its nature as the group's main businesses. In doing so, investments are made in sufficient proportions to allow the company to participate in the management and policy specification of these businesses.

4.3 Information about Asset Appraisals

(1) The company's group has a policy to record fixed assets in terms of land, structures, factories and machinery at fair value since 2007. In addition, fair values are re-evaluated every five years. Most recently, the company's group appraised fair values in 2016 (however, investment real estate is evaluated annually), and the next appraisal will take place in 2021.

Thus, as of 31 December 2017, the book values of land, structures, factories and machinery belonging to the company's group were recorded with disclosed fair values.

(2) Asset Appraisers of the Company's Group

In 2016 and 2017, the appraisers were Agency for Real Estate Affairs Company Limited and First Star Consultant Company Limited. These are listed as approved companies in the capital market and accepted as specialists by the Office of the Securities and Exchange Commission.

(3) The purpose of the asset appraisals of the company's group is to ensure that fixed assets in the categories of land, structures, factories and machinery are presented at genuine fair values.

5. Legal Disputes

As of 31 December 2017, the company and subsidiaries had no legal cases or disputes with values exceeding five percent of shareholder equity.

6. General and Other Significant Information

6.1 General Information

(1) Company

Name: Thai Rubber Latex Corporation (Thailand) Public Company Limited

Main Office: 99/1-3, Village No. 13, Kritsada Nakhon Village 21, Bang Na-Trat Km. 7 Road, Bang Kaeo Sub-district, Bang Phli District, Samut Prakan Province, 10540

Main Office Tel.: (662) 751-7171 (36 lines), 751-7140 to 75

Main Office Fax: (662) 316-3938

Factory: 29, Village No. 2, Bang Bung-Klaeng Km. 56-57 Road, Nong Yai Sub-district, Nong Yai District, Chon Buri Province, 20190

Factory Tel.: (038) 168-529-34

Factory Fax: (038) 168-529-34 to 105

35, Village No. 4, Krasom Sub-district, Takua Thung District, Phangnga Province

Factory Tel.: (076) 496-539, (076) 496-325, (081) 840-2835, (081) 840-8352

Factory Fax: (076) 496-174

198, Village No. 7, Chom Sawan Sub-district, Mae Chan District, Chiang Rai Province

Factory Tel.: (053) 160-720, (053) 160-730

Factory Fax: (053) 160-720, (053) 160-730

124, Village No. 11, Ban Pru Sub-district, Hat Yai District, Songkhla Province

Factory Tel.: (074) 291-171-4, (074) 291-178, (081) 969-8869, (081) 738-5645

Factory Fax: (074) 291-175

293/2, Village No. 1, Khun Thale Sub-district, Mueang District, Surat Thani Province

Factory Tel.: (077) 355-339, (086) 475-7837, (091) 826-6020, (063) 906-0081, (086) 475-7836

Factory Fax: (077) 355-769

44/5, Village No. 8, Kached-Hat Yai Road, Kached Sub-district, Mueang District, Rayong Province

Factory Tel.: (038) 634-105-6, (038) 634-306, (088) 526-1616, (038) 634-240, (099) 015-6577

Factory Fax: (038) 634-307

19/52, Village No. 7, Bang Chalong Sub-district, Bang Phli District, Samut Prakan Province

Factory Tel.: (662) 740-6386

680, Village No. 2, Nong Yai Sub-district, Nong Yai, Chon Buri Province (factory-renting offered)

Business Type: Manufacturing and distribution of concentrated and skim block latex

Company Reg. No.: 0107536000137

Website: <http://www.thaitex.com>
Registered Capital: 1,881,479,688 ordinary shares and 1,881,479,688 baht registered
Paid Capital: capital
1,685,079,688 ordinary shares and 1,685,079,688 baht paid capital
(After Thai Rubber Latex Group Company Limited completes liquidation, TRUBB will decrease registered capital and paid capital to 681,479,688 baht)

(2) Juristic People in which the Company holds more than 10 Percent in Shares

1. Thai Rubber Latex Group

Office: 99/1-3, Village No. 13, Kritsada Nakhon Village 21, Bang Na-Trat Km. 7 Road, Bang Kaeo Sub-district, Bang Phli District, Samut Prakan Province, 10540

Tel.: (662) 751-7171 (36 lines), 751-7140 to 75, Fax: (662) 316-3938

Business Type: Production and distribution of latex concentrate, sheet rubber and latex by products

Share Ratio: 99,999,994 shares or 99.00 percent out of a total of 100 million ordinary shares

Registered Capital: 1,000 million baht

Paid Capital: 544 million baht – **Business terminated on 29 December 2017 due to complete business transfer to Thai Rubber Latex Corporation (Thailand) Public Company Limited.**

Subsidiaries of Thai Rubber Latex Corporation (Thailand) Public Company Limited

Shanghai Runmao International Trading Co., Ltd., or

บริษัทไทยรับเบอร์ลาเท็กซ์กรุ๊ปจำกัด (เจียยงไฉ่)

Office: Shanghai Greentown, Room 601, Unit 1, Lane 99 Jinhe Road, Pudong, Shanghai, 200127, China

Tel.: (86) 2138762472, Fax: (86) 2150454365

Business Type: Purchase and sale of natural rubber products

Share Ratio: 55 percent or 555,500 US dollars

Paid Capital: 1,010,000 US dollars

2. World Flex Public Company Limited

Office: 99/1-3, Village No. 13, Kritsada Nakhon Village 21, Bang Na-Trat Km. 7 Road, Bang Kaeo Sub-district, Bang Phli District, Samut Prakan Province, 10540

Tel.: (662) 751-7171 (36 lines), 751-7140 to 75, Fax: (662) 316-3938

Factory: 59/1, Village No. 5, Government Highway No. 3191 Road, Nam Khu Sub-district, Pluak Daeng District, Rayong Province, 21140

Tel.: (038) 637-559, Fax: (038) 637-560
Business Type: Manufacturing and sale of elastic rubber threads
Share Ratio: 75,799,454 shares or 98.44 percent of 77 million ordinary shares
Registered Capital: 308 million baht
Paid Capital: 308 million baht

3. Thai Rubber Land and Plantation Company Limited

Office: 121/316, Village No. 3, Ban Du Sub-district, MueangChiang Rai District, Chiang Rai Province, 57100
Tel.: (053) 793-456, Fax: (053) 793-462
Rubber Plantations: In the provinces of Nan, Phayao, Chiang Rai and Chai Nat
Business Type: Rubber plantation
Share Ratio: 29,999,994 shares or 99.99 percent of 30 million ordinary shares
Registered Capital: 300 million baht
Paid Capital: 300 million baht

Joint Company of Thai Rubber Land and Plantation Company Limited

Wang Somboon Rubber Plantation Company Limited

Office: 99/1-3 , Village No. 13, Kritsada Nakhon Village 21, Bang Na-Trat Km. 7 Road, Bang Kaeo Sub-district, Bang Phli District, Samut Prakan Province, 10540
Tel.: (662) 751-7171 (36 lines), 751-1740 to 75, Fax: (662) 751-7015
Rubber Plantation: 127, Village No. 8, Wang Sombun Sub-district, Wang Sombun District, SaKaeo Province, 27250
Tel.: (037) 252-084, (081) 916-5834, Fax: (037) 252-084
Business Type: Rubber plantation
Share Ratio: 2.678 million shares or 48.43 percent of 5.53 million ordinary shares
Registered Capital: 55.30 million baht
Paid Capital: 55.30 million baht

4. Thai Rubber HPNR Company Limited

Office: 99/1-3 , Village No. 13, Kritsada Nakhon Village 21, Bang Na-Trat Km. 7 Road, Bang Kaeo Sub-district, Bang Phli District, Samut Prakan Province, 10540
Tel.: (662) 751-7171 (36 lines), 751-1740 to 75, Fax: (662) 751-8047
Business Type: Bar and compound rubber production
Share Ratio: 49,999,997 shares or 99.99 percent of 50 million ordinary shares

Registered Capital: 500 million baht

Paid Capital: 500 million baht

5. Latex Systems Company Limited

Office & Factory: Ladkrabang Industrial Estate, Export Promotion Zone 1, No. 75, Chalong Krung 31 Alley, Lamplatiw Sub-district, Lat Krabang District, Bangkok Metropolis, 10520

Tel.: (662) 326-0886-7, Fax: (662) 326-0292

Business Type: Manufacturing and distribution of natural rubber mattresses and pillows

Share Ratio: 4,790,335 shares or 56.16 percent of 8,529,101 ordinary shares

Registered Capital: 78.81 million baht

Paid Capital: 78.81 million baht

6. Myanmar Thai Rubber Joint Corporation Limited

Yangon Office: No. 96 (C), Lanthit Road, Nanthagone Quarter, Insein Township, Yangon, Myanmar

Office Tel.: 951-700942, Fax: 951-644733

Rubber Plantation: 62/1, Kyae Kyay Taing Pyin Field, Kyae Village Track, Palaw Township, Myeik District, Thanintharyi Region, Myanmar

Rubber Plantation Tel.: 959-49902048

Business Type: Rubber plantation

Share Ratio: 64 percent or 68.91 million baht

Registered Capital: 107.67 million baht

Paid Capital: 107.67 million baht

(3) Other Referenced People

1. Securities Registrar

Name: Thailand Securities Depository Company Limited

Office: The Stock Exchange of Thailand Building, No. 93, Ratchadapisek Road, Din Daeng Sub-district, Din Daeng District, Bangkok Metropolis, 10400

Tel.: (662) 009-9385, Fax: (662) 009-9476

2. Auditors

Office Name: KPMG Phoomchai Audit Company Limited

Office: 48th Floor, Empire Tower, No. 1, South Sathorn Road, Bangkok Metropolis, 10120

Tel.: (662) 677-2000, Fax: (662) 677-2222

Auditors' Names:	1. Mr. Wairoj Chindamaneepitak and/or	Licensed Auditor No. 3565
	2. Mr. Bunyarit Thanomcharoen and/or	Licensed Auditor No. 7900
	3. Mr. Yuthapong Suntarinka	Licensed Auditor No. 10604

Part 2
Corporate Management and Governance

7. Stock and Shareholder Information

7.1 Number of Registered and Paid Capital

The Company has a total of 1,881.47 million baht with 1,685.08 million baht of registered capital, divided into 1,685,079,688 ordinary shares at one-baht par value.

7.2 Shareholders

List of Major Shareholders as of the Date of Latest Book Closure (15 March 2018)

- Top 10 Shareholders

No.	Name	Shares Held	Share Ratio (%)*
1.	Mr. Vorathep Wongsasuthikul's Group	148,111,729	21.73%
2.	Mr. Paiboon Waraprateep's Group	110,723,126	16.25%
3.	Mr. Prachnon Temritikulchai's Group	35,336,179	5.19%
4.	Thai NVDR Company Limited	11,852,639	1.74%
5.	Mr. Kansinan Pongnaruesorn	9,600,000	1.41%
6.	Mr. Wichapon Sincharoenkul's Group	7,917,300	1.16%
7.	Mr. Chatchawan Tiyadechachai	7,887,100	1.16%
8.	Mr. Nan Krittayanuttakul	6,000,000	0.88%
9.	Mr. Rudee Khankaew	5,000,000	0.73%
10.	Mr. Nurak Mahattanaanon	5,000,000	0.73%
	Total	347,428,073	50.98%

*Calculated based on 681,479,688 shares (the total number of shares before the capital increase for the acceptance of the complete entire business transfer from Thai Rubber Latex Group Company Limited. The 1,003,600,000 shares issued were not included in calculations, since Thai Rubber Latex Group Company Limited does not exercise voting rights or dividend rights.)

- Major Shareholders with Important Roles in Setting Management Policies

No.	Name	Shares Held	Share Ratio (%)
1.	Mr. Vorathep Wongsasuthikul's Group	150,354,441	21.73%
2.	Mr. Paiboon Waraprateep's Group	110,837,432	16.26%
3.	Mr. Prachnon Temritikulchai's Group	35,341,179	5.19%
	Total	294,171,034	43.17%

7.3 Dividend Payment Policy

The company has a policy to pay dividends by no less than one-third of annual net profit after deduction of accrued losses (if any) according to business-specific financial statements. As for subsidiaries, a policy is in place for dividends to be paid by no more than 100 percent of net profit.

8. Management Structure

8.1 Board of Directors

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

Names of Members of the Board of Directors

Director Name	Board of Directors	Audit Committee	Risk Management Committee	Nomination and Remuneration Committee
1. Mr. Vorathep Wongsasuthikul	Chairman			Chairman
2. Mr. Paiboon Waraprateep	Director			
3. Mr. Prachnon Temritikulchai	Director			
4. Mr. Suchart Charoenpornpanichkul	Director		Director	
5. Mr. Erwin Muller	Director			Chairman
6. Mrs. Suchada Sodthibhapkul	Director		Chairman	
7. Mr. Yanyong Tawarorit	Director	Chairman		
8. Mr. Somkad Sueptrakul	Director		Director	
9. Mr. Pakhawat Kovithvathanaphong	Director	Director		Director
10. Mr. Rachai Wattanakasaem	Director	Director		
11. Mr. Pattarapol Wongsasuthikul	Director			
12. Miss Chalengkwan Wongsasuthikul	Director			
13. Mr. Prawit Waraprateep	Director			

Remarks: 1. Mr. Erwin Muller resigned from the Board of Directors and the Nomination and Remuneration Committee on 31 March 2017.

2. During the year, Mr. Vorathep Wongsasuthikul was appointed the Chairman of the Nomination and Remuneration Committee and Mr. Pakhawat Kovithvathanaphong was appointed a director on the Nomination and Remuneration Committee.

Director Name	Position	2017 Board of Directors' Meeting No. in Attendance/No. of Meetings	2017 Audit Committee Meeting No. in Attendance/No. of Meetings
1. Mr. Vorathep Wongsasuthikul	- Chairman - Managing Director - Nomination & Remuneration Director	7/7	-
2. Mr. Paiboon Waraprateep	- Vice Chairman - Executive Director	7/7	-
3. Mr. Prachnon Temritikulchai	- Vice Chairman - Executive Director	5/7	-
4. Mr. Suchart Charoenpornpanichkul	- Director - Risk Management Director	7/7	-
5. Mr. Erwin Muller	- Independent Director - Chairman of the Nomination & Remuneration Committee	2/7	-
6. Mrs. Suchada Sodthibhaphkul	- Independent Director - Chairman of the Risk Management Committee	7/7	-
7. Mr. Yanyong Tawarorit	- Independent Director - Chairman of the Audit Committee	6/7	4/5
8. Mr. Somkad Sueptrakull	- Independent Director - Risk Management Director	7/7	-
9. Mr. Pakhawat Kovithvattanaphong	- Independent Director - Audit Director - Nomination & Remuneration Director	6/7	5/5
10. Mr. Rachai Wattanakasaem	- Independent Director - Audit Director	7/7	5/5
11. Mr. Pattarapol Wongsasuthikul	- Director	-	-
12. Miss Chalongsuan Wongsasuthikul	- Director	-	-
13. Mr. Prawit Waraprateep	- Director	-	-

Remarks: 1. Mr. Erwin Muller resigned from the Board of Directors and the Nomination and Remuneration Committee on 31 March 2017.

2. During the year, Mr. Vorathep Wongsasuthikul was appointed Chairman of the Nomination and Remuneration Committee and Mr. Pakhawat Kovithvathanaphong was appointed a director on the Nomination and Remuneration Committee.

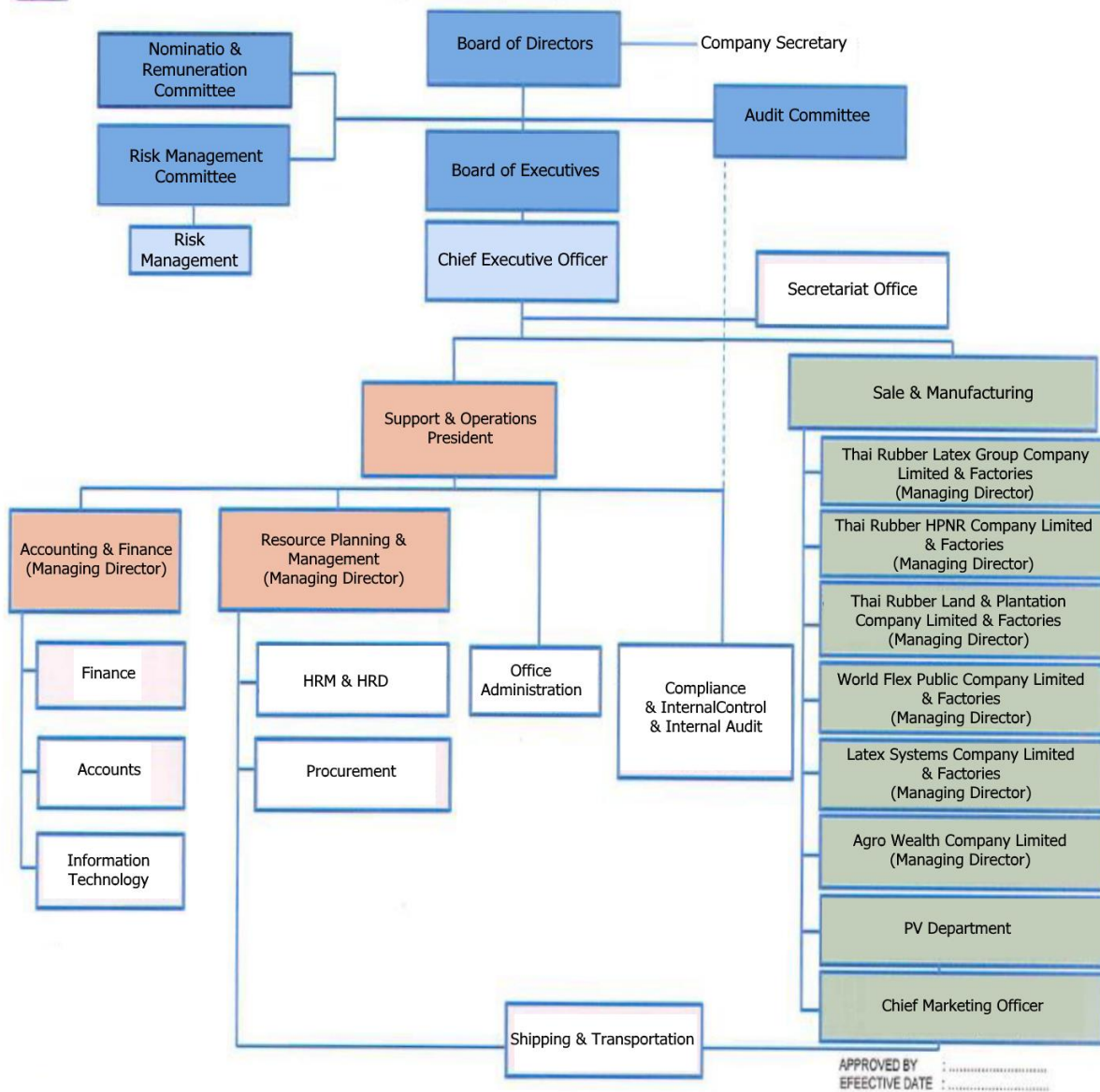
8.2 Executives

As of 31 December 2017, the company had the following nine executives:

Executive Name	Position
1. Mr. Vorathep Wongsasuthikul	Chairman / Chief Executive Officer
2. Mr. Paiboon Waraprateep	Executive Director
3. Mr. Prachnon Temritikulchai	Executive Director
4. Mr. Suchart Charoenpornpanichkul	Executive Director
5. Mr. Vanchai Sriherunrusmee	Chief Executive Officer of Operations
6. Mr. Suwasit Deewan	Chief Executive Officer of Marketing
7. Miss Chalongkwan Wongsasuthikul	Assistant Chief Executive Officer & Managing Director of Resource Planning & Management
8. Mr. Pattarapol Wongsasuthikul	Assistant Chief Executive Officer & Managing Director
9. Mr. Prawit Waraprateep	Assistant Managing Director



Thai Rubber Latex Corporation (Thailand) Public Company Limited



8.3 Company Secretary

The company has Miss Chalongkwan Wongsasuthikul, the Assistant Chief Executive Officer/Managing Director of Resource Planning and Management, as the company's secretary.

8.4 Remuneration for Directors and Executives

(1) Monetary Remuneration

- Remuneration for directors is composed of salaries and meeting attendance fees as approved by the annual general meeting of shareholders of 2017, which equals a budget of 8,000,000 baht per year. In 2017, the actual remuneration paid to directors was 7,390,000 baht.

No.	Name	Position	Director's Remuneration in 2016
1.	Mr. Vorathep Wongsasuthikul	Chairman & Chief Executive Officer Chairman of the Nomination & Remuneration Committee	1,238,000
2.	Mr. Paiboon Waraprateep	Vice Chairman & Executive Director	1,180,000
3.	Mr. Prachnon Temritikulchai	Vice Chairman & Executive Director	1,160,000
4.	Mr. Suchart Charoenpornpanichkul	Director & Risk Management Director	1,270,000
5.	Mr. Erwin Muller	Independent Director & Chairman of the Nomination & Remuneration Committee	150,000*
6.	Mrs. Suchada Sodthibhaphkul	Independent Director & Chairman of the Risk Management Committee	465,000
7.	Mr. Yanyong Tawarorit	Independent Director & Chairman of the Audit Committee	468,000
8.	Mr. Somkad Sueptrakul	Independent Director & Risk Management Director	465,000
9.	Mr. Pakhawat Kovithvathanaphong	Independent Director, Audit Director & Nomination & Remuneration Director	479,000
10.	Mr. Rachai Wattanakasaem	Independent Director & Audit Director	515,000
11.	Mr. Pattarapol Wongsasuthikul	Director	
12.	Miss Chalengkwan Wongsasuthikul	Director	
13.	Mr. Prawit Waraprateep	Director	
Total			7,390,000

Remarks: Mr. Erwin Muller resigned from the Board of Directors and the Nomination and Remuneration Committee on 31 March 2017.

During the year, Mr. Vorathep Wongsasuthikul was appointed Chairman of the Nomination and Remuneration Committee and Mr. Pakhawat Kovithvathanaphong was appointed a director on the Nomination and Remuneration Committee.

- Remuneration for executives are composed of salaries, bonuses and transportation fees. In 2017, the total amount of remuneration for executives for the company and subsidiaries amounted to 39 million baht.

(2) Other Remuneration

- Other directors' remuneration: None.

- Other executives' remuneration includes the provident fund. The company established a provident fund in which the company provides 3- and 5-percent reimbursements based on employee work age (as stipulated by the company's regulations) of the employees' salaries. In 2017, the company and subsidiaries paid provident reimbursements to four executives for a total of 849,000 baht.

8.5 Personnel

The company has a total of 83 employees and executives. The main line of work is the factory department with 71 employees. Total remunerations for personnel in 2017 amounted to 36 million baht, covering salaries, daily wages, overtime fees, bonuses and others. (Excluding employees of Thai Rubber Latex Group Co., Ltd.)

Human Resources Management Policy

The company has policy concerning human resources management for the mutual benefit of employees and the company as follows:

1. Activities are carried out firmly in line with the business philosophies, vision, mission and values of the company.
2. Priority is given to employees who are recognized as valuable resources contributing to the growth and sustainability of the company.
3. Knowledgeable and competent personnel with potential and good outlooks are sought to become a part of the company's business.
4. The knowledge, abilities and skills of employees are constantly promoted for improvements in line with the required duties, responsibilities and necessities of the company. Furthermore, conscience, attitudes and values in being a part of "THAITEX" are continuously fostered.
5. Employee satisfaction is promoted with consideration to administrative feasibility and reasonable and fair payment of benefits and remunerations.
6. Good relations are promoted between co-workers and between employees and the company in order to ensure lasting contentment in employees and the company.

Labor Relations Policy

Under the human resources management policy, the company has set in place a labor relations policy covering the following cases:

1. Strictly adhere to the laws and regulations of the government and the company.
2. Respect the rights of employees under various laws and regulations in order to ensure peace and order in the company's business as well as the peace and order of society.
3. Promote activities that facilitate good co-worker and employee-company relations built on good understanding, generosity and reason.
4. Promote social responsibility in employees and the company in regards to environmental conservation and regular participation in social activities, religious activities and community activities.

The company considers the company's employees to be highly valued, essential resources for the success of the company. Thus, the company continuously focuses on the development of the company's personnel in order to provide employees with knowledge, skills and abilities that are suitable for their assigned work duties and responsibilities for the achievement of maximum effectiveness. Employees are developed in terms of knowledge and abilities in work and work processes, while good conscience and morals in their treatment of colleagues, the company and trade partners are fostered.

In 2017, the company engaged in activities to develop and increase work knowledge, skills and abilities by providing training inside the company and regularly sending employees for outside training, as necessary, based on the suitability of personnel in each agency and at every level and line of work.

9. Corporate Governance

The company systematically organizes operational and management structures and processes in regards to corporate governance with separation of duties and responsibilities based on knowledge, abilities and experience in business and products in each work unit of the company and its subsidiaries in order to boost competitive capacity and achieve growth with long-term added value for shareholders and consideration of all stakeholders.

9.1 Corporate Governance Policy

The company invests in a total of six companies as follows:

1. Thai Rubber Latex Group Company Limited: 99.99-percent share-holding.
2. Thai Rubber Land & Plantation Company Limited: 99.99-percent share-holding.

3. Thai HPNR Company Limited: 99.99-percent share-holding.
4. World Flex Public Company Limited: 98.44-percent share-holding.
5. Latex Systems Company Limited: 56.16-percent share-holding.
6. Myanmar Thai Rubber Joint Corporation Limited: 64.00-percent share-holding.

The company has sent knowledgeable, skilled and experienced people to oversee the management of each subsidiary, and subsidiaries are required to hold meetings to report progress to the company at least once monthly as follows:

1. Executive directors are to hold joint meetings with the parent company and subsidiaries at least once monthly.
2. Executive directors and managers of factories, sales, marketing and finance are to hold a joint video conference every Monday morning.
3. Executive directors in the parent company tracks progress by regularly visiting each factory as deemed fit.

9.2 Sub-committees

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

1. Board of Directors: 12 members.
2. Board of Executives: 3 members.
3. Audit Committee: 3 members.
4. Nomination & Remuneration: 1 member.
5. Risk Management Committee: 3 members.

The Board of Directors has appointed three highly knowledgeable and experienced executive officers as assistant chief executive officers in order to carry out tasks instructed and assigned by the Chief Executive Officer and executive directors. These people are as follows:

1. Mr. Pattarapol Wongsasuthikul
2. Mr. Prawit Waraprateep
3. Miss Chalengkwan Wongsasuthikul

The appointment of assistant chief executive officers relieves the Board of Directors' and the Board of Executives' burdens in almost every aspect. Even if a director position becomes vacant and the Board of Directors is unable to recruit a suitable person for appointment, there will not be problems concerning activities and legal compliance in any manner. In addition, the duties and authority of the Board of Directors and Board of Executives have been clearly set such that they can be assigned to assistant chief executive officers for implementation as opportunities arise and as deemed fitting.

Furthermore, the company has appointed two additional high-ranking executives to relieve the burdens of the Chief Executive Officer. They are named as follows:

1. Mr. Vanchai Sriherunrusmee, Chief Executive Officer of Operations responsible for support work and operations.
2. Mr. Suvasitthi Dewan, Chief Executive Officer of Marketing responsible for marketing and sales.

(1) Board of Directors

The Public Company Limited Act, B.E. 2535 (A.D. 1992), Section 6 regarding the company directors, Section 67-Section 97, indicates the number of the members of the Board of Directors, qualifications, election, meeting, dismissal from office, and the power and duties of the Board of Directors under Section 77 to ensure that the company management meets the objectives, articles of associations and resolutions of the shareholders' meeting, and Section 85 indicates the duties in relation to the company management that the Board of Directors must perform their duties according to the law, objectives and articles of associations of the company as well as the shareholders' meeting resolutions with integrity, honesty, and precaution to maintain the company's benefits.

In addition to the power and duties in management, prohibited practices as well as the liability for damage incurred to the company have also been determined.

Scope of the Board of Directors' power and duties

1. Determine the policies and directions of the company's operation in accordance with the law, objectives, articles of associations of the company as well as the shareholders' meeting resolutions
2. Control and take care of the management to ensure the efficient and effective compliance with the determined policies to maintain the benefits of the company, shareholders, policyholders, and other stakeholders
3. Coordinate between the shareholders and the management and prevent conflicts of interest between the company and the management
4. Supervise the investment, business expansion, provision, sale or transfer of assets which have material effects on the company
5. Take part in the Board of Directors' meetings, appoint and dismiss the executive management, select and propose the persons for election of the members of the Board of Directors by the shareholders
6. Propose the auditors for the consideration of nomination by the shareholders and disclose accurate information under the legal provisions
7. Have any power indicated in the memorandum of association, articles of association and legal provisions

Except for the following issues for which the Board of Directors must seek an approval from the shareholders prior to operation

1. The issues which are indicated by the law that the shareholders' resolutions must be obtained.
2. The making of connected transactions of which values are equal to or higher than 20 million Baht or 3% of NTA, whichever is higher
3. The purchase or sale of material assets of which values are 50% of the total assets of the listed company or more
4. The provision of financial assistance to related persons of which values are equal to or higher than 100 million Baht or 3% of NTA, whichever is lower

Note: NTA (Net Tangible Assets)

= Total assets – total liabilities – intangible assets – minority shareholders' equity (if any)

(2) Management Committee

The Board of Directors appoint a Management Committee consisting of at least 3 directors. In 2017, the 3 members of the Management Committee include:

1. Mr. Vorathep Wongsasuthikul
2. Mr. Paiboon Waraprateep
3. Mr. Prachnon Temritikulchai

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

Scope of the Management Committee's power and duties

1. Consider the determination of goals, policies, planning, and allocation of annual budgets as proposed by the management before proposing it to the Board of Directors for approval. This includes the consideration of approval of change or addition of annual budget while there is no Board of Directors' meeting and propose it to the Board of Directors for acknowledgement in the next meeting.
2. Have the chief of each department who is responsible for business and activities report the results of their operations to the Management Committee on monthly basis.
3. Approve the expenditure according to the company's plans
4. Approve the expenditure for investment as indicated in the annual budget or as approved by the Board of Directors in the annual budget or as approved by the Board of Directors in principle
5. Approve the investment principles for business expansion as well as joint venture with other business operators and propose it to the Board of Directors for approval in the next meeting
6. Approve the appointment of authorized signatories for cheques or money order documents of the company
7. Be the consultants for the management regarding the policies on production, marketing, finance, personnel, and other operations
8. Approve the appointment, transfer and dismissal of employees
9. Perform any action as assigned by the Board of Directors

(3) Audit Committee

The company directors have selected the Audit Committee consisting of 3 independent directors and at least 1 director who is an accounting and financial expert as follows:

1. Me. Yanyong Tawarorit
2. Mr. Pakhawat Kovithvathanaphong
3. Mr. Rachai Wattanakasaem

The Internal Audit Manager acts as the secretary. The Audit Committee has made the Audit Committee Charter which has been proposed to the Board of Directors for approval and enforced it on the related persons as assigned by the Board of Directors.

Scope of the Audit Committee's power and duties

1. Review that the company has correct, complete and reliable financial reports and disclose sufficient information
2. Review that the company has appropriate and effective internal control system, risk management system and internal audit system

3. Review that the company effectively and appropriately performs the policy on good corporate governance and business ethics
4. Review that the company complies with the law on securities and the Stock Exchange of Thailand, provisions of the Stock Exchange of Thailand and other laws related to the company's business
5. Consider appointing and dismissing the company's auditor and propose the auditor's remuneration
6. Consider whether the connected transactions have been conducted in compliance with the laws and provisions of the Stock Exchange of Thailand to ensure that they are reasonable and beneficial for the company
7. Supervise the operations of the Internal Audit Department at the policy level and the internal audit operations by approving the Charter, independency and the scope and the audit plans of the Internal Audit Department
8. Consider the appointment, transfer, dismissal of the chief of the Internal Audit Department as well as evaluating the performance of the chief of the Internal Audit Department and approving the remuneration of the chief of the Internal Audit Department considered by the executive management of the company
9. Consider and review the results of audit and recommendations of the auditor and the Internal Audit Department as well as following up to ensure that the management take appropriate action in response to such recommendations efficiently and in timely manner
10. The Audit Committee can invite the management or the employees of the company to report or present their information, attend the meeting or submit the documents as deemed appropriate and necessary.
11. If necessary, the Audit Committee may seek advice from the external consultants or professional experts regarding the audit operation of which costs will be borne by the company
12. Review and revise the Audit Committee Charter at least once a year or as necessary to update and adjust it to suit the organizational environment and propose it to the Board of Directors for approval
13. Prepare the reports of the Audit Committee which consist of the information, opinions of the Audit Committee on each issue which should be disclosed in the company's annual reports. The reports must be signed by the President of the Audit Committee.
14. Any other actions assigned by the Board of Directors under the approval of the Audit Committee. The management must prepare the reports or present the related information and documents to support the operations of the Audit Committee in order for them to achieve the assigned duties.

(4) Remuneration Committee

The Board of Directors has appointed the Remuneration Committee who is one of the company director as follows:

1. Mr. Pakhawat Kovithvathanaphong

The Secretary to the Company Directors acts as the secretary of the Remuneration Committee.

Scope of the Remuneration Committee's power and duties

1. Determine the policies, criteria and methods for nomination of the directors and the executive management to be proposed to the Board of Directors for approval
2. Determine the policy on remuneration and other benefits including other remuneration and benefits for the directors and the executive management. The policy must contain clear and transparent criteria for being proposed to the Board of Directors for approval. Also, the policy must be submitted to the competent authorities upon request.
3. Determine the guidelines for evaluation of performances of the directors and the executive management in consideration of annual adjustment of remuneration on the basis of related duties, responsibilities and risks and consider adding value of the shareholders' equity as part of evaluation
4. Perform other actions as assigned by the company directors

(5) Risk Management Committee

The Board of Directors have appointed the Risk Management Committee by selecting 3 member of the Board of Directors and 4 management, making a total of the following 7 members:

1. Mr. Somkad Sueptrakul
2. Mr. Suchart Charoenpornpanichkul
3. Mrs. Suchada Sodthibhapakul
4. Mr. Vanchai Sriherunrusmee
5. Mr. Vorathep Wongsasuthikul
6. Mr. Paiboon Waraprateep
7. Mr. Prachnon Temritikulchai

Chief Executive Officer of Operations acts as the secretary of the Risk Management Committee.

The main missions of the Risk Management Committee are determination of the scope of work system used to control the material risks which can affect the company's operations and preparation of the preventive strategies which can be implemented appropriately and proposed it to the Management Committee as well as improving and supporting essential tools used for better risk control.

Scope of the Risk Management Committee's power and duties

The Risk Management Committee work independently and directly report to the Management Committee. Their power and duties are as follows:

1. Determine the policies and plans on risk management of the business group to be proposed to the Management Committee for consideration of the overall risk management. The policies and plans must cover all kinds of material risks such as credit risks, market risks, liquidity risks, foreign exchange risks, price risks, and any risks which may affect the reputation of the business group.
2. Determine strategies in accord with the risk management policies. Be able to assess, monitor and take care of the amount of risks of the business group at an appropriate level
3. Control, monitor, examine, assess the risk management results, and ensure that the companies under the business group comply with the determined the risk management policies

4. Review the appropriateness of the policies and the risk management system including the efficiency of the system and its compliance with the determined policies

9.3 Nomination and appointment of directors and executive management

The company has 2 methods of nomination and appointment of directors and executive management as follows:

Method 1: The number of the members of the Board of Directors depends on the shareholders' resolution and suitability for management; however, there must be at least 5 directors according to the law on public company limited.

Method 2: The Board of Directors will act as the Nominating Committee to nominate experienced, knowledgeable and skillful persons who have the backgrounds and qualifications as indicated by the law on public company limited to replace the retired or resigned directors or to add or to reduce the number of directors as deemed appropriate for the expanded or downsized business. The nomination will be presented to the shareholders' meeting for further consideration.

9.4 Governance of the operations of the subsidiaries and associated company

The company governs the operations of the subsidiaries and associated company systematically as follows:

1. The company has appointed the knowledgeable and skillful persons to be the company directors and executive officers in each subsidiary to determine the policies and manage it. The authorized persons have to report and attend the meetings with the Management Committee of the holding company at least once a month. The executive officers at other levels will have the meetings together occasionally.
2. Regarding the results of operations, the subsidiaries must submit the financial report on monthly basis to make the consolidated financial statements with the holding company for monitoring and analyzing the monthly results of operations of the subsidiaries.
3. In each month, after the financial statements have been added to the consolidated financial statement of the holding company, they must be sent to the Internal Audit Department for analysis and examination of each transaction or issue before reporting them to the Audit Committee who will examine whether the financial status contains the connected transactions prior to proposing them to the Board of Directors' meetings.
4. The directors in the subsidiaries who have been appointed for management and control of the subsidiaries do not have the power to reduce the capital, increase the capital, cease or expand the business without an approval of the Board of Directors of the holding company.
5. The company and the other shareholders in the management of the subsidiaries and the associated company who do not have any written agreement must attend the shareholders' or Board of Directors' meeting only.

9.5 Control of the use of internal data

The company prohibits the management or the division which are aware of the internal data to disclose it to the third parties or irrelevant persons.

9.6 Remuneration of the auditor

The company and the subsidiaries have selected the auditor from KPMG Phumchai Auditing Co., Ltd. to audit the financial statements of the year 2017.

The audit fee is as follows:

(1) Audit fee

Unit: Baht

No.	Paying company	Name of auditor	Audit fee
1	Thai Rubber Latex Corporation (Thailand) PCL	Mr. Wairoj Chindamaneepitak Mr. Yuthapong Suntarinka Mr. Bunyarit Thanomcharoen	1,180,000
2	Thai Rubber Latex Group Co., Ltd.	Mr. Wairoj Chindamaneepitak Mr. Yuthapong Suntarinka Mr. Bunyarit Thanomcharoen	2,000,000
3	World Flex PCL	Mr. Wairoj Chindamaneepitak Mr. Yuthapong Suntarinka Mr. Bunyarit Thanomcharoen	800,000
4	Thai Rubber Land and Plantation Co., Ltd.	Mr. Wairoj Chindamaneepitak Mr. Yuthapong Suntarinka Mr. Bunyarit Thanomcharoen	600,000
5	Thai Rubber H.P.N.R. Co., Ltd.	Mr. Wairoj Chindamaneepitak Mr. Yuthapong Suntarinka Mr. Bunyarit Thanomcharoen	150,000
6	Wang Somboon Rubber Estate Co., Ltd.	Mr. Wairoj Chindamaneepitak Mr. Yuthapong Suntarinka Mr. Bunyarit Thanomcharoen	100,000
7	Latex Systems Co., Ltd.	Mr. Wairoj Chindamaneepitak Mr. Yuthapong Suntarinka Mr. Bunyarit Thanomcharoen	1,100,000
Total remuneration from the audit fee			5,930,000

(2) Non-Audit fee

9.7 Compliance with other principles of Good Corporate Governance

-None-

10. Corporate Social Responsibilities (CSR)

Throughout the period of its business operation, Thai Rubber Latex Corporation (Thailand) Public Company Limited and the subsidiaries have intended to express responsibilities, supports, assistance for the local community where the company has entered or established its office for business operations. The company supports the public health, environmental and educational activities, assists the victims of crisis, participates in religious activities, and creates profession to the local residents. As a private organization, the company wishes to see the nearby communities full of happiness by allowing them to create happiness with the company through the following projects:

10.1 Youth and educational development

The project titled “**Thai Rubber reduces hardship. The society is happy. The environment is fresh.**” has been initiated by the company’s idea that schools should be able to generate their own income which can be used for improvements of their lives and education as well as increasing the green space in the community. Each school was asked to find the area of up to 20 rai which can be either the school area or community area for rubber planting. The company would have taken care of the planting and treatment of the rubber trees for at least 6 years or until the rubber tapping is possible. All expenses incurred by this project were borne by the company. In addition, the company has cooperated with the community in taking care of the plantation and purchased all products. The income obtained from the sale would belong to the schools and they could manage it by themselves.

Objectives

1. To promote the sustainable good living of the local residents
2. To help the schools be able to generate their own income for development without awaiting the government’s subsidies
3. To promote learning of complete rubber planting and caring to teachers, students and local residents
4. To expand the green area to the local communities, which may help curve the global warming
5. To promote the living quality of students, teachers and communities in the long run

The project period

- At least 6 years, commencing from 2009 to 2016 or until the rubber trees are ready for tapping

Participants

- Thai Rubber Latex Corporation (Thailand) Public Company Limited and the subsidiaries
- Participating schools by teachers and students
- Local communities where the schools are located
- The government authorities where the communities are located

Project places

- | | |
|------------------------------|---|
| 1. Ban Mareua School | Location: Village No. 1, Ban Maelua Village,
Tha Khaoplueak Sub-district, Mae Chan District,
Chiang Rai Province |
| Area of rubber planting | 10 rai |
| 2. Ban Maephaeng School | Location: Village No. 5, Banden-Tha Khaoplueak Road,
Mae Chan District, Chiang Rai Province |
| Area of rubber planting | 20 rai |
| 3. Ban Tubkumanthong School | Location: Village No. 8, Ban Tubkumanthong Village,
Khaoplueak Sub-district, Mae Chan District,
Chiang Rai Province |
| Area of rubber planting | 20 rai |
| 4. Mae Lak Neon thong School | Location: Village No. 6, Tha Khaoplueak Sub-district,
Mae Chan District, Chiang Rai Province |
| Area of rubber planting | 6 rai |

Results of the operations

- | | |
|------------------------------|--|
| 1. Ban Mareua School | started operation from 2009 to present |
| 2. Ban Maephaeng School | started operation from 2009 to present |
| 3. Ban Tubkumanthong School | started operation from 2009 to present |
| 4. Mae Lak Neon thong School | started operation from 2009 to present |

10.2 Promotion and development of the disabled's quality of life in 2017 under Section 35

Promotion and development of the disabled's quality of life in 2017 under Section 35

The company realizes the importance of social responsibilities of all sectors, and the company always takes these responsibilities into consideration along with the business operations. While having to contribute the funds to the government agencies as required by the law, the company has come up with an idea to create the project "Promotion and development of the disabled's quality of life in 2017 under Section 35" to provide direct assistance to the disabled people so that they can spend the funds gained from the company to generate more income and take care of their families without reliance on the society.

Objectives

1. To express the company's social responsibilities
2. To help the disabled people to be able to earn a living and take care of their families without reliance on the society
3. To assure that the income will be directly received by the disabled persons without passing through any agents, which will benefit themselves the most
4. To help the government to provide assistance to the society

Project period

- January – December 2017

Participants

- The company and the subsidiaries
- The disabled people selected by the project
- Social Innovation Foundation

The method of providing funds (for one year)

The company will provide the funds to the disabled people who have registered as legal disabled. Social Innovation Foundation acts as the coordinator in selecting 4 disabled persons to receive the funds. Each of them receives 109,500 Baht, making a total of 438,000 Baht. The funds will be given directly to the selected disabled persons by the company.

10.3 Promotion of charity activities

This project aims to promote and preserve Buddhism which is the center of the heart of the community and build rapport between the communities and the company at the area where the company enters for business operation. The company realizes the importance of arranging Buddhist activities by joining the local resident in merit-making ceremonies annually.

Objectives

1. To build the sense of unity and rapport between the communities and the company
2. To preserve Buddhism
3. To create local activities in which local resident can join
4. To focus on the benefits that the communities can receive

Procedures

- The company will select the temples which are in need of the financial supports for preserving Buddhism.
- The temples located in the communities where the company operates its business will be chosen.
- The ceremony of presenting robes to monks will be arranged at least once a year at one temple or more.
- The company will host the ceremony in which the local residents and general public are invited to join.
- The ceremony will be performed along with the local residents and general public living near the temple.

The results of the project

2010	The ceremony of presenting robes to monks performed at Tha Khaoplueak in Mae Chan District, Chiang Rai Province
2011	The ceremony of presenting robes to monks performed Nalai Temple in Wiang Sa District, Nan Province
2012	The ceremony of presenting robes to monks performed at Maelak Temple in Mae Chan District, Chiang Rai Province

2013	The ceremony of presenting robes to monks performed at Phathat Jommokkaew Thammaram Temple in Mae Lao District, Chiang Rai Province
2014	The ceremony of presenting robes to monks performed at Srisakhon Temple in Maesakhon Sub-district, Mueang District, Nan Province
2015	The ceremony of presenting robes to monks performed at Srisakhon Temple in Maesakhon Sub-district, Mueang District, Nan Province
2016	The ceremony of presenting robes to monks performed at Sankhongngam Temple, Jamsawan Sub-district, Mae Chan District, Chiang Rai Province
2017	The ceremony of presenting robes to monks performed at Pa Sangngam Temple, Nong Pako Sub-district, Doi Luang District, Chiang Rai Province

11. Internal control

11.1 Summary of the opinions of the company directors on the company's internal control system

Internal control

The company realizes the importance of the internal control system as it acknowledges that the internal control is an essential mechanism which can drive the company to achieve the goals of its business effectively and efficiently, the use of resources and maintenance of assets, financial report, compliance with the laws, regulations and provisions as well as preventing or reducing the risks of any action which may jeopardize the company. The Board of Directors have determined the roles and duties of each committee and the management. In addition, they will monitor the operations to ensure the compliance with the assigned duties. The organizational structure and chain of command have been created to balance the power and for appropriate internal control. The business goals and key performance indicators have also been indicated for performance evaluation and comparison of the results of operations with the determined goals.

The company has also determined the policies on good corporate governance, business ethics and the code of conduct of the directors, the management and the employees of the company, the anti-corruption policy and the written complaint policy. Furthermore, the employees are encouraged to be aware of the policies and comply with them strictly. The training is provided to the employees on annual basis to ensure transparency of work and fairness to all groups of stakeholders. The monitoring processes and penalties have been arranged, and the written power manual and operation manual are reviewed and prepared to be used as the guidelines for operations of the employees of all levels and for the business liquidity based on the scope of their duties and responsibilities and appropriate internal control system.

The Board of Directors have determined that the Audit Committee supervises the internal control system, the risk management system, and the corporate governance system of the company to ensure appropriateness and efficiency. Also, the Audit Committee will examine whether the company complies with the related laws and regulations, prevent conflicts of interest, monitor the making of connected transactions and the maintenance and utilization of assets to prevent corruption or misconduct. The company has the mechanism for examining and balancing by having the internal audit who works independently and reports directly to the Audit Committee to inspect and assess the effectiveness and appropriateness of the internal control system, risk management system and

corporate governance system in the operation of each unit in the company and the subsidiaries. The internal control system applies the COSO (The Committee of Sponsoring Organizations of the Tread Way Commission) standards, the framework of Enterprise Risk Management, and the principles of good corporate governance indicated by the Stock Exchange of Thailand and Thai Institute of Directors (IOD) and Organization for Economic Co-operation and Development (OECD) in the internal control system for more complete risk management and good corporate governance to ensure the most effective and efficient operations of the company.

In addition, the company evaluates the appropriateness of the internal control system on annual basis according to the guidelines of the Office of the Securities and Exchange Commission under the framework of the internal control of the Stock Exchange of Thailand which refer to 5 elements and 17 sub-principles of COSO (The Committee of Sponsoring Organizations of the Tread Way Commission). **In 2017, the company did not find any significant errors in its internal control system. The details are as follows:**

- Risk assessment

The company realizes the importance of the management of external and internal risk factors which may affect the company's business. Therefore, the Risk Management Committee (RM) has been appointed to oversee the company's risk management to ensure that it is in accordance with the goals and at acceptable level. It is also important to assure that all employees comply with the risk management policy which has been made on the basis of assessment and management of internal and external risk factors and covers all kinds of risks including strategic risks, operational risks, financial risks, compliance risks, and other risks derived from corruption to find the most proper measures to address these risks. The quarterly report is submitted to the Risk Management Committee and the annual report is sent to the Board of Directors. Also, the external and internal risk factors which may affect the company are reviewed annually.

- Control Activities

The company has the internal control measures which are in accord with the risks and the types of business. The duties and responsibilities of each position are identified clearly, and the power manual and operation manual are reviewed and prepared as the guidelines for employees' operations to ensure their conformity to the organizational structure and the current operations. Each employee can balance their power with each other, and there is a mechanism to trace back to the origin of operations, especially for the high risky operations, to reduce errors in financial transactions, sale, procurement, and asset maintenance. The Internal Audit Department audits the results of the operations to ensure compliance with the regulations, rules, power and operational manuals and to make sure that the internal control system is effective and practical. The information and communication system has also been implemented to facilitate employees' operations.

In addition, the company has indicated the clear policies, regulations, rules on making transactions with the related parties including the majority shareholders, directors, management, and related persons to affirm accuracy, transparency and fairness in consideration with the highest benefits of the company according to the principles of SET and SEC.

- Information and communication system

The company realizes the importance of information and communication system, so the system has been continuously promoted and developed to ensure accurate and updated information. The company has implemented modern and efficient information and communication system which can guarantee safety and of the data from the stage of data collection, data processing, data storage, and monitoring to facilitate the use of data by the directors, the management and the employees in timely manner when making business-related decisions. Moreover, the policy on security of information and communication system and data usage has been determined.

The company has arranged internal and external communication channels for which the data can be accessed quickly and conveniently through the internet. These communication channels will be used for announcing the company's policies, regulations, manuals/procedures of operations, and news.

- Monitoring Activities

The company conducts the assessment and monitoring of the internal control system which covers all aspects including accounting and finance, operation, compliance with the laws/regulations, asset maintenance, and corruption, which may significantly affect the company's reputation for prompt correction. The Audit Committee audits the internal control system through the Internal Control Department which monitors and assesses the performances to ensure that the errors detected during the examination or audit processes have been rectified in timely manner. Regarding the accounting and financial control assessment by the CPA, the results will be submitted to the Audit Committee for consideration on quarterly and annually basis. The results of the audit by the CPA and the internal auditor suggest that there was no significant error.

12. Connected transactions

12.1 Connected transactions with the persons who may have the conflicts of interest in 2017

In 2017, the company had significant connected transactions with the companies and the persons who have certain common shareholders or the management. The transactions were normal trading transactions as follows:

Description of symbols

Listed company

TRUBB = Thai Rubber Latex Corporation (Thailand) Public Company Limited

Subsidiaries

THAITEX = Thai Rubber Latex Group Co., Ltd (99.99% of shares held by TRUBB)

LS = Latex Systems Co., Ltd. (56.16% of shares held by TRUBB)

TRLP = Thai Rubber Land and Plantation Co., Ltd. (99.99% of shares held by TRUBB)

WFX = World Flex Public Company Limited (98.4% of shares held by TRUBB)

Associated company

WSB = Wang Somboon Rubber Estate Co., Ltd. (48.43 % of shares held by TRLP)

Related companies

SDR = Soi Dao Rubber Estate Co., Ltd.

PHOENIX = Phoenix Rubber Products Co., Ltd.

Related persons

Mr. Prakit Waraprteep = Legal child of the Vice President, director of the subsidiary and the shareholder of the company

(1) Connected sale-purchase transactions related to normal trading

Name and relationship	Transaction description	Value (million Baht)	Necessity and reasonability
LS (56.16% of shares held by TRUBB)	TRUBB sold concentrated latex to LS for production of rubber mattresses and pillows.	33	-LS bought concentrated latex from TRUBB because of its good quality. - TRUBB sold at the same price as other customers did (market price).
LS (Group of shareholders who collectively hold 19% Shares in TRUBB and hold 37.17% shares in LS)	THAITEX sold concentrated latex to LS for production of rubber mattresses and pillows.	261	-LS bought concentrated latex from THAITEX because of its good quality and being a TRUBB subsidiary. - THAITEX sold at the same price as other customers did (market price).
WSB (99.99% subsidiary of TRUBB and 48.43 % of shares held by TRUBB)	TRUBB brought field latex from WSB for production of concentrated latex.	0.2	- WSB plantation and TRUBB factory are located in the East of Thailand, the purchasing is convenient and the transportation cost is lower. - TRUBB bought at the same price as other suppliers (market price).
WSB (Group of shareholders who collectively hold 21.18% Shares in TRUBB and hold 18.21% shares in WSB)	TRUBB brought field latex from WSB for production of concentrated latex.	11.8	- WSB plantation and THAITEX factory are located in the North-East, the purchasing is convenient and the transportation cost is lower. - TRUBB bought at the same price as other suppliers (market price).
SDR (Group of shareholders who collectively hold 35.39% Shares in TRUBB and hold 80.42% shares in SDR)	THAITEX brought fresh latex from SDR for production of concentrated latex.	14.29	- SDR plantation and THAITEX factory are located in the North-East, the purchasing is convenient and the transportation cost is lower. - TRUBB bought at the same price as other suppliers (market price).
PHOENIX (PHOENIX's Executives are related to TRUBB's directors)	TRUBB sold concentrated latex to PHOENIX for production of latex gloves.	48.39	- PHOENIX bought concentrated latex from TRUBB because of its good quality. - TRUBB sold at the same price as other customers did (market price).
PHOENIX (PHOENIX's Executives are related to WFX's directors)	WFX sold chemicals to PHOENIX for production of latex gloves.	0.99	- PHOENIX bought chemicals from WFX because WFX can negotiate the price with suppliers importing the chemicals, so the price is lower. - WFX sold at cost price.

Name and relationship	Transaction description	Value (million Baht)	Necessity and reasonability
PHOENIX (PHOENIX's Executives are related to TRUBB's directors)	Rent of land and buildings of glove factories of TRUBB	1.02	- TRUBB has the unused land and glove factory buildings. The rent is 85,000 Baht per month. The term is 14 years, and the lease will expire in January 2031.
PHOENIX (PHOENIX's Executives are related to TRUBB's directors)	Rent of machines of glove factories of TRUBB	1.2	- TRUBB has the unused glove processing machines. The rent is 100,000 Baht per month. The term is 4 years, and the lease will expire in January 2021.
Mr. Prakrit Waraprateep (holding 4.99% of TRUBB shares)	Rent the land from Mr. Prakrit to keep certain assets of THAITEX	0.1	- THAITEX in Rayong has no space for storing certain assets as a result of the closure of THAITEX factory in Chantaburi. The rent is 8,800 Baht per month. The term is 3 years, and the lease will expire in June 2018, but THAITEX revoked the lease agreement in December 2017.

The policy on determination of connected transaction prices

The details of the policy are disclosed in the note to the consolidated financial statements in Clause 4 Significant Transactions with Related Persons or Companies in the annual financial statements report of 2017 which have been audited by the CPA.

12.2 Necessity and reasonability of the transactions

The company has explained the necessity and reasonability of the transactions in the above tables. The Board of Directors and the Audit Committee certified the transactions on 23 February 2018.

12.3 Policy or possibility of connected transactions in the future

The company has no policy to make new transactions; however, if necessary, the transactions will be decided based on the maximum benefits of the shareholders. The transactions occurred in 2017 will continue to 2018, and the connected transactions made with THAITEX may be changed to the transactions with TRUBB in 2018 due to the adjustment of organizational structure, which was the entire business transfer.

Part 3

Financial Status and Overall Operation

13. Significant financial information

13.1 Summary of the financial statements

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
<i>(in Baht)</i>					
Assets					
Current assets					
Cash and cash equivalents	6	190,166,606	127,190,727	43,551,259	690,576
Trade accounts receivable	5, 8	971,286,489	942,665,007	825,467,156	381,784,389
Other current receivables	5, 9	107,748,702	103,620,824	98,850,694	35,826,158
Short-term loans to related parties	5	-	-	1,447,203,000	1,390,303,000
Short-term loans to other parties		-	16,793,406	-	13,485,590
Inventories	10	1,306,336,097	1,098,140,070	907,405,705	120,764,173
Non-current assets classified as held for sale	16	-	34,310,904	-	6,826,000
Other current assets		83,062,900	85,265,587	61,595,877	24,397,540
Total current assets		2,658,600,794	2,407,986,525	3,384,073,691	1,974,077,426
Non-current assets					
Restricted deposit at financial institution		10,000,000	-	-	-
Investments in associates	11	32,304,199	31,808,611	-	-
Investments in subsidiaries	12	-	-	1,929,960,080	1,893,670,467
Other long-term investments	7	100,000,000	-	100,000,000	-
Long-term loans to other party		-	400,000	-	400,000
Investment properties	14	557,950,000	549,060,000	120,450,000	123,090,000
Property, plant and equipment	15	3,343,089,354	3,318,133,375	1,145,343,208	267,835,146
Other intangible assets	17	5,245,837	1,787,792	494,340	659,120
Land possessory rights	18	193,157,504	192,444,240	6,270,000	6,270,000
Rubber plantation development costs	20	877,436,529	851,210,212	-	-
Withholding tax deducted at source		165,229,088	137,616,820	159,391,949	72,972,266
Advance payment for land possessory rights	19	36,548,648	45,000,000	-	-
Deferred tax assets	21	19,421,830	24,543,747	-	4,296,938
Other non-current assets		8,636,717	10,142,929	1,670,363	791,429
Total non-current assets		5,349,019,706	5,162,147,726	3,463,579,940	2,369,985,366
Total assets		8,007,620,500	7,570,134,251	6,847,653,631	4,344,062,792

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
<i>(in Baht)</i>					
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	22	3,402,760,800	3,449,148,862	2,907,325,052	863,207,402
Trade accounts payable	5, 23	204,762,741	182,529,457	46,945,063	512,766,125
Other current payables	5, 24	154,780,248	145,561,360	50,379,848	20,545,655
Short-term borrowings from related parties	5, 22	8,000,000	8,000,000	32,000,000	1,349,300,000
Current portion of long-term borrowings					
from financial institutions	22	108,750,000	65,000,000	58,750,000	12,000,000
Current portion of finance lease liabilities	22	74,804,624	64,410,104	73,159,703	9,078,327
Accrued expenses		76,055,438	46,664,175	29,740,989	1,483,155
Current income tax payable		9,211,468	9,274,318	-	-
Other current liabilities		5,324,277	4,844,061	3,170,942	1,510,954
Total current liabilities		4,044,449,596	3,975,432,337	3,201,471,597	2,769,891,618
Non-current liabilities					
Long-term borrowings from financial institutions	22	1,123,750,000	1,010,000,000	898,750,000	255,000,000
Finance lease liabilities	22	90,642,695	86,934,525	86,827,194	12,973,549
Non-current provisions for employee benefits	25	67,169,168	62,143,622	49,068,594	7,584,064
Deferred tax liabilities	21	239,531,642	219,198,462	62,977,910	-
Other non-current liability		3,000,000	3,000,000	-	-
Total non-current liabilities		1,524,093,505	1,381,276,609	1,097,623,698	275,557,613
Total liabilities		5,568,543,101	5,356,708,946	4,299,095,295	3,045,449,231
Equity					
Share capital:					
Authorised share capital	26	1,881,479,688	749,607,657	1,881,479,688	749,607,657
Issued and paid-up share capital	26	1,685,079,688	681,479,688	1,685,079,688	681,479,688
Share premium					
Share premium on ordinary shares	26	342,170,431	342,170,431	342,170,431	342,170,431
Difference from business combination					
under common control	3, 27	(1,003,600,000)	-	(397,599,771)	-
Retained earnings (deficit)					
Appropriated					
Legal reserve	27	135,555,246	123,676,011	58,650,000	58,650,000
Unappropriated (deficit)		(242,494,785)	(439,021,914)	307,559,235	52,862,614
Other components of equity	27	1,300,735,197	1,317,086,931	552,698,753	163,450,828
Equity attributable to owners					
of the parent		2,217,445,777	2,025,391,147	2,548,558,336	1,298,613,561
Non-controlling interests	13	221,631,622	188,034,158	-	-
Total equity		2,439,077,399	2,213,425,305	2,548,558,336	1,298,613,561
Total liabilities and equity		8,007,620,500	7,570,134,251	6,847,653,631	4,344,062,792

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
(in Baht)					
Income					
Revenue from sales of goods and rendering of services	37	9,427,156,914	7,735,986,523	2,854,756,123	2,142,620,185
Other income	29	40,981,860	117,074,400	300,761,841	113,363,618
Total income		9,468,138,774	7,853,060,923	3,155,517,964	2,255,983,803
Expenses					
Cost of sales of goods and rendering of services	10	8,401,275,633	7,115,822,216	2,701,864,281	2,033,646,245
Distribution costs	30	332,388,848	332,765,948	52,517,253	36,709,220
Administrative expenses	31	323,041,932	325,804,556	48,222,842	64,919,899
Other expenses	32	8,365,595	24,277,184	2,887,140	3,948,299
Finance costs	35	174,873,169	154,179,547	99,946,905	97,826,705
Total expenses		9,239,945,177	7,952,849,451	2,905,438,421	2,237,050,368
Share of profit (loss) of investments in associates	11	441,572	(650,876)	-	-
Total		441,572	(650,876)	-	-
Profit (loss) before income tax expense		228,635,169	(100,439,404)	250,079,543	18,933,435
Tax expense	36	(34,259,858)	(42,027,795)	(3,653,781)	(8,136,553)
Profit (loss) for the year		194,375,311	(142,467,199)	246,425,762	10,796,882
Other comprehensive income					
<i>Items that will be reclassified subsequently to profit or loss</i>					
Exchange differences on translating foreign operations		(789,495)	(7,464,454)	-	-
Share of other comprehensive income of associates	11	54,016	226,897	-	-
Total items that will be reclassified subsequently to profit or loss		(735,479)	(7,237,557)	-	-
<i>Items that will not be reclassified to profit or loss</i>					
Gains on revaluation of assets	15	60,670,000	882,478,862	-	79,878,081
Reversal of revaluation surplus of land and building which transferred to investment properties	14	-	(15,208,410)	-	-
Defined benefit plan actuarial losses	25	(802,288)	-	(101,234)	-
Income tax relating to items that will not be reclassified	21	(12,050,894)	(173,521,064)	20,247	(15,975,616)
Total items that will not be reclassified to profit or loss		47,816,818	693,749,388	(80,987)	63,902,465
Other comprehensive income/(expense) for the year, net of income tax		47,081,339	686,511,831	(80,987)	63,902,465
Total comprehensive income/(expense) for the year		241,456,650	544,044,632	246,344,775	74,699,347
Profit (loss) attributable to:					
Owners of the parent		144,406,056	(168,083,275)	246,425,762	10,796,882
Non-controlling interests	13	49,969,255	25,616,076	-	-
Profit (loss) for the year		194,375,311	(142,467,199)	246,425,762	10,796,882
Total comprehensive income attributable to:					
Owners of the parent		192,054,630	516,037,054	246,344,775	74,699,347
Non-controlling interests	13	49,402,020	28,007,578	-	-
Total comprehensive income for the year		241,456,650	544,044,632	246,344,775	74,699,347
Earnings (loss) per share					
Basic earnings (loss) per share (in Baht)	38	0.21	(0.25)	0.36	0.02

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Statement of changes in equity

	Consolidated financial statements											
	Retained earnings				Other components of shareholders' equity							
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated (Deficit)	Translating foreign operations	Revaluation surplus	Changes in ownership interest in subsidiary	Share of other comprehensive income/(expenses) of investments in associates	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
capital	premium	reserve	(Deficit)	foreign operations	surplus	subsidiary	in associates	equity	of the parent	interests	equity	
(in Baht)												
For the year ended 31 December 2016												
Balance at 1 January 2016	681,479,688	342,170,431	121,136,453	(319,733,634)	(755,865)	694,869,722	(11,412,912)	1,600,210	684,301,155	1,509,354,093	165,634,728	1,674,988,821
Transactions with owners, recorded directly in equity												
<i>Distributions to owners of the parent</i>												
Dividends paid in subsidiaries	-	-	-	-	-	-	-	-	-	-	(5,608,148)	(5,608,148)
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	(5,608,148)	(5,608,148)
Comprehensive income for the year												
Profit (loss) for the year	-	-	-	(168,083,275)	-	-	-	-	-	(168,083,275)	25,616,076	(142,467,199)
Other comprehensive income	-	-	-	-	(4,237,908)	688,131,340	-	226,897	684,120,329	684,120,329	2,391,502	686,511,831
Total comprehensive income for the year	-	-	-	(168,083,275)	(4,237,908)	688,131,340	-	226,897	684,120,329	516,037,054	28,007,578	544,044,632
Transfer to legal reserve in subsidiary	-	-	2,539,558	(2,539,558)	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	51,334,553	-	(51,334,553)	-	-	(51,334,553)	-	-	-
Balance at 31 December 2016	681,479,688	342,170,431	123,676,011	(439,021,914)	(4,993,773)	1,331,666,509	(11,412,912)	1,827,107	1,317,086,931	2,025,391,147	188,034,158	2,213,425,305

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries

Statement of changes in equity

		Consolidated financial statements													
		Retained earnings				Other components of shareholders' equity									
		Issued and paid-up share capital		Difference from business combination under common control		Legal reserve	Unappropriated (Deficit)	Translating foreign operations	Revaluation surplus	Changes in ownership interest in subsidiary	Share of other comprehensive income/(expenses) of investments in associates	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
Note			Share premium												
(in Baht)															
For the year ended 31 December 2017															
	Balance at 1 January 2017	681,479,688	342,170,431	-	123,676,011	(439,021,914)	(4,993,773)	1,331,666,509	(11,412,912)	1,827,107	1,317,086,931	2,025,391,147	188,034,158	2,213,425,305	
Transactions with owners, recorded directly in equity															
<i>Contributions by and distributions to owners of the parent</i>															
	Issue of ordinary shares	26	1,003,600,000	-	-	-	-	-	-	-	-	1,003,600,000	9,962,041	1,013,562,041	
	Dividends paid in subsidiaries		-	-	-	-	-	-	-	-	-	-	(25,766,597)	(25,766,597)	
	Total transactions with owners, recorded directly in equity		1,003,600,000	-	-	-	-	-	-	-	-	1,003,600,000	(15,804,556)	987,795,444	
Comprehensive income for the year															
	Profit (loss) for the year		-	-	-	-	144,406,056	-	-	-	-	144,406,056	49,969,255	194,375,311	
	Other comprehensive income		-	-	-	-	(647,686)	(253,323)	48,495,567	-	54,016	48,296,260	(567,235)	47,081,339	
	Total comprehensive income for the year		-	-	-	-	143,758,370	(253,323)	48,495,567	-	54,016	48,296,260	49,402,020	241,456,650	
	Transfer to legal reserve in subsidiary		-	-	-	11,879,235	(11,879,235)	-	-	-	-	-	-	-	
	Transfer to retained earnings		-	-	-	-	64,647,994	-	(64,647,994)	-	(64,647,994)	-	-	-	
	Effect of business restructuring	3	-	-	(1,003,600,000)	-	-	-	-	-	-	(1,003,600,000)	-	(1,003,600,000)	
	Balance at 31 December 2017		1,685,079,688	342,170,431	(1,003,600,000)	135,555,246	(242,494,785)	(5,247,096)	1,315,514,082	(11,412,912)	1,881,123	1,300,735,197	2,217,445,777	221,631,622	2,439,077,399

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements				Other components of shareholders' equity	
	Issued and paid-up share capital	Share premium	Retained earnings			
			Legal reserve	Unappropriated		
				<i>(in Baht)</i>		
For the year ended 31 December 2016						
Balance at 1 January 2016	681,479,688	342,170,431	58,650,000	33,827,153	107,786,942	1,223,914,214
Comprehensive income for the year						
Profit for the year	-	-	-	10,796,882	-	10,796,882
Other comprehensive income	-	-	-	-	63,902,465	63,902,465
Total comprehensive income for the year	-	-	-	10,796,882	63,902,465	74,699,347
Transfer to retained earnings	-	-	-	8,238,579	(8,238,579)	-
Balance at 31 December 2016	681,479,688	342,170,431	58,650,000	52,862,614	163,450,828	1,298,613,561

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

Statement of changes in equity

	Note	Separate financial statements					Other components of	Total equity
		Issued and paid-up share capital	Share premium	Difference from business combination under common control	Retained earnings		shareholders' equity	
					Legal reserve	Unappropriated	Revaluation surplus	
<i>(in Baht)</i>								
For the year ended 31 December 2017								
Balance at 1 January 2017		681,479,688	342,170,431	-	58,650,000	52,862,614	163,450,828	1,298,613,561
Transactions with owners, recorded directly in equity								
<i>Contributions by owners of the parent</i>								
Issue of ordinary shares	26	1,003,600,000	-	-	-	-	-	1,003,600,000
Total transactions with owners, recorded directly in equity		1,003,600,000	-	-	-	-	-	1,003,600,000
Comprehensive income for the year								
Profit for the year		-	-	-	-	246,425,762	-	246,425,762
Other comprehensive income		-	-	-	-	(80,987)	-	(80,987)
Total comprehensive income for the year		-	-	-	-	246,344,775	-	246,344,775
Transfer to retained earnings		-	-	-	-	8,351,846	(8,351,846)	-
Effect of business restructuring	3	-	-	(397,599,771)	-	-	397,599,771	-
Balance at 31 December 2017		1,685,079,688	342,170,431	(397,599,771)	58,650,000	307,559,235	552,698,753	2,548,558,336

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	(in Baht)			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	194,375,311	(142,467,199)	246,425,762	10,796,882
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense	34,259,858	42,027,795	3,653,781	8,136,553
Finance costs	174,873,169	154,179,547	99,946,905	97,826,705
Depreciation and amortisation	211,021,210	185,538,325	16,557,133	18,477,956
Amortisation of rubber plantation development costs	14,750,764	6,733,358	-	-
(Reversal of) impairment losses of assets	-	(12,017,205)	-	3,823,700
Unrealised gain on exchange	(953,340)	(319,142)	(107,503)	(156,290)
Provision for (reversal of) bad and doubtful debts expenses	1,605,815	2,598,071	-	(500)
(Gain) loss on fair value adjustment of investment properties	(8,890,000)	(42,484,410)	2,640,000	(42,516,000)
Losses on inventories devaluation	4,473,236	-	-	-
Loss (gain) on sale of property, plant and equipment	11,371,770	(29,863,368)	10,930	(100,000)
Loss on written-off of property, plant and equipment	552,704	3,511,757	-	-
Gain on disposal of non-current assets classified as held for sale	(6,184,641)	-	-	-
Employee benefits expense	5,866,598	6,956,449	1,154,572	1,521,472
Share of (profit) loss of investments in associates,				
net of income tax	(441,572)	650,876	-	-
Written-off of withholding tax deducted at source	273,981	12,147,052	-	2,906,719
Dividends income	-	-	(231,970,981)	(7,185,502)
Interest income	(692,382)	(1,764,710)	(55,872,806)	(54,550,313)
	<u>636,262,481</u>	<u>185,427,196</u>	<u>82,437,793</u>	<u>38,981,382</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable and other current receivables	(25,493,534)	(116,196,824)	(142,588,605)	30,776,188
Inventories	(212,669,263)	(47,065,215)	(206,538,293)	31,117,476
Other current assets	1,741,225	(6,588,424)	(1,655,534)	12,700,973
Other non-current assets	1,506,212	(795,604)	3,915,084	2,489,529
Trade accounts payable and other current payables	37,790,155	122,995,900	191,235,432	106,157,421
Accrued expenses	37,842,616	(4,273,030)	3,258,459	(398,560)
Other current liabilities	480,216	(2,642,029)	925,026	(301,077)
Non-current provision for employee benefits	(1,643,340)	(4,353,316)	(94,200)	(1,757,900)
Cash generated from (used in) operating activities	<u>475,816,768</u>	<u>126,508,654</u>	<u>(69,104,838)</u>	<u>219,765,432</u>
Tax received	13,365,221	5,267,658	-	-
Tax paid	(62,169,974)	(51,862,146)	(16,257,688)	(13,950,974)
Net cash from (used in) operating activities	<u>427,012,015</u>	<u>79,914,166</u>	<u>(85,362,526)</u>	<u>205,814,458</u>

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	698,809	1,622,915	27,882,554	54,511,045
Dividends received	-	535,600	14,371,005	7,185,503
Proceeds from return on capital of subsidiary	-	-	890,293	-
Increase in restricted deposit at financial institution	(10,000,000)	-	-	-
Repayment of short-term loans to related parties	-	-	(74,600,000)	(295,150,000)
Proceeds from short-term loans to related parties	-	-	17,700,000	203,397,000
Decrease (increase) in short-term loans to other parties	15,582,591	(3,275,718)	13,885,590	(2,475,717)
Acquisition of property, plant and equipment	(187,665,604)	(425,830,086)	(5,465,105)	(8,019,843)
Proceeds from sale of property, plant and equipment	92,906,444	429,351,817	5,607	100,000
Proceeds from sale of non-current assets classified as held for sale	40,018,533	-	6,826,000	-
Acquisition of other intangible assets	(4,243,885)	(1,603,929)	-	(823,900)
Increase in rubber plantation development costs	(26,767,188)	(33,343,117)	-	-
Proceeds from entire business transfer	-	-	9,976,593	-
Investments in other long-term investment	(100,000,000)	-	(100,000,000)	-
Net cash used in investing activities	(179,470,300)	(32,542,518)	(88,527,463)	(41,275,912)
<i>Cash flows from financing activities</i>				
Increase (decrease) in bank overdrafts and short-term borrowings				
from financial institutions	(46,388,062)	(764,455,359)	162,356,650	(264,878,249)
Payment by a lessee for reduction of the outstanding liability				
relating to a finance lease	(70,669,278)	(63,579,384)	(9,276,156)	(8,589,036)
Proceeds from short-term borrowings from related parties	-	-	296,227,460	378,500,000
Repayment of short-term borrowings from related parties	-	(20,000,000)	(124,600,000)	(445,450,000)
Proceeds from long-term borrowings	230,000,000	1,085,000,000	-	270,000,000
Repayment of long-term borrowings	(72,500,000)	(95,400,000)	(12,000,000)	(3,000,000)
Dividends paid of subsidiaries to non-controlling interest	(25,766,597)	(5,608,148)	-	-
Interest paid	(192,052,689)	(170,497,030)	(94,160,905)	(97,734,765)
Other finance costs paid	(6,399,715)	(6,798,538)	(1,796,377)	(611,947)
Net cash from (used in) financing activities	(183,776,341)	(41,338,459)	216,750,672	(171,763,997)
Decrease in translation difference	(789,495)	(7,464,454)	-	-
Net increase (decrease) in cash and cash equivalents,				
before effect of exchange rates	62,975,879	(1,431,265)	42,860,683	(7,225,451)
Effect of exchange rate changes on cash and cash equivalents	-	(9)	-	-
Net increase (decrease) in cash and cash equivalents	62,975,879	(1,431,274)	42,860,683	(7,225,451)
Cash and cash equivalents at 1 January	127,190,727	128,622,001	690,576	7,916,027
Cash and cash equivalents at 31 December	190,166,606	127,190,727	43,551,259	690,576
<i>Supplemental disclosures of cash flow information</i>				
Non-cash transactions				
Assets acquired under financial lease and hire purchase agreements	84,771,968	1,432,211	2,687,248	-
Dividends received from subsidiary by offsetting with repayment of loans	-	-	217,599,976	-
Advance payment for land possessory rights	8,451,352	-	-	-
Issue of share capital as consideration transferred	1,003,600,000	-	1,003,600,000	-

14. Analyze and Explanation of the Management

14.1 Overall Performance

The company had net profit for 2017 was 194.38 million Baht. TRUBB gained the increase in net profit 336.84 million Baht due to the increase in field latex at the beginning of the year. Despite the high volatility of field latex price during the year, comparing the average price of field latex in 2016 and 2017, the price was higher 14% from 50.03 Baht per kilogram in 2016 to 57.12 Baht per kilogram in 2017 (Source: Rubber Research Institute of Thailand)

14.2 Performance and Profitability

In term of the operation result of 2017 comparing to 2016, the company had sales and service income 9,427.16 million Baht, the increase of 21.86% or 1,691.17 million Baht, due to the increase of latex price helping the company gain more income. Cost of sales and service in 2017 was 8,401.27 million Baht, the increase of 18.06% or 1,285.45 million Baht comparing to 2016, which was the result of a higher cost of raw material price. The Group has improved more effective production cost control and the improving of rubber thread production which caused greater output and higher quality of rubber thread produced. However, the price of chemical materials increased, causing the higher cost of production.

Latex and pre-vulcanized Group in 2017 had profit before tax 155 million baht, which increased from 2016 by 262 million baht due to a higher price of rubber. The gross profit increased from 6% to 10% due to the increasing sale price and the increase in production capacity leading the decrease of the unit cost. The group has invested additional production capacity and concentrated latex tanks since 2016, which enables the group to store more latex to be used in the future. The higher production capacity also yielded more rubber by-products, skim rubber, for sale, which was sold by 1,415 tons more than the previous year.

Regarding the Rubber Product Group, profit before tax was 134 million Baht in 2017, which increased by 77 million Baht from 2016. This was the result of the improvements of system and expansion of a factory producing mattresses and pillows to boost production capacity. Since the new system started to work in the third quarter of 2017, more products can be launched to the market, which contributes to the increasing sales by 649 million Baht. Also, the Rubber Product Group could expand its customer base, especially in China, and will continue expanding the targets because the company's products have good quality that meet demand of the market.

As for Rubber Plantation Group, loss before tax was 63 million Baht in 2017, which makes the loss decrease by 21 million baht comparing to 2016. This was because business was affected by various factors, such as fluctuation of the field latex price, and the price of rubber was at low level. Plus, the group has fixed costs which are not changed in accord with the rubber price. In addition, the group has to bear the impairment losses of certain properties, leading to the business loss. Nevertheless, the decrease in loss of this group positivity affects the overall operation of the Group.

14.3 Asset Management

(1) Components of assets

- The value of the current assets was 2,659 million Baht, which increased by 251 million Baht or 10%, due to the increase of account receivable 28 million Baht, the increase of inventories, 210 million Baht and the increase of cash by 63 million Baht. Due to the advance orders received from the customers, the company needed to spend the working capital on the inventories and reserve the money for purchasing field latex during the new registration of mortgage with the bank (after the restructuring of business upon the entire business transfer). Also, the assets held for sale were sold in 2017, causing a decrease in the current assets of the Company.

- The value of the non-current assets was 5,349 million Baht, which increased by 187 million Baht because of an increase in other long-term investment by 100 million Baht which was the result of the company's agreement with Rubber Authority of Thailand and other rubber companies on the establishment of Thai Rubber Joint Venture Co., Ltd. with the aim to build stability of the rubber price. Additionally, the cost of rubber plantation development increased by 26 million Baht due to additional rubber tree planting, and the value of lands, buildings and equipment increased by 25 million Baht as a result of the system improvement and factory expansion to enhance the capacity of mattress and pillow production.

(2) Impairment of Assets

- The company's existing assets are reported in their fair value, without intention to deliberately impair their value. If impairments take place, the company reserves and amount to compensate for such impairment, accurately reflecting the asset quality corresponding to its true market value based on accepted accounting principles.

(3) Account Receivable: The value of trade account receivable was 1,105 million Baht. After deduction of allowance for doubtful accounts, the net value of trade account receivable was 971 million Baht. In 2017, the value of account receivable increased by 28 million Baht by comparison with the previous year. This was because the Concentrated Latex and Rubber Product Group increased their sales. Also, the rubber price in 2017 was higher than that in 2016.

- Allowance for doubtful accounts was completely made at the value of 133 million Baht, amounting to 12% of the trade account receivable. In 2017, there was not any additional allowance for doubtful accounts.

(3) Inventories: The net value of inventories after deduction of allowance for diminution in value of inventories was 1,306 million Baht, which made it increase by 208 million Baht in comparison with the previous year. This was because in 2017 the Concentrated Latex Group built additional tanks for storing latex to support the customers' advance orders and preserve the raw materials for the non-tapping period. The tanks could store more 14,500 tons of concentrated latex.

14.4 Liquidity and capital sufficiency

(1) Sources and User of Capital

- There were changes in capital sources and user of capital. In 2017, the net cash received from operations was 427 million Baht which the cash flow was received from the inventories decreased by 213 million Baht because of a higher sale price.

- Appropriateness of the capital structure: Most of the company's capital structure in 2017 is from liabilities having the ratio of liabilities to the shareholders' equity at 2.28 times, which decreased from the 2.42 times in the previous year. In 2017, the balance of long-term loans was higher as the company has taken the long-term loans for the expansion of mattress and pillow manufacturing factory and building of the concentrated latex factory in Chiang Rai Province.

- As for the changes in shareholders' equity in the separated financial statements in 2017, the shareholders' equity of the holding company increased by 193 million Baht due to the deficit of the unappreciated proportion by 145 million Baht while the other components of the shareholders' equity increased by 48 million Baht.

(2) Investment Expenditures

In terms of investment in 2017, the company spent the net amount of 179 million Baht of cash. The amount of 187 million Baht was spent mainly on purchasing the land, buildings, equipment and intangible assets to invest in the expansion of rubber mattresses and pillows production capacity. In addition, there was an investment on Thai Rubber Joint Venture Co., Ltd. with Rubber Authority of Thailand, and the costs of rubber plantation development increased by 27 million Baht as some rubber trees still needed treatment and care. After this, the costs of plantation development will be gradually lower.

Meanwhile, the land, buildings and equipment were sold at 93 million Baht, which was the sale and lease back of newly built concentrated tanks. Moreover, the company received 40 million Baht of cash from the sale of assets held for sale. This was to reduce the cash flow spent on investment.

(3) Liquidity Management

As the sales of concentrated latex is the main income of the Group, and the use of working capital in concentrated latex business can be varied according to the rubber tapping period, the amount of working capital needed for this business was not fixed throughout the year. The end of the year was the period when working capital was the most essential while a little amount was needed during the second quarter. Although the rubber price increased at the end of 2017, the company still has sufficient credit limit for supporting its operations.

14.5 Factors affecting future operations

(1) Rubber Prices and Demand: Since the company and its affiliates conduct business covering all aspects of the rubber industry, and increase in rubber demand will drive up selling prices, leading to increase production, sales, and profitability.

(2) Governmental Influences on Rubber Prices: The government considers that low rubber price negatively affects the agriculturalists' quality of lives led to the issuing of many policies to drive up rubber prices. If the policies are unanticipated by the market, rubber prices and the company's profitability will be mutually affected.

(3) Weather conditions: As rubber raw materials are obtained from the plantation, weather conditions are the factor affecting rubber tapping. For example, droughts decrease latex production as well as heavy rains wash away latex from the trees, decreasing the total amount collected.

(4) Oil price: oil prices do not directly affect the volatility of rubber prices, but have some indirect influence because synthetic rubber, which is a substitute product of natural rubber, requires petrochemicals from oil for production; therefore, oil price will affect directly to the substitute products.

Details of the directors of the company's subsidiaries

Company names Names	Subsidiaries						
	1	2	3	4	5	6	7
Mr. Vorathep Wongsasuthikul		X				/	/
Mr. Paiboon Waraprateep		/					/
Mr. Prachnon Temritikulchai		/					/
Mr. Vanchai Sriherunrusmee	/	/			/	/	
Mr. Prawit Waraprateep	//	//		/	//	/	
Miss Chalongkwan Wongsasutthikul	//	//			//		
Mr. Pattarapol Wongsasutthikul	//	//			//	/	/
Mr. Prakrit Waraprateep	/				//		
Mr. Kowit Wongsasutthikul	/				//	/	
Mr. Paitoon Wongsasutthikul							
Mr. Nat Wongsasutthikul		//					
Mr. Phasitpol Temrithikulchai	/				//	/	
Mrs. Pathumporn Trivisvavet						//	
Mrs. Rattana Techapanngam						/	
Mr. Thiwat Sirichaithewin						//	
Mr. Traiwit Chainapong			/				
Mr. Adisorn Yimyam*			/				
Mr. Pornchai Jindaudomset**			/				
Mr. Somrak Maneekorn							/
Daw Nan Yin							/
Kaw Taung (a) Thet Naing Soe							/
Mrs. Nikhom Kanokpaipipat							/
Ma Kao Yi							/
Prasoet Leelbanyong							/
Mr. Chareonrat Payakpong							/

Note: / = Director X = President // = Executive Director

* Mr. Adisorn Yimyam resigned from the position on 15 November 2017.

** Mr. Pornchai Jindaudomset assumed his position in January 2018.

Subsidiaries:

1. Thai Rubber Latex Group Co., Ltd.
2. World Flex Public Company Limited
3. Thai Rubber Land and Plantation Co., Ltd.
4. Agro Wealth Co., Ltd.
5. Thai Rubber H.P.N.R. Co., Ltd.
6. Latex Systems Co., Ltd.
7. Myanmar Thai Rubber Joint Corporation Limited

Financial Statements

**Thai Rubber Latex Corporation (Thailand)
Public Company Limited
and its Subsidiaries**

Financial statements for the year ended
31 December 2017
and
Independent Auditor's Report



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Independent Auditor's Report

To the Shareholders of Thai Rubber Latex Corporation (Thailand) Public Company Limited

Opinion

I have audited the consolidated and separate financial statements of Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries (the "Group") and of Thai Rubber Latex Corporation (Thailand) Public Company Limited (the "Company"), respectively, which comprise the consolidated and separate statements of financial position as at 31 December 2017, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Company, respectively, as at 31 December 2017 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements* section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Recognition of deferred tax assets	
Refer to Notes 4(w) and 21 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The Group/Company has recognised deferred tax assets for unused tax losses that it believes are sufficient to utilise. The recognition of deferred tax assets is dependent on the Group's/Company's ability to generate future taxable profits that are sufficient to utilise tax losses (before the tax losses expire).</p> <p>The assessment of future taxable profits and the recognition of deferred tax assets requires judgment and estimates and is the focus area in my audit.</p>	<p>My procedures were consisted of inquiring the management who is responsible for preparing the Group's/Company's future taxable profits, assessing and challenging the management's judgments and assumptions used by evaluating the reasonableness of the historical projection prepared by management's experiences and comparing with the actual operating results and the operation's plan. This included using my understanding of the Group/Company and the Group's/Company's industry, performing the recalculation. I also considered the disclosures in accordance with Thai Financial Reporting Standards.</p>

The impairment testing of rubber plantation development costs and investment in subsidiary	
Refer to Notes 4(h), 4(m), 12 and 20 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
<p>The current economic over the rubber industry in Thailand has significant impact on rubber prices and the operating results of Thai Rubber Land and Plantation Co., Ltd.. The management determined the impairment indicator in rubber plantation development costs in the consolidated financial statements and investment in subsidiaries in the separate financial statements and it resulted to impairment assessment of the assets.</p> <p>The impairment testing of assets involves significant judgment by management to identify any indication of impairment and recoverable amount. Judgmental aspects include estimate and assumptions which particularly focus on future cash flows forecasts along with its growth rate and discount rate. This is the focus area in my audit.</p>	<p>My procedures were consisted of assessing the reasonableness of impairment indicator. I considered the discounted cash flows prepared by the management and assessed the key assumptions which underpin management's forecast on the assessment of recoverable amount of the assets with reference to current market situations, its operating plan, my knowledge of the business, and other information obtained during the audit. I performed trend analysis and reviewed the mathematical accuracy of the impairment calculations. Besides, I also evaluated the reasonableness of the historical projection prepared by management's experiences, compared with the actual operating results. I also considered the disclosures in accordance with Thai Financial Reporting Standards.</p>



Fair value measurement of investment properties	
Refer to Notes 4(i) and 14 to the consolidated and separate financial statements	
The key audit matter	How the matter was addressed in the audit
Investment properties are measured at fair value. The fair value of investment properties was determined by independent property valuers on an annual basis. As at 31 December 2017, the Group/Company revalued the fair value of its investment properties by independent property valuers hired by the management which used the valuation techniques of market comparison and replacement costs. Determining the fair value requires a number of significant judgments and estimates. Since the carrying value of the assets is significant, this is the focus area of my audit.	My procedures were consisted of understanding the process and controls of the valuation process, evaluating the qualifications, competence and independence of the Group's/Company's external appraisal valuers and having the expert engaged by my firm to assess the appropriateness of the key assumptions and the calculation of the recoverable amount as indicated in the reports. I also considered the disclosures in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

I draw attention to note 3 to the financial statements describing the effect of the business combination under common control. The extraordinary shareholders' meeting of the Company held on 13 December 2017 has passed the resolution to approve the entire business transfer from Thai Rubber Latex Group Co., Ltd. ("TRLG"), a subsidiary, to the Company. On 29 December 2017, TRLG transferred all of its assets, rights and liabilities to the Company and the Company issued ordinary shares as the consideration. My opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

(Yoottapong Soontalinka)
Certified Public Accountant
Registration No. 10604

KPMG Phoomchai Audit Ltd.
Bangkok
23 February 2018

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
Statement of financial position

	<i>Note</i>	Consolidated		Separate	
		financial statements		financial statements	
Assets		31 December	31 December	31 December	31 December
		2017	2016	2017	2016
		<i>(in Baht)</i>			
<i>Current assets</i>					
Cash and cash equivalents	6	190,166,606	127,190,727	43,551,259	690,576
Trade accounts receivable	5, 8	971,286,489	942,665,007	825,467,156	381,784,389
Other current receivables	5, 9	107,748,702	103,620,824	98,850,694	35,826,158
Short-term loans to related parties	5	-	-	1,447,203,000	1,390,303,000
Short-term loans to other parties		-	16,793,406	-	13,485,590
Inventories	10	1,306,336,097	1,098,140,070	907,405,705	120,764,173
Non-current assets classified as held for sale	16	-	34,310,904	-	6,826,000
Other current assets		83,062,900	85,265,587	61,595,877	24,397,540
Total current assets		2,658,600,794	2,407,986,525	3,384,073,691	1,974,077,426
<i>Non-current assets</i>					
Restricted deposit at financial institution		10,000,000	-	-	-
Investments in associates	11	32,304,199	31,808,611	-	-
Investments in subsidiaries	12	-	-	1,929,960,080	1,893,670,467
Other long-term investments	7	100,000,000	-	100,000,000	-
Long-term loans to other party		-	400,000	-	400,000
Investment properties	14	557,950,000	549,060,000	120,450,000	123,090,000
Property, plant and equipment	15	3,343,089,354	3,318,133,375	1,145,343,208	267,835,146
Other intangible assets	17	5,245,837	1,787,792	494,340	659,120
Land possessory rights	18	193,157,504	192,444,240	6,270,000	6,270,000
Rubber plantation development costs	20	877,436,529	851,210,212	-	-
Withholding tax deducted at source		165,229,088	137,616,820	159,391,949	72,972,266
Advance payment for land possessory rights	19	36,548,648	45,000,000	-	-
Deferred tax assets	21	19,421,830	24,543,747	-	4,296,938
Other non-current assets		8,636,717	10,142,929	1,670,363	791,429
Total non-current assets		5,349,019,706	5,162,147,726	3,463,579,940	2,369,985,366
Total assets		8,007,620,500	7,570,134,251	6,847,653,631	4,344,062,792

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

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
Statement of financial position

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2017	31 December 2016	31 December 2017	31 December 2016
<i>(in Baht)</i>					
Liabilities and equity					
Current liabilities					
Bank overdrafts and short-term borrowings					
from financial institutions	22	3,402,760,800	3,449,148,862	2,907,325,052	863,207,402
Trade accounts payable	5, 23	204,762,741	182,529,457	46,945,063	512,766,125
Other current payables	5, 24	154,780,248	145,561,360	50,379,848	20,545,655
Short-term borrowings from related parties	5, 22	8,000,000	8,000,000	32,000,000	1,349,300,000
Current portion of long-term borrowings					
from financial institutions	22	108,750,000	65,000,000	58,750,000	12,000,000
Current portion of finance lease liabilities	22	74,804,624	64,410,104	73,159,703	9,078,327
Accrued expenses		76,055,438	46,664,175	29,740,989	1,483,155
Current income tax payable		9,211,468	9,274,318	-	-
Other current liabilities		5,324,277	4,844,061	3,170,942	1,510,954
Total current liabilities		4,044,449,596	3,975,432,337	3,201,471,597	2,769,891,618
Non-current liabilities					
Long-term borrowings from financial institutions	22	1,123,750,000	1,010,000,000	898,750,000	255,000,000
Finance lease liabilities	22	90,642,695	86,934,525	86,827,194	12,973,549
Non-current provisions for employee benefits	25	67,169,168	62,143,622	49,068,594	7,584,064
Deferred tax liabilities	21	239,531,642	219,198,462	62,977,910	-
Other non-current liability		3,000,000	3,000,000	-	-
Total non-current liabilities		1,524,093,505	1,381,276,609	1,097,623,698	275,557,613
Total liabilities		5,568,543,101	5,356,708,946	4,299,095,295	3,045,449,231
Equity					
Share capital:					
Authorised share capital	26	1,881,479,688	749,607,657	1,881,479,688	749,607,657
Issued and paid-up share capital	26	1,685,079,688	681,479,688	1,685,079,688	681,479,688
Share premium					
Share premium on ordinary shares	26	342,170,431	342,170,431	342,170,431	342,170,431
Difference from business combination under common control	3, 27	(1,003,600,000)	-	(397,599,771)	-
Retained earnings (deficit)					
Appropriated					
Legal reserve	27	135,555,246	123,676,011	58,650,000	58,650,000
Unappropriated (deficit)		(242,494,785)	(439,021,914)	307,559,235	52,862,614
Other components of equity	27	1,300,735,197	1,317,086,931	552,698,753	163,450,828
Equity attributable to owners of the parent		2,217,445,777	2,025,391,147	2,548,558,336	1,298,613,561
Non-controlling interests	13	221,631,622	188,034,158	-	-
Total equity		2,439,077,399	2,213,425,305	2,548,558,336	1,298,613,561
Total liabilities and equity		8,007,620,500	7,570,134,251	6,847,653,631	4,344,062,792

Total liabilities and equity are an integral part of these financial statements.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
Statement of comprehensive income

	Note	Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
		2017	2016	2017	2016
<i>(in Baht)</i>					
Income					
Revenue from sales of goods and rendering of services	37	9,427,156,914	7,735,986,523	2,854,756,123	2,142,620,185
Other income	29	40,981,860	117,074,400	300,761,841	113,363,618
Total income		9,468,138,774	7,853,060,923	3,155,517,964	2,255,983,803
Expenses					
Cost of sales of goods and rendering of services	10	8,401,275,633	7,115,822,216	2,701,864,281	2,033,646,245
Distribution costs	30	332,388,848	332,765,948	52,517,253	36,709,220
Administrative expenses	31	323,041,932	325,804,556	48,222,842	64,919,899
Other expenses	32	8,365,595	24,277,184	2,887,140	3,948,299
Finance costs	35	174,873,169	154,179,547	99,946,905	97,826,705
Total expenses		9,239,945,177	7,952,849,451	2,905,438,421	2,237,050,368
Share of profit (loss) of investments in associates	11	441,572	(650,876)	-	-
Total		441,572	(650,876)	-	-
Profit (loss) before income tax expense		228,635,169	(100,439,404)	250,079,543	18,933,435
Tax expense	36	(34,259,858)	(42,027,795)	(3,653,781)	(8,136,553)
Profit (loss) for the year		194,375,311	(142,467,199)	246,425,762	10,796,882
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations		(789,495)	(7,464,454)	-	-
Share of other comprehensive income of associates	11	54,016	226,897	-	-
Total items that will be reclassified subsequently to profit or loss		(735,479)	(7,237,557)	-	-
Items that will not be reclassified to profit or loss					
Gains on revaluation of assets	15	60,670,000	882,478,862	-	79,878,081
Reversal of revaluation surplus of land and building which transferred to investment properties	14	-	(15,208,410)	-	-
Defined benefit plan actuarial losses	25	(802,288)	-	(101,234)	-
Income tax relating to items that will not be reclassified	21	(12,050,894)	(173,521,064)	20,247	(15,975,616)
Total items that will not be reclassified to profit or loss		47,816,818	693,749,388	(80,987)	63,902,465
Other comprehensive income/(expense) for the year, net of income tax		47,081,339	686,511,831	(80,987)	63,902,465
Total comprehensive income/(expense) for the year		241,456,650	544,044,632	246,344,775	74,699,347
Profit (loss) attributable to:					
Owners of the parent		144,406,056	(168,083,275)	246,425,762	10,796,882
Non-controlling interests	13	49,969,255	25,616,076	-	-
Profit (loss) for the year		194,375,311	(142,467,199)	246,425,762	10,796,882
Total comprehensive income attributable to:					
Owners of the parent		192,054,630	516,037,054	246,344,775	74,699,347
Non-controlling interests	13	49,402,020	28,007,578	-	-
Total comprehensive income for the year		241,456,650	544,044,632	246,344,775	74,699,347
Earnings (loss) per share					
Basic earnings (loss) per share <i>(in Baht)</i>	38	0.21	(0.25)	0.36	0.02

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

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries
Statement of changes in equity

	Consolidated financial statements													
	Issued and paid-up share capital	Retained earnings			Other components of shareholders' equity							Total equity attributable to owners of the parent	Non- controlling interests	Total equity
		Share premium	Legal reserve	Unappro- priated (Deficit)	Translating foreign operations	Revaluation surplus	Changes in ownership interest in subsidiary	Share of other comprehensive income/(expenses) of investments in associates	Total other components of equity					
For the year ended 31 December 2016														
Balance at 1 January 2016	681,479,688	342,170,431	121,136,453	(319,733,634)	(755,865)	694,869,722	(11,412,912)	1,600,210	684,301,155	1,509,354,093	165,634,728	1,674,988,821		
Transactions with owners, recorded directly in equity														
<i>Distributions to owners of the parent</i>														
Dividends paid in subsidiaries	-	-	-	-	-	-	-	-	-	-	(5,608,148)	(5,608,148)		
Total transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-	-	(5,608,148)	(5,608,148)		
Comprehensive income for the year														
Profit (loss) for the year	-	-	-	(168,083,275)	-	-	-	-	-	(168,083,275)	25,616,076	(142,467,199)		
Other comprehensive income	-	-	-	-	(4,237,908)	688,131,340	-	226,897	684,120,329	684,120,329	2,391,502	686,511,831		
Total comprehensive income for the year	-	-	-	(168,083,275)	(4,237,908)	688,131,340	-	226,897	684,120,329	516,037,054	28,007,578	544,044,632		
Transfer to legal reserve in subsidiary	-	-	2,539,558	(2,539,558)	-	-	-	-	-	-	-	-		
Transfer to retained earnings	-	-	-	51,334,553	-	(51,334,553)	-	-	(51,334,553)	-	-	-		
Balance at 31 December 2016	681,479,688	342,170,431	123,676,011	(439,021,914)	(4,993,773)	1,331,666,509	(11,412,912)	1,827,107	1,317,086,931	2,025,391,147	188,034,158	2,213,425,305		

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

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its subsidiaries
Statement of changes in equity

Note	Consolidated financial statements												
	Issued and paid-up share capital	Share premium	Difference from business combination under common control	Retained earnings		Other components of shareholders' equity					Total equity attributable to owners of the parent	Non-controlling interests	Total equity
				Legal reserve	Unappropriated (Deficit)	Translating foreign operations	Revaluation surplus (in Baht)	Changes in ownership interest in subsidiary	Share of other comprehensive income/(expenses) of investments in associates	Total other components of equity			
For the year ended 31 December 2017													
Balance at 1 January 2017	681,479,688	342,170,431	-	123,676,011	(439,021,914)	(4,993,773)	1,331,666,509	(11,412,912)	1,827,107	1,317,086,931	2,025,391,147	188,034,158	2,213,425,305
Transactions with owners, recorded directly in equity													
<i>Contributions by and distributions to owners of the parent</i>													
Issue of ordinary shares	26 1,003,600,000	-	-	-	-	-	-	-	-	-	1,003,600,000	9,962,041	1,013,562,041
Dividends paid in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(25,766,597)	(25,766,597)
Total transactions with owners, recorded directly in equity	1,003,600,000	-	-	-	-	-	-	-	-	-	1,003,600,000	(15,804,556)	987,795,444
Comprehensive income for the year													
Profit (loss) for the year	-	-	-	-	144,406,056	-	-	-	-	-	144,406,056	49,969,255	194,375,311
Other comprehensive income	-	-	-	-	(647,686)	(253,323)	48,495,567	-	54,016	48,296,260	47,648,574	(567,235)	47,081,339
Total comprehensive income for the year	-	-	-	-	143,758,370	(253,323)	48,495,567	-	54,016	48,296,260	192,054,630	49,402,020	241,456,650
Transfer to legal reserve in subsidiary	-	-	-	11,879,235	(11,879,235)	-	-	-	-	-	-	-	-
Transfer to retained earnings	-	-	-	-	64,647,994	-	(64,647,994)	-	-	(64,647,994)	-	-	-
Effect of business restructuring	3 -	-	(1,003,600,000)	-	-	-	-	-	-	-	(1,003,600,000)	-	(1,003,600,000)
Balance at 31 December 2017	1,685,079,688	342,170,431	(1,003,600,000)	135,555,246	(242,494,785)	(5,247,096)	1,315,514,082	(11,412,912)	1,881,123	1,200,735,197	2,217,445,777	221,631,622	2,439,077,399

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

Statement of changes in equity

	Separate financial statements				Other components of shareholders' equity	Total equity
	Issued and paid-up share capital	Share premium	Retained earnings			
			Legal reserve	Unappropriated (in Baht)		
For the year ended 31 December 2016						
Balance at 1 January 2016	681,479,688	342,170,431	58,650,000	33,827,153	107,786,942	1,223,914,214
Comprehensive income for the year						
Profit for the year	-	-	-	10,796,882	-	10,796,882
Other comprehensive income	-	-	-	-	63,902,465	63,902,465
Total comprehensive income for the year	-	-	-	10,796,882	63,902,465	74,699,347
Transfer to retained earnings	-	-	-	8,238,579	(8,238,579)	-
Balance at 31 December 2016	681,479,688	342,170,431	58,650,000	52,862,614	163,450,828	1,298,613,561

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

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
Statement of changes in equity

	Note	Separate financial statements					Other components of	Total equity
		Issued and paid-up share capital	Share premium	Difference from business combination under common control	Retained earnings		Revaluation surplus	
					Legal reserve <i>(in Baht)</i>	Unappropriated		
For the year ended 31 December 2017								
Balance at 1 January 2017		681,479,688	342,170,431	-	58,650,000	52,862,614	163,450,828	1,298,613,561
Transactions with owners, recorded directly in equity								
<i>Contributions by owners of the parent</i>								
Issue of ordinary shares	26	1,003,600,000	-	-	-	-	-	1,003,600,000
Total transactions with owners, recorded directly in equity		1,003,600,000	-	-	-	-	-	1,003,600,000
Comprehensive income for the year								
Profit for the year		-	-	-	-	246,425,762	-	246,425,762
Other comprehensive income		-	-	-	-	(80,987)	-	(80,987)
Total comprehensive income for the year		-	-	-	-	246,344,775	-	246,344,775
Transfer to retained earnings		-	-	-	-	8,351,846	(8,351,846)	-
Effect of business restructuring	3	-	-	(397,599,771)	-	-	397,599,771	-
Balance at 31 December 2017		1,685,079,688	342,170,431	(397,599,771)	58,650,000	307,559,235	552,698,753	2,548,558,336

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit (loss) for the year	194,375,311	(142,467,199)	246,425,762	10,796,882
<i>Adjustments to reconcile profit (loss) to cash receipts (payments)</i>				
Tax expense	34,259,858	42,027,795	3,653,781	8,136,553
Finance costs	174,873,169	154,179,547	99,946,905	97,826,705
Depreciation and amortisation	211,021,210	185,538,325	16,557,133	18,477,956
Amortisation of rubber plantation development costs	14,750,764	6,733,358	-	-
(Reversal of) impairment losses of assets	-	(12,017,205)	-	3,823,700
Unrealised gain on exchange	(953,340)	(319,142)	(107,503)	(156,290)
Provision for (reversal of) bad and doubtful debts expenses	1,605,815	2,598,071	-	(500)
(Gain) loss on fair value adjustment of investment properties	(8,890,000)	(42,484,410)	2,640,000	(42,516,000)
Losses on inventories devaluation	4,473,236	-	-	-
Loss (gain) on sale of property, plant and equipment	11,371,770	(29,863,368)	10,930	(100,000)
Loss on written-off of property, plant and equipment	552,704	3,511,757	-	-
Gain on disposal of non-current assets classified as held for sale	(6,184,641)	-	-	-
Employee benefits expense	5,866,598	6,956,449	1,154,572	1,521,472
Share of (profit) loss of investments in associates, net of income tax	(441,572)	650,876	-	-
Written-off of withholding tax deducted at source	273,981	12,147,052	-	2,906,719
Dividends income	-	-	(231,970,981)	(7,185,502)
Interest income	(692,382)	(1,764,710)	(55,872,806)	(54,550,313)
	<u>636,262,481</u>	<u>185,427,196</u>	<u>82,437,793</u>	<u>38,981,382</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable and other current receivables	(25,493,534)	(116,196,824)	(142,588,605)	30,776,188
Inventories	(212,669,263)	(47,065,215)	(206,538,293)	31,117,476
Other current assets	1,741,225	(6,588,424)	(1,655,534)	12,700,973
Other non-current assets	1,506,212	(795,604)	3,915,084	2,489,529
Trade accounts payable and other current payables	37,790,155	122,995,900	191,235,432	106,157,421
Accrued expenses	37,842,616	(4,273,030)	3,258,459	(398,560)
Other current liabilities	480,216	(2,642,029)	925,026	(301,077)
Non-current provision for employee benefits	(1,643,340)	(4,353,316)	(94,200)	(1,757,900)
Cash generated from (used in) operating activities	<u>475,816,768</u>	<u>126,508,654</u>	<u>(69,104,838)</u>	<u>219,765,432</u>
Tax received	13,365,221	5,267,658	-	-
Tax paid	(62,169,974)	(51,862,146)	(16,257,688)	(13,950,974)
Net cash from (used in) operating activities	<u>427,012,015</u>	<u>79,914,166</u>	<u>(85,362,526)</u>	<u>205,814,458</u>

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

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
Statement of cash flows

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2017	2016	2017	2016
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	698,809	1,622,915	27,882,554	54,511,045
Dividends received	-	535,600	14,371,005	7,185,503
Proceeds from return on capital of subsidiary	-	-	890,293	-
Increase in restricted deposit at financial institution	(10,000,000)	-	-	-
Repayment of short-term loans to related parties	-	-	(74,600,000)	(295,150,000)
Proceeds from short-term loans to related parties	-	-	17,700,000	203,397,000
Decrease (increase) in short-term loans to other parties	15,582,591	(3,275,718)	13,885,590	(2,475,717)
Acquisition of property, plant and equipment	(187,665,604)	(425,830,086)	(5,465,105)	(8,019,843)
Proceeds from sale of property, plant and equipment	92,906,444	429,351,817	5,607	100,000
Proceeds from sale of non-current assets classified as held for sale	40,018,533	-	6,826,000	-
Acquisition of other intangible assets	(4,243,885)	(1,603,929)	-	(823,900)
Increase in rubber plantation development costs	(26,767,188)	(33,343,117)	-	-
Proceeds from entire business transfer	-	-	9,976,593	-
Investments in other long-term investment	(100,000,000)	-	(100,000,000)	-
Net cash used in investing activities	(179,470,300)	(32,542,518)	(88,527,463)	(41,275,912)
<i>Cash flows from financing activities</i>				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	(46,388,062)	(764,455,359)	162,356,650	(264,878,249)
Payment by a lessee for reduction of the outstanding liability relating to a finance lease	(70,669,278)	(63,579,384)	(9,276,156)	(8,589,036)
Proceeds from short-term borrowings from related parties	-	-	296,227,460	378,500,000
Repayment of short-term borrowings from related parties	-	(20,000,000)	(124,600,000)	(445,450,000)
Proceeds from long-term borrowings	230,000,000	1,085,000,000	-	270,000,000
Repayment of long-term borrowings	(72,500,000)	(95,400,000)	(12,000,000)	(3,000,000)
Dividends paid of subsidiaries to non-controlling interest	(25,766,597)	(5,608,148)	-	-
Interest paid	(192,052,689)	(170,497,030)	(94,160,905)	(97,734,765)
Other finance costs paid	(6,399,715)	(6,798,538)	(1,796,377)	(611,947)
Net cash from (used in) financing activities	(183,776,341)	(41,338,459)	216,750,672	(171,763,997)
Decrease in translation difference	(789,495)	(7,464,454)	-	-
Net increase (decrease) in cash and cash equivalents, before effect of exchange rates	62,975,879	(1,431,265)	42,860,683	(7,225,451)
Effect of exchange rate changes on cash and cash equivalents	-	(9)	-	-
Net increase (decrease) in cash and cash equivalents	62,975,879	(1,431,274)	42,860,683	(7,225,451)
Cash and cash equivalents at 1 January	127,190,727	128,622,001	690,576	7,916,027
Cash and cash equivalents at 31 December	190,166,606	127,190,727	43,551,259	690,576
<i>Supplemental disclosures of cash flow information</i>				
Non-cash transactions				
Assets acquired under financial lease and hire purchase agreements	84,771,968	1,432,211	2,687,248	-
Dividends received from subsidiary by offsetting with repayment of loans	-	-	217,599,976	-
Advance payment for land possessory rights	8,451,352	-	-	-
Issue of share capital as consideration transferred	1,003,600,000	-	1,003,600,000	-

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

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

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For the year ended 31 December 2017

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 23 February 2018.

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, Thailand.

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 Moo 11, Tambol Banphru, Amphur Hatyai, Songkhla
- : No. 293/2 Moo 1, 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 (21.47% shareholding) and Woraprateep Group (16.17% shareholding). However, during 2017, the Company issued and offered ordinary shares amounting 1,003.6 million shares to Thai Rubber Latex Group Co., Ltd., a subsidiary, as a part of the business restructuring plan under the regulation of entire business transfer. The Company expects that the reduction of registered capital will be held within 1 year which will be finished before the period of restriction of sale of ordinary shares (Silent Period) is expired. Consequently, those newly issued ordinary shares will not be distributed through the Stock Exchange of Thailand and will not exercise the right of voting in the shareholder’s meeting or receive any dividends of the Company.

The principal activities of the Group/Company 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, rubber block and rubber compound and latex foam mattress. Details of the Company’s subsidiaries and associates as at 31 December 2017 and 2016 are given in notes 11 and 12.

2 Basis of preparation of the financial statements

(a) *Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS); guidelines promulgated by the Federation of Accounting Professions (“FAP”); and applicable rules and regulations of the Thai Securities and Exchange Commission.

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

The FAP has issued new and revised TFRS effective for annual accounting periods beginning on or after 1 January 2017. The initial application adoption of these new and revised TFRS has resulted in changes in certain of the Group's/Company's accounting policies. These changes have no material effect on the financial statements.

In addition to the above new and revised TFRS, the FAP has issued a number of other new and revised TFRS which are effective for annual financial periods beginning on or after 1 January 2018 and have not been adopted in the preparation of these financial statements. The Group/Company has made a preliminary assessment of the potential initial impact on the consolidated and separate financial statements of these new and revised TFRS and expects that there will be no material impact on the financial statements in the period of initial application.

(b) *Basis of measurement*

The financial statements have been prepared on the historical cost basis except for the following items, which are measured on an alternative basis on each reporting date.

<i>Items</i>	<i>Measurement bases</i>
Property, plant and equipment (Land, building and machinery)	Revaluation to fair value
Investment properties	Fair value
Defined benefit liability	Present value of the defined benefit obligation, limited as explained in Note 4 (r)

(c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand/million unless otherwise stated.

(d) *Use of judgements and estimates*

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

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumption and estimation uncertainties

Information about assumption and estimation uncertainties that have a significant risk of resulting in a material adjustments to the amounts recognised in the financial statements is included in the following notes:

Note 12 and 20	Impairment test: key assumption underlying recoverable amounts;
Note 21	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used; and
Note 25	Measurement of defined benefit obligations: key actuarial assumptions

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

Measurement of fair values

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

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 CFO.

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/Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Group/Company uses observable market 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 the following notes:

- Note 14 - Investment properties
- Note 39 - Financial instruments

Use of going concern basis of accounting

Due to the significant fluctuate of latex price recently, as at 31 December 2017, the Group's current liabilities exceeded current assets by Baht 1,385.8 million (*31 December 2016: Baht 1,567.4 million*). Such circumstances indicate the existence of an uncertainty which may cast significant doubt about the Group's ability to continue as a going. However, the Group incurred a consolidated net profit for the year ended 31 December 2017 amounting to Baht 194.4 million, and at the same date, the Group has available credit facilities in place. (*see note 5*)

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries

Notes to the financial statements

For the year ended 31 December 2017

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 sales volume, production capacity, restructure of financing plan and the Group's business restructuring, including 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.

3 Business restructuring

At the extraordinary shareholders' meeting of the Company held on 13 December 2017, the shareholders approved the entire business transfer from Thai Rubber Latex Group Co., Ltd. ("TRLG"), the subsidiary whose 99.99 % of the shares held by the Company, to the Company. In this regard, the Company would acquire all assets, rights and liabilities of TRLG.

The Company increased its registered capital and issued newly ordinary shares of 1,003.6 million shares with a par value of Baht 1.00 per share under the private placement to TRLG at the offering price of Baht 1.00 per share, totaling Baht 1,003.6 million in consideration of entire business transfer from TRLG to the Company. TRLG registered for the dissolution with Department of Business Development, Ministry of Commerce on 29 December 2017 and still under liquidation process. These shares are considered an offering of the ordinary shares to a specific person (Private Placement) with a distinct offering price and a discount more than 10 percent of the market price. The Company expects that the reduction of registered capital will be held within 1 year which will be finished before the period of restriction of sale of ordinary shares (Silent Period) is expired. Consequently, those newly issued ordinary shares will not be distributed through the Stock Exchange of Thailand and will not exercise the right of voting in the shareholder's meeting or receive any dividends of the Company.

The business transfer on 29 December 2017 was considered as the business combination under common control of the ultimate controlling shareholders before and after the acquisition date and the control was not transitory. In the preparation of the consolidated financial statements, the Group has already included the financial statements of TRLG before 1 January 2016. Such presentation reflects the economic substances of the entities in the Group which is under the same common control throughout the relevant period as if the entities in the Group were operated as one economic unit from 1 January 2016. The consideration amounting to Baht 1,003.6 million is recognised as "Difference from business combination under common control" in equity in the consolidated financial statements for the year ended 31 December 2017.

In the separate financial statements for the year ended 31 December 2017, the difference between the consideration transferred and the carrying amount of net assets of TRLG on the acquisition date amounting to Baht 397.6 million is recognised as "Difference from business combination under common control" in equity. The following summarises the consideration transferred, and the carrying amounts of the major classes of assets and liabilities at the acquisition date:

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For the year ended 31 December 2017

	Separate financial statements <i>(in thousand Baht)</i>
<i>Consideration transferred</i>	
Share capital	1,003,600
Total	1,003,600
 <i>Assets acquired and liabilities assumed</i>	
Cash and cash equivalents	9,976
Trade accounts receivable	975,259
Short-term loans to related party	1,271,327
Inventories	580,103
Other current assets	98,328
Investments in subsidiary	19,470
Property, plant and equipment	885,765
Other non-current assets	74,956
Bank overdrafts and short-term borrowings from financial institutions	(1,881,761)
Trade accounts payable	(28,291)
Current portion of long-term borrowings from financial institutions	(45,250)
Current portion of finance lease liabilities	(63,152)
Other current liabilities	(50,544)
Long-term borrowings from financial institutions	(657,250)
Finance lease liabilities	(81,372)
Non-current provisions for employee benefits	(40,323)
Deferred tax liabilities	(63,641)
Net assets	1,003,600
Assets revaluation surplus	(397,600)
Net	606,000
Difference from business combination under common control	397,600
Consideration transferred	1,003,600

4 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) *Basis of consolidation*

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

Acquisition from entities under common control

Business combinations of entities or businesses under common control are accounted for using a method similar to the pooling of interest method and in accordance with the Guideline issued in 2009 by the FAP. The acquirer recognised the assets acquired and liabilities assumed using book values in the consolidated financial statements of the ultimate parent at the date on which the business combination under common control occurs. Any difference between considerations transferred versus book values of the entity is recognised as “Difference from business combination under common control” presented under equity. Difference from business under common control will be retained until the respective business are sold or otherwise disposed of.

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For the year ended 31 December 2017

Subsequent to the business combination under common control, the financial statements of the entities or businesses acquired from business combination under common control are included in the consolidated financial statements from the beginning of the earliest comparative period presented or, if later, at the date that common control was established until the date on which control ceases.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Non-controlling interests

At the acquisition date, the Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

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

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

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(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Non-current assets and liability measured at fair value in foreign currencies are translated to the functional currency at the exchange rates at the date that fair value was determined.

Foreign exchange differences are generally recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign operations are translated to Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Foreign exchange differences are recognised in other comprehensive income and presented in the foreign currency translation reserve, except to extent that the translation difference is allocated to non-controlling interest.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity in the consolidated financial statements until disposal of the investment.

(c) Derivative financial instruments

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of forward contract rate.

Agricultural futures contracts

Profit or loss on trading of agricultural futures contracts are recognised as income or expenses on the transaction dates.

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(d) *Cash and cash equivalents*

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments. Bank overdrafts that are repayable on demand are a component of financing activities for the purpose of the statement of cash flows.

(e) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(f) *Inventories*

Inventories are measured at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, changed, obsolete and slow-moving inventories.

(g) *Non-current assets classified as held for sale*

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale or held for distribution and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held for sale, plant and equipment are no longer amortised or depreciated.

(h) *Investments*

Investments in associates and subsidiaries

Investments in associates and subsidiaries in the separate financial statements of the Company are accounted for using the cost method less any impairment losses. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Other long-term investments

Other long-term investments which are not marketable are stated at cost less any impairment losses.

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Disposal of investments

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

(i) Investment properties

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost on initial recognition and subsequently at fair value, with any change recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Any gains and losses on disposal of investment properties are determined by comparing the proceeds from disposal with the carrying amount of investment property, and are recognised in profit or loss. When investment property that was previously classified as property, plant and equipment is sold, the amounts included in the revaluation reserve (see Note 4(j)) are transferred to retained earnings.

(j) Property, plant and equipment

Recognition and measurement

Owned assets

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land, buildings and machinery which are stated at their revalued amounts. The revalued amount is the fair value determined on the basis of the property's existing use at the date of revaluation less any subsequent accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

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Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised net within other income in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Leased assets

Leases in terms of which the Group substantially assumes all the risk and rewards of ownership are classified as finance leases. Property, plant and equipment acquired by way of finance leases is capitalised at the lower of its fair value and the present value of the minimum lease payments at the inception of the lease, less accumulated depreciation and impairment losses. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss.

Revalued assets

Revaluations are performed by independent professional valuers with sufficient regularity to ensure that the carrying amount of these assets does not differ materially from that which would be determined using fair values at the reporting date.

Any increase in value, on revaluation, is recognised in other comprehensive income and presented in the revaluation surplus in equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset. A decrease in value is recognised in profit or loss to the extent it exceeds an increase previously recognised in other comprehensive income in respect of the same asset. The revaluation surplus is utilised by reference to the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost and transferred directly to retained earnings. Upon disposal of a revalued asset, any remaining related revaluation surplus is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

Reclassification to investment property

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

Subsequent costs

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

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Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Building and building improvements	5 - 50	years
Machinery	5 - 20	years
Office and other equipment	3 - 5	years
Vehicles	5	years
Other fixed assets	5 - 10	years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(k) Intangible assets

Other intangible assets

Other intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is based on the cost of the asset, or other amount substituted for cost, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative years are as follows:

Software license	5	years
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Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(l) Impairment

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

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

Calculation of recoverable amount

The recoverable amount of a non-financial asset is the greater of the assets' value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Rubber plantation development costs

Rubber plantation development costs represent the costs of rubber tree plantation, which are amortised over the estimated unit of production arising from the rubber trees. Cost of supplying rubber vacancies and infilling mature areas are expensed in profit or loss as incurred. No amortisation is provided on rubber plantation development costs that are not ready for harvest.

(n) Land possessory rights

Land possessory rights are stated at cost less allowance for loss on impairment of assets (if any).

(o) Deferred costs

Deferred expenses represent deferred receptacle costs, which are stated at cost less accumulated amortisation. Amortisation is calculated by reference to cost on a straight-line basis over a period of 1 - 3 years. The amortisation is recognised in profit or loss.

(p) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at contract value less attributable transaction charges.

(q) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

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(r) *Employee benefits*

Defined contribution plans

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

Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed regularly by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in OCI. The Group determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Termination benefits

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

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(s) *Provisions*

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

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(t) Revenue

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

Sale of goods and services rendered

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Service income is recognised as services are provided.

Investment income

Revenue from investments comprises rental income from investment properties and interest income from investments and bank deposits.

Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

Dividend income

Dividend income is recognised in profit or loss on the date the Group's/Company's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

(u) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial year of time to be prepared for its intended use or sale. The interest component of finance lease payments is recognised in the statement of income using the effective interest rate method.

(v) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

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Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Group the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

(w) Income tax

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

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

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future.

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

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

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

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

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

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each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(x) *Earnings (loss) per share*

The Group/Company presents basic earnings (loss) per share data for its ordinary shares. Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

(y) *Segment reporting*

Segment results that are reported to the Group's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

5 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 11 and 12. Relationship with key management and other related parties were as follows:

Name of entities	Country of incorporation / nationality	Nature of relationships
V-Miracle Group Co., Ltd.	Thailand	Common directors
Phoenix Rubber Products Co., Ltd.	Thailand	Directors of related parties
Chotchuang Intertrade Co., Ltd.	Thailand	Directors of related parties
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.

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

Transactions	Pricing policies
Sales of goods/raw materials	Market prices
Rendering of service	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 (2016: 1.0 - 5.0 Baht per kilogram)
Receiving of services	Contractually agreed
Other income	Contractually agreed
Sales of assets	Market prices
Interest income	Contractually agreed rate
Interest expense	Contractually agreed rate

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Dividend income

Declared rate

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For the year ended 31 December 2017

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

<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods/raw materials	-	-	867,940	762,687
Purchases of goods/raw materials	-	-	1,973,557	1,474,550
Rental and service income	-	-	2,242	2,242
Interest income	-	-	55,468	53,404
Interest expense	-	-	49,935	50,785
Dividend income	-	-	231,971	7,186
Other income	-	-	8,094	4,226
Associate				
Purchases of raw materials	12,067	10,777	223	-
Dividend income	-	535	-	-
Interest expense	294	321	-	-
Key management personnel				
Key management personnel compensation	39,449	30,233	15,936	14,433
Other related parties				
Sales of goods	48,391	16,654	48,391	16,654
Purchases of goods/raw materials	14,410	8,334	397	-
Other income	992	1,398	-	100
Rental income	2,220	2,220	2,220	2,220
Sales of assets	-	21,500	-	-
Interest expense	-	158	-	158
Rental expense	106	106	-	-

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Trade accounts receivable - related parties				
Subsidiaries	-	-	203,082	136,806
Other related parties	31,134	9,241	31,134	9,241
Total	31,134	9,241	234,216	146,047
Other current receivables - related parties				
Subsidiaries	-	-	61,487	23,204
Associate	1	1	1	1
Other related parties	4,918	2,996	4,912	2,776
Total	4,919	2,997	66,400	25,981

Loans to related parties

Consolidated

Separate

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	Interest rate		financial statements		financial statements	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries						
Thai Rubber Land and Plantation Co., Ltd.	3.9	3.9	-	-	1,422,203	1,390,303
World Flex Public Company Limited	3.9	-	-	-	25,000	-
Short-term loans to related parties			-	-	1,447,203	1,390,303

Movements during the years ended 31 December of loans to related parties were as follows:

Short-term loan to related parties	Separate financial statements	
	2017	2016
	<i>(in thousand Baht)</i>	
Subsidiaries		
At 1 January	1,390,303	1,298,550
Increase	74,600	295,150
Decrease	(17,700)	(203,397)
At 31 December	1,447,203	1,390,303

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Trade accounts payable - related parties				
Subsidiaries	-	-	355	500,474
Associate	489	1,002	489	-
Other related parties	779	570	779	-
Total	1,268	1,572	1,623	500,474
Other current payables - related parties				
Subsidiaries	-	-	1,109	7,148
Total	-	-	1,109	7,148

Short-term loans from related parties	Interest rate		Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016	2017	2016
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Subsidiaries						
Thai Rubber Latex Group Co., Ltd.	-	3.8	-	-	-	1,323,900
Thai Rubber HPNR Co., Ltd.	3.9	3.9	-	-	32,000	25,400
Associate						
Wang Somboon Rubber Estate Co., Ltd.	4.0	4.0	8,000	8,000	-	-
Short-term loans from related parties			8,000	8,000	32,000	1,349,300

Movements during the years ended 31 December of loans from related parties were as follows:

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<i>Short-term loan from related parties</i>	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	1,349,300	1,396,250
Increase	-	-	296,227	378,500
Decrease	-	-	(342,200)	(425,450)
Acquisition from entire business transfer <i>(see note 3)</i>	-	-	(1,271,327)	-
At 31 December	-	-	32,000	1,349,300
Associate				
At 1 January	8,000	8,000	-	-
At 31 December	8,000	8,000	-	-
Other related party				
At 1 January	-	20,000	-	20,000
Decrease	-	(20,000)	-	(20,000)
At 31 December	-	-	-	-

As at 31 December 2017, the Group has unutilised credit facilities at the total of Baht 1,709 million and USD 115 million (2016: Baht 1,796 million and USD 121 million) and at the total of Baht 4,651 million and USD 14 million of credit facilities used (2016: Baht 4,400 million and USD 19 million), and the Company has issued letter of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 1,409 million and USD 25 million (2016: 4,215 million and USD 52 million).

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6 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Cash on hand	2,780	30,408	677	130
Cash at bank - current accounts	153,809	66,057	33,115	470
Cash at bank - saving accounts	33,578	30,726	9,759	91
Total	190,167	127,191	43,551	691

7 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Listed security available for sale	1,249	1,249	1,249	1,249
<i>Investment in equity securities:</i>				
Doctor Blue Co., Ltd.	5,100	5,100	5,100	5,100
Universal Steel Drum Co., Ltd.	3,000	3,000	3,000	3,000
Siam Steel Container Co., Ltd.	2,000	2,000	2,000	1,000
Thai Rubber Joint Venture Co., Ltd.	100,000	-	100,000	-
Total	111,349	11,349	111,349	10,349
Less allowance for impairment	(11,349)	(11,349)	(11,349)	(10,349)
Net	100,000	-	100,000	-

During 2017, the Company entered into the memorandum of understanding with Rubber Authority of Thailand and other rubber business companies to set up a company, Thai Rubber Joint Venture Co., Ltd., for the resolution to stabilise price with the objective to engage in the domestic and international trade of rubber. The said company was registered and established in July 2017 with authorised share capital of Baht 1,200 million whereby the Company invested of Baht 200 million (representing of 16.67% shareholding). As at 31 December 2017, the Company had partially paid-up capital amounting to Baht 100 million.

8 Trade accounts receivable

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	5	31,134	9,241	234,216	146,047
Other parties		1,073,686	1,069,165	724,785	346,255
Total		1,104,820	1,078,406	959,001	492,302
Less allowance for doubtful accounts		(133,534)	(135,741)	(133,534)	(110,518)
Net		971,286	942,665	825,467	381,784
Reversal of provision for bad and doubtful debts expense for the year, net		(5)	(3)	-	-

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Aging analyses for trade accounts receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Related parties				
Within credit term	11,924	5,624	190,624	93,309
Overdue:				
Less than 3 months	15,616	3,617	39,998	52,738
3 - 6 months	3,594	-	3,594	-
6 - 12 months	-	-	-	-
Over 12 months	-	-	-	-
	31,134	9,241	234,216	146,047
Other parties				
Within credit term	722,934	793,882	466,348	191,200
Overdue:				
Less than 3 months	216,836	136,154	124,639	41,143
3 - 6 months	264	-	264	-
6 - 12 months	-	-	-	-
Over 12 months	133,652	139,129	133,534	113,912
	1,073,686	1,069,165	724,785	346,255
Less allowance for doubtful accounts	(133,534)	(135,741)	(133,534)	(110,518)
	940,152	933,424	591,251	235,737
Net	971,286	942,665	825,467	381,784

The normal credit term granted by the Group/Company ranges from 1 day to 180 days.

9 Other current receivables

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	5	4,919	2,997	66,400	25,981
Other parties		146,591	144,385	32,451	9,845
Total		151,510	147,382	98,851	35,826
Less allowance for doubtful account		(43,761)	(43,761)	-	-
Net		107,749	103,621	98,851	35,826
Provision for bad and doubtful debts expense for the year, net		-	2,602	-	-

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10 Inventories

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Finished goods	1,132,521	946,150	874,511	111,426
Work in process	10,143	4,287	-	-
Raw materials	132,701	117,833	24,398	8,414
Packing materials	8,039	5,065	1,091	227
Supplies	27,405	24,805	7,406	697
Total	1,310,809	1,098,140	907,406	120,764
Less inventories allowance for decline in value	(4,473)	-	-	-
Net	1,306,336	1,098,140	907,406	120,764
Inventories recognised as an expense in 'cost of sales of goods and rendering of services':				
- Cost	8,396,803	7,115,822	2,701,864	2,033,646
- Write-down to net realisable value	4,473	-	-	-
Net	8,401,276	7,115,822	2,701,864	2,033,646

11 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
At 1 January	31,809	32,768	-	-
Share of profit (loss) of investments in associates	441	(651)	-	-
Share of comprehensive income of investments in associates	54	227	-	-
Dividend income	-	(535)	-	-
At 31 December	32,304	31,809	-	-

During the year ended 31 December 2017 and 2016 there were no acquisition and disposal of investments in associate.

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Investments in associates as at 31 December 2017 and 2016 and dividend income for the years then ended were as follows:

	Nature of business	Country of incorporation	Effective ownership interest		Paid-up capital		Consolidate financial statements				Dividend income			
			2017	2016	2017	2016	Cost		Carrying amount based on equity method		2017	2016		
			2017		2016		2017	2016	2017	2016	2017	2016	2017	2016
			(%)				<i>(in thousand Baht)</i>							
Associates														
Wang Somboon Rubber Estate Co., Ltd.	Planting of rubber	Thailand	48.4	48.4	55,300	55,300	30,101	30,101	32,304	31,809	-	535		
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	32,304	31,809	-	535		
Separate financial statements														
			Effective ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend income	
			2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
			(%)						<i>(in thousand Baht)</i>					
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)	-	-	-	-

(*) The Central Bankruptcy Court has ordered the verdict to be bankrupt since 27 September 2010. The Company recognised share of losses from investment in Rosener-Mautby Meditrade (Thailand) Ltd. until the value of the investment reached zero. Subsequent losses incurred by this associate have not been recognised in the Company's accounts since the Company has no obligations, whether legal or constructive, to make any payments on behalf of this associate.

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The following table summarised the financial information of the associate as included in its own financial statements and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group's interest in this company.

	Wang Somboon Rubber Estate Co., Ltd.	
	2017	2016
	<i>(in thousand Baht)</i>	
Revenue	15,832	12,380
Profit (loss) from continuing operations	912	(1,344)
Other comprehensive income	111	468
Total comprehensive income	1,023	(876)
Attributable to NCI	528	(452)
Attributable to investee's shareholders	495	(424)
Current assets	20,187	17,434
Non-current assets	49,064	51,084
Current liabilities	(440)	(649)
Non-current liabilities	(1,908)	(1,878)
Net assets	66,903	65,991
Attributable to NCI	34,599	34,182
Attributable to investee's shareholders	32,304	31,809
Group's interest in net assets of investee at 1 January	31,809	32,768
Group's share of total comprehensive income	495	(424)
Dividend income	-	(535)
Carrying amount of interest in investee At 31 December	32,304	31,809

None of the Group/Company are publicly listed and consequently do not have published price quotation.

12 Investments in subsidiaries

	<i>Note</i>	Separate financial statements	
		2017	2016
		<i>(in thousand Baht)</i>	
At 1 January		1,893,670	1,893,670
Increase capital		17,709	-
Acquisition from entire business transfer	3	19,470	-
Disposal		(889)	-
At 31 December		1,929,960	1,893,670

During 2017, Myanmar Thai Rubber Joint Corporation Limited, a subsidiary, registered to increase its share capital amounting to Baht 27.7 million accordingly the Company increased its investment amounted of Baht 17.7 million by remaining the existing ownership interest.

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Investments in subsidiaries as at 31 December 2017 and 2016 and dividend income for the years then ended were as follows:

<i>Subsidiaries</i>	Nature of business	Separate financial statements											
		Ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		(%)		<i>(in thousand Baht)</i>									
Direct subsidiaries													
Thai Rubber Latex Group Co., Ltd. (entire business transfer to the parent on 29 December 2017)	Production and distribution of products from natural rubber	100.0	100.0	544,000	544,000	544,000	544,000	-	-	544,000	544,000	217,600	-
World Flex Public Company Limited	Production and distribution of rubber thread	98.4	98.4	308,000	308,000	443,600	443,600	-	-	443,600	443,600	-	-
Thai Rubber Land and Plantation Co., Ltd.	Planting of rubber	100.0	100.0	300,000	300,000	300,000	300,000	-	-	300,000	300,000	-	-
Agrowealth Co., Ltd.	Agricultural forward trading	-	100.0	-	39,750	-	25,850	-	(24,961)	-	889	-	-
Thai Rubber HPNR Co., Ltd.	Distribution of STR and compound rubber	100.0	100.0	500,000	500,000	500,000	500,000	-	-	500,000	500,000	-	-
Latex Systems Co., Ltd.	Production and distribution of foam latex mattresses and pillows	56.2	56.2	78,809	78,809	53,981	53,981	-	-	53,981	53,981	14,371	7,186
Myanmar Thai Rubber Joint Corporation Limited	Production and distribution of products from natural rubber	64.0	64.0	107,672	80,000	68,909	51,200	-	-	68,909	51,200	-	-

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<i>Subsidiaries</i>	Nature of business	Separate financial statements											
		Ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend income	
		2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
		(%)						<i>(in thousand Baht)</i>					
Shanghai Runmao International Trading Co., Ltd. <i>(See note 3)</i>	Trading of products from natural rubber	55.0	-	35,399	-	19,470	-	-	-	19,470	-	-	-
						1,929,960	1,918,631	-	(24,961)	1,929,960	1,893,670	231,971	7,186
Indirect subsidiary													
Shanghai Runmao International Trading Co., Ltd. (held by Thai Rubber Latex Group Co., Ltd.)	Trading of products from natural rubber	-	55.0	-	35,399	-	19,470	-	-	-	19,470	17,784	-
Total						-	19,470	-	-	-	19,470	17,784	-

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.

Agrowealth Co., Ltd., a subsidiary, was approved to cease the agricultural forward trading business and was registered to dissolve its company on 28 December 2015 and completed the liquidation process on 21 September 2017.

Thai Rubber Latex Group Co., Ltd., a subsidiary, was registered to dissolve its company on 29 December 2017 in accordance with restructuring plan of the Group. The subsidiary is on process of liquidation. *(see note 3)*

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Allowance for impairment

One of the Group's business in rubber plantation segment faced a number of challenges in the markets including the volatility of rubber prices as a consequence over the market condition. Thai Rubber Land and Plantation Co., Ltd., a wholly-owned subsidiary of the Company, incurred net operating losses for the year ended 31 December 2017 of Baht 65.0 million (2016: Baht 65.9 million). The Group/Company assessed the recoverable amount of rubber plantation development costs and its investment which presented in the financial statements by preparing discounted cash flow projections ("DCF") by managements to determine the value in use of the cash-generating unit ("CGU") which mainly comprised of rubber plantation development costs and property, plant and equipments compared with the fair value less cost to disposal. The key assumptions used in the estimation of the recoverable amount in CGU related to discount and margin. The discount rate estimated based on the historical industry average weighted-average cost of capital. Based on the result of the assessment and management judgment, there was no impairment loss had been recorded.

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

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13 Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has a material non-controlling interest, before any intra-group eliminations:

	31 December 2017			Total
	Latex Systems Co., Ltd.	Shanghai Runmao International Trading Co., Ltd.	Other individual immaterial subsidiaries and intra- group eliminations	
	<i>(in thousand Baht)</i>			
Non-controlling interest percentage	43.84	45.00		
Current assets	323,562	109,233		
Non-current assets	487,759	829		
Current liabilities	(204,810)	(48,461)		
Non-current liabilities	(237,296)	-		
Net assets	369,215	61,601		
Carrying amount of non- controlling interest	161,864	27,720	32,048	221,632
Revenue	753,468	1,214,543		
Profit	109,130	10,398		
Total comprehensive income	109,064	10,398		
Profit (loss) allocated to non- controlling interest	47,843	4,679	(2,553)	49,969
Other comprehensive income allocated to non-controlling interest	47,814	4,679	(3,091)	49,402
Cash flows from operating activities	76,839	44,794		
Cash flows from (used in) investing activities	(94,674)	101		
Cash flows from (used in) financing activities	47,420	(32,964)		
Net increase in cash and cash equivalents	29,585	11,931		

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	31 December 2016			
	Latex Systems Co., Ltd.	Shanghai Runmao International Trading Co., Ltd.	Other individual immaterial subsidiaries and intra- group eliminations	Total
	<i>(in thousand Baht)</i>			
Non-controlling interest percentage	43.84	45.00		
Current assets	138,214	117,510		
Non-current assets	427,336	1,540		
Current liabilities	(125,697)	(32,714)		
Non-current liabilities	(154,112)	-		
Net assets	285,741	86,336		
Carrying amount of non- controlling interest	<u>125,269</u>	<u>38,851</u>	23,914	188,034
Revenue	429,094	1,132,294		
Profit	62,499	11,363		
Total comprehensive income	73,043	11,363		
Profit (loss) allocated to non- controlling interest	<u>27,400</u>	<u>5,113</u>	(6,897)	25,616
Other comprehensive income allocated to non-controlling interest	<u>32,022</u>	<u>5,113</u>	(9,127)	28,008
Cash flows from operating activities	72,212	2,337		
Cash flows used in investing activities	(226,521)	(72)		
Cash flows from financing activities	150,273	-		
Net increase (decrease) in cash and cash equivalents	(4,036)	2,265		

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14 Investment properties

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
At 1 January					
- Land		425,621	415,574	60,570	42,400
- Building		123,439	113,036	62,520	45,000
		549,060	528,610	123,090	87,400
Transfer to assets classified as held for sale					
- Land and building		-	(6,826)	-	(6,826)
		-	(6,826)	-	(6,826)
Fair value adjustments recognised in profit or loss					
- Land		12,592	25,255	2	18,170
- Building		(3,702)	17,229	(2,642)	24,346
	29, 32	8,890	42,484	(2,640)	42,516
Reversal of revaluation surplus of land and building which transferred to investment properties					
- Land and building		-	(15,208)	-	-
		-	(15,208)	-	-
As 31 December					
- Land		438,213	425,621	60,572	60,570
- Building		119,737	123,439	59,878	62,520
Total		557,950	549,060	120,450	123,090

Investment properties comprise a number of commercial properties that are leased to third parties. Each of the lease contains an initial non-cancellable period of 3 and 10 years for land and building. Subsequent renewals are negotiated with the lessee. No contingent rents are charged.

As at 31 December 2016, the loss on remeasurement of investment properties of Baht 15.2 million is reversing in other comprehensive income as previously presented in the revaluation reserve in equity of the Group.

The Group has pledged investment properties amounting to approximately Baht 244.5 million (2016: Baht 341.8 million) as collateral against credit facilities from a financial institution.

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Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Group's/Company's investment properties portfolio on an annual basis.

The fair value measurement for investment property has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

Valuation technique and significant unobservable inputs

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Market comparison technique	The quoted prices and actual trading price of a similar comparative investment properties adjusted by other various factor.	The estimated fair value would increase (decrease) if the price per area were higher (lower).
Replacement cost technique	Construction cost and the depreciation of investment properties adjusted by other factors.	The estimated fair value would increase (decrease) if the condition of property and construction cost would increase (decrease).

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15 Property, plant and equipment

	Consolidated financial statements							Assets under construction and installation	Total
	Note	Land and land improvement	Building and building improvements	Machinery	Office and other equipment (in thousand Baht)	Vehicles	Other fixed assets		
Cost/Revaluation									
At 1 January 2016		932,549	1,163,419	1,208,406	498,044	135,687	126,158	192,338	4,256,601
Additions		697	2,311	7,885	10,795	3,287	6	416,412	441,393
Revaluation of land, building, and machinery		692,202	136,639	53,637	-	-	-	-	882,478
Transfer from rubber plantation development costs	20	2,584	-	-	-	-	-	-	2,584
Transfer to assets classified as held for sale	16	(10,300)	(21,294)	-	(17,925)	-	-	-	(49,519)
Transfer in (out)		84	41,124	31,246	11,545	(301)	2,448	(86,146)	-
Write-off		-	(475)	(921)	(3,209)	-	-	(3,362)	(7,967)
Disposals		(135,250)	(176,658)	(123,966)	(61,032)	(10,092)	-	(15,963)	(522,961)
Reversal of assets revaluation		(2,457)	(472,389)	(458,570)	-	-	-	-	(933,416)
At 31 December 2016 and 1 January 2017		1,480,109	672,677	717,717	438,218	128,581	128,612	503,279	4,069,193
Additions		1,298	95,731	5,236	19,329	8,460	596	148,665	279,315
Revaluation of land, building, and machinery		60,670	-	-	-	-	-	-	60,670
Transfer to assets classified as held for sale	16	-	-	-	458	-	-	-	458
Transfer in (out)		-	199,765	112,661	7,463	5,000	9,613	(334,502)	-
Write-off		-	-	-	(1,408)	-	-	(552)	(1,960)
Disposals		-	(95,751)	(9,086)	(5,733)	(6,802)	-	-	(117,372)
At 31 December 2017		1,542,077	872,422	826,528	458,327	135,239	138,821	316,890	4,290,304

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		Consolidated financial statements							
	<i>Note</i>	Land and land improvement	Building and building improvements	Machinery	Office and other equipment <i>(in thousand Baht)</i>	Vehicles	Other fixed assets	Assets under construction and installation	Total
<i>Depreciation and impairment losses</i>									
At 1 January 2016		28,916	506,852	576,332	357,737	103,103	88,936	-	1,661,876
Depreciation charge for the year		-	34,472	109,144	22,341	14,652	4,600	-	185,209
Transfer in (out)		-	-	-	301	(301)	-	-	-
Transfer to assets held for sale	16	-	(5,148)	-	(17,326)	-	-	-	(22,474)
Write-off		-	(475)	(921)	(3,059)	-	-	-	(4,455)
Disposals		(259)	(31,903)	(45,761)	(36,827)	(8,912)	-	-	(123,662)
(Reversal of) impairment losses		(10,753)	(4,097)	2,832	-	-	-	-	(12,018)
Reversal of accumulated depreciation on assets revaluation		(2,457)	(472,389)	(458,570)	-	-	-	-	(933,416)
At 31 December 2016 and 1 January 2017		15,447	27,312	183,056	323,167	108,542	93,536	-	751,060
Depreciation charge for the year		-	65,196	103,050	25,172	11,288	5,530	-	210,236
Transfer from assets held for sale	16	-	-	-	421	-	-	-	421
Write-off		-	-	-	(1,408)	-	-	-	(1,408)
Disposals		-	-	(1,144)	(5,282)	(6,668)	-	-	(13,094)
At 31 December 2017		15,447	92,508	284,962	342,070	113,162	99,066	-	947,215

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	Consolidated financial statements							Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment <i>(in thousand Baht)</i>	Vehicles	Other fixed assets	Assets under construction and installation	
<i>Net book value</i>								
At 1 January 2016								
Owned assets	903,633	656,567	332,398	140,307	9,324	37,222	192,338	2,271,789
Assets under finance leases	-	-	299,676	-	23,260	-	-	322,936
	<u>903,633</u>	<u>656,567</u>	<u>632,074</u>	<u>140,307</u>	<u>32,584</u>	<u>37,222</u>	<u>192,338</u>	<u>2,594,725</u>
At 31 December 2016 and 1 January 2017								
Owned assets	1,464,662	645,365	287,327	115,051	1,202	35,076	503,279	3,051,962
Assets under finance leases	-	-	247,334	-	18,837	-	-	266,171
	<u>1,464,662</u>	<u>645,365</u>	<u>534,661</u>	<u>115,051</u>	<u>20,039</u>	<u>35,076</u>	<u>503,279</u>	<u>3,318,133</u>
At 31 December 2017								
Owned assets	1,526,630	695,521	345,628	116,257	8,478	39,755	316,890	3,049,159
Assets under finance leases	-	84,393	195,938	-	13,599	-	-	293,930
	<u>1,526,630</u>	<u>779,914</u>	<u>541,566</u>	<u>116,257</u>	<u>22,077</u>	<u>39,755</u>	<u>316,890</u>	<u>3,343,089</u>

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The gross amount of the Group's fully depreciated of plant and equipment that were still in use as at 31 December 2017 amounted to Baht 443.5 million (2016: *Baht 651.9 million*).

During 2016, Thai Rubber HPNR Co., Ltd., a subsidiary, signed an agreement to purchase and sale of its property in amounting of Baht 420.0 million consist of property, building and equipment for block rubber with the net book value of Baht 386.9 million with a local company. The Group reversed impairment loss of assets and recognised gain from sale of such assets amounting to Baht 19.1 million and Baht 22.4 million, respectively, presented under other income in the consolidated statement of comprehensive income for the period ended 31 December 2016.

Capitalised borrowing costs relating to the acquisition of the building amounted to Baht 7.1 million (2016: *Baht 4.8 million*), with a capitalisation rate of 3.9% (2016: *3.9%*) (see note 35).

In December 2016, land, building and machinery are revalued by market approach and depreciated replacement cost ("DRC") approach. The Group/Company determined fair value based on valuations performed by valuer approved by the Office of the SEC resulted to increase in revaluation surplus of land, building and machinery.

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	Note	Separate financial statements						Assets under construction and installation	Total
		Land and land improvement	Building and building improvements	Machinery	Office and other equipment (in thousand Baht)	Vehicles	Other fixed assets		
Cost/Revaluation									
At 1 January 2016		93,901	119,212	101,927	58,239	18,858	19,896	4,970	417,003
Additions		-	-	6,372	938	10	-	700	8,020
Revaluation of land, building and Machinery		55,163	24,715	-	-	-	-	-	79,878
Reversal of assets revaluation		-	(71,984)	-	-	-	-	-	(71,984)
Transfer in (out)		-	-	4,482	-	-	-	(4,482)	-
Disposals		-	-	(4,481)	-	-	-	-	(4,481)
At 31 December 2016 and 1 January 2017		149,064	71,943	108,300	59,177	18,868	19,896	1,188	428,436
Additions		-	-	-	1,361	2,339	406	4,047	8,153
Disposals		-	-	-	(21)	-	-	-	(21)
Acquisition from entire business transfer	3	315,065	296,091	315,018	87,171	70,751	81,968	105,373	1,271,437
At 31 December 2017		464,129	368,034	423,318	147,688	91,958	102,270	110,608	1,708,005

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	Note	Separate financial statements					Other fixed assets	Assets under construction and installation	Total
		Land and land improvement	Building and building improvements	Machinery	Office and other equipment (in thousand Baht)	Vehicles			
<i>Depreciation and impairment losses</i>									
At 1 January 2016		9,813	68,830	46,390	54,760	17,816	17,320	-	214,929
Depreciation charge for the year		-	3,154	11,895	1,358	1,041	865	-	18,313
Impairment losses		2,727	1,097	-	-	-	-	-	3,824
Reversal of accumulated depreciation on assets revaluation		-	(71,984)	-	-	-	-	-	(71,984)
Disposals		-	-	(4,481)	-	-	-	-	(4,481)
At 31 December 2016 and 1 January 2017		12,540	1,097	53,804	56,118	18,857	18,185	-	160,601
Depreciation charge for the year		-	3,363	10,783	1,337	44	866	-	16,393
Disposals		-	-	-	(4)	-	-	-	(4)
Acquisition from entire business transfer	3	-	45,884	136,724	79,892	62,154	61,018	-	385,672
At 31 December 2017		12,540	50,344	201,311	137,343	81,055	80,069	-	562,662

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	Separate financial statements						Assets under construction and installation	Total
	Land and land improvement	Building and building improvements	Machinery	Office and other equipment (in thousand Baht)	Vehicles	Other fixed assets		
<i>Net book value</i>								
At 1 January 2016								
Owned assets	84,088	50,382	8,601	3,479	1,042	2,576	4,970	155,138
Assets under finance leases	-	-	46,936	-	-	-	-	46,936
	84,088	50,382	55,537	3,479	1,042	2,576	4,970	202,074
At 31 December 2016 and 1 January 2017								
Owned assets	136,524	70,846	15,987	3,059	11	1,711	1,188	229,326
Assets under finance leases	-	-	38,509	-	-	-	-	38,509
	136,524	70,846	54,496	3,059	11	1,711	1,188	267,835
At 31 December 2017								
Owned assets	451,589	233,297	26,069	10,345	8,607	22,201	110,608	862,716
Assets under finance leases	-	84,393	195,938	-	2,296	-	-	282,627
	451,589	317,690	222,007	10,345	10,903	22,201	110,608	1,145,343

The gross amount of the Company's fully depreciated plant and equipment that were still in use as at 31 December 2017 amounted to Baht 260.9 million (2016: Baht 50.4 million).

The Group and the Company have pledged their property, plant and equipment which have a net book value of Baht 2,234.3 million and Baht 965.2 million, respectively (2016: Baht 2,055.9 million and Baht 245.9 million, respectively), as collateral to secure the Group's and the Company's bank overdrafts, trusted receipts, short and long term loans. (see note 22)

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Measurement of fair value

Fair value hierarchy

The fair value of land, building and machinery was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuer provide the fair value of the Group's/Company's land, building and machinery portfolio over periods of 3 - 5 years.

The fair value measurement for land, building and machinery has been categorised as a Level 3 fair value based on the input to the valuation technique used.

The following table shows the valuation technique used in measuring the fair value of land, building and machinery, as well as the significant unobservable inputs used.

<u>Valuation technique</u>	<u>Significant unobservable inputs</u>	<u>Inter-relationship between significant unobservable inputs and fair value measurement</u>
Market comparison technique	The quoted prices and actual trading price of a similar comparative land adjusted by other various factor.	The estimated fair value would increase (decrease) if the price per area were higher (lower).
Replacement cost technique	Construction costs, used machine costs or second hand machine and depreciation of building and machine adjusted by other factors.	The estimated fair value would increase (decrease) and the condition of property and construction cost and used machine or second hand machine would increase (decrease).

16 Non-current assets classified as held for sale

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
<i>(in thousand Baht)</i>					
At 1 January		34,311	440	6,826	-
Transfer from investment properties	14	-	6,826	-	6,826
Transfer from (to) property, plant and equipment	15	(37)	27,045	-	-
Transfer to land possessory rights	18	(440)	-	-	-
Disposals		(33,834)	-	(6,826)	-
At 31 December		-	34,311	-	6,826
<i>Less</i> Assets classified as held for sale - current portion		-	(34,311)	-	(6,826)
Net		-	-	-	-

During 2017, the Group/Company sold land and buildings classified as held for sale in amounting to Baht 33.2 million and 6.8 million, respectively, and recorded gain on disposal of such assets of Baht 6.2 million in the consolidated statement of comprehensive income for the year ended 31 December 2017.

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17 Other intangible assets

		Software license	
		Consolidated financial statements	Separate financial statements
	<i>Note</i>	<i>(in thousand Baht)</i>	
At 1 January 2016		11,322	6,147
Additions		1,604	824
At 31 December 2016 and 1 January 2017		12,926	6,971
Additions		4,244	-
Acquisition from entire business transfer	3	-	2,954
At 31 December 2017		17,170	9,925
<i>Amortisation</i>			
At 1 January 2016		(10,656)	(6,147)
Amortisation charge for the year		(482)	(165)
At 31 December 2016 and 1 January 2017		(11,138)	(6,312)
Amortisation charge for the year		(786)	(165)
Acquisition from entire business transfer	3	-	(2,954)
At 31 December 2017		(11,924)	(9,431)
<i>Net book value</i>			
At 1 January 2016		666	-
At 31 December 2016 and 1 January 2017		1,788	659
At 31 December 2017		5,246	494

18 Land possessory rights

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
At 1 January		192,444	192,444	6,270	6,270
Transfer from assets held for sale	16	440	-	-	-
Increase		274	-	-	-
At 31 December		193,158	192,444	6,270	6,270

As at 31 December 2017, the Group and the Company have land possessory rights of approximately 13,558 rais and 49 rais, respectively (2016 : 13,547 rais and 49 rais, respectively). The Group and the Company are currently in the process of legal ownership acquisition.

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19 Advance payment for land possessory rights

The Group entered into a Shareholders Agreement with Vantage Co., Ltd. (“Vantage”) to join and invest in the business in the Republic of the Union of Myanmar through the incorporation of Myanmar Thai Rubber Joint Corporation Limited (“MTRJC”) which is or shall be a limited company under the law in the Republic of the Union of Myanmar. MTRJC has registered capital of Baht 107.7 million in order to develop and produce of rubber plantation, rubber smoked sheet and concentrated natural latex factory in Myeik, Dawei. Under the terms of the above agreement, MTRJC will purchase land possessory rights at the amount of Baht 145 million. In 2014, MTRJC paid advance payment for land possessory right at Baht 45 million. However in 2017, the land possessory rights have not yet been transferred to MTRJC. As a result, an addendum to the above agreement with Vantage has been made in order to transfer the land processor rights to Vantage. The rubber plantation is operated by Vantage and the operating result from the rubber plantation will be repaid to MTRJC to deduct the advance for land possessory rights until the rights are transferred to MTRJC. As at 31 December 2017, the outstanding balance of advance payment for land possessory rights amounted of Baht 36.5 million is in the consolidated financial statements.

20 Rubber plantation development costs

	Note	Consolidated financial statements	
		2017	2016
		<i>(in thousand Baht)</i>	
At 1 January		851,210	809,550
Additions		40,977	50,977
Transfer to property, plant and equipment	15	-	(2,584)
Amortisation		(14,750)	(6,733)
At 31 December		877,437	851,210

As at 31 December 2017, the Group have capitalised borrowing costs related to rubber plantation development amounted to Baht 14.2 million (2016: 17.6 million), with a recognition interest rate of 3.9 % p.a. (2016: 3.9% p.a.) (see note 35).

21 Deferred tax

Deferred tax assets and liabilities as at 31 December were as follows:

	Consolidated financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Total	152,027	175,267	(372,137)	(369,921)
Set off of tax	(132,605)	(150,723)	132,605	150,723
Net deferred tax assets (liabilities)	19,422	24,544	(239,532)	(219,198)

	Separate financial statements			
	Assets		Liabilities	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Total	87,794	56,540	(150,772)	(52,243)
Set off of tax	(87,794)	(52,243)	87,794	52,243
Net deferred tax assets (liabilities)	-	4,297	(62,978)	-

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Movements in total deferred tax assets and liabilities during the years ended 31 December 2017 and 2016 were as follows:

	Consolidated financial statements (Charged) / Credited to:				At 31 December 2017
	At 1 January 2017	Profit or loss (see note 36)	Other comprehensive income (in thousand Baht)	Equity	
Deferred tax assets					
Trade accounts receivable (doubtful accounts)	26,836	(1)	-	-	26,835
Property, plant and equipment (sales and leaseback)	36,252	(7,718)	-	-	28,534
Employee benefit obligations	12,763	547	124	-	13,434
Others	2,536	(332)	-	-	2,204
Loss carry forward	96,880	(15,860)	-	-	81,020
Total	175,267	(23,364)	124	-	152,027
Deferred tax liabilities					
Property, plant and equipment (revaluation)	(307,230)	13,716	(12,174)	-	(305,688)
Investment properties (revaluation)	(59,857)	(2,959)	-	-	(62,816)
Others	(2,834)	(799)	-	-	(3,633)
Total	(369,921)	9,958	(12,174)	-	(372,137)
Net	(194,654)	(13,406)	(12,050)	-	(220,110)

	Consolidated financial statements (Charged) / Credited to:				At 31 December 2016
	At 1 January 2016	Profit or loss (see note 36)	Other comprehensive income (in thousand Baht)	Equity	
Deferred tax assets					
Trade accounts receivable (doubtful accounts)	26,836	-	-	-	26,836
Property, plant and equipment (sales and leaseback)	44,151	(7,899)	-	-	36,252
Employee benefit obligations	11,908	855	-	-	12,763
Others	1,841	695	-	-	2,536
Loss carry forward	119,369	(22,489)	-	-	96,880
Total	204,105	(28,838)	-	-	175,267

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	Consolidated financial statements				At 31 December 2016
	At 1 January 2016	(Charged) / Credited to:		Equity	
		Profit or loss <i>(see note 36)</i>	Other comprehensive income <i>(in thousand Baht)</i>		
Deferred tax liabilities					
Property, plant and equipment <i>(revaluation)</i>	(143,939)	13,272	(176,563)	-	(307,230)
Investment properties <i>(revaluation)</i>	(53,156)	(9,743)	3,042	-	(59,857)
Others	(935)	(1,899)	-	-	(2,834)
Total	<u>(198,030)</u>	<u>1,630</u>	<u>(173,521)</u>	<u>-</u>	<u>(369,921)</u>
Net	<u>6,075</u>	<u>(27,208)</u>	<u>(173,521)</u>	<u>-</u>	<u>(194,654)</u>

	Separate financial statements					At 31 December 2017
	At 1 January 2017	(Charged) / Credited to:			Acquisition from entire business transfer <i>(Note 3)</i>	
		Profit or loss <i>(Note 36)</i>	Other comprehensive income <i>(in thousand Baht)</i>	Equity		
Deferred tax assets						
Trade account receivable <i>(doubtful accounts)</i>	22,104	-	-	-	4,603	26,707
Property, plant and equipment <i>(sales and leaseback)</i>	6,678	(1,483)	-	-	23,158	28,353
Employee benefit obligations	1,517	212	20	-	8,065	9,814
Others	624	721	-	-	615	1,960
Loss carry forward	25,617	(4,657)	-	-	-	20,960
Total	<u>56,540</u>	<u>(5,207)</u>	<u>20</u>	<u>-</u>	<u>36,441</u>	<u>87,794</u>
Deferred tax liabilities						
Property, plant and equipment <i>(revaluation)</i>	(39,368)	1,670	-	-	(99,869)	(137,567)
Investment properties <i>(revaluation)</i>	(12,875)	(117)	-	-	-	(12,992)
Other	-	-	-	-	(213)	(213)
Total	<u>(52,243)</u>	<u>1,553</u>	<u>-</u>	<u>-</u>	<u>(100,082)</u>	<u>(150,772)</u>
Net	<u>4,297</u>	<u>(3,654)</u>	<u>20</u>	<u>-</u>	<u>(63,641)</u>	<u>(62,978)</u>

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	At 1 January 2016	Separate financial statements (Charged) / Credited to:			At 31 December 2016
		Profit or loss (Note 36)	Other comprehensive income (in thousand Baht)	Equity	
Deferred tax assets					
Trade account receivable (doubtful accounts)	22,104	-	-	-	22,104
Property, plant and equipment (sales and leaseback)	8,161	(1,483)	-	-	6,678
Employee benefit obligations	1,564	(47)	-	-	1,517
Others	669	(45)	-	-	624
Loss carry forward	25,617	-	-	-	25,617
Total	58,115	(1,575)	-	-	56,540
Deferred tax liabilities					
Property, plant and equipment (revaluation)	(26,045)	2,653	(15,976)	-	(39,368)
Investment properties (revaluation)	(3,661)	(9,214)	-	-	(12,875)
Total	(29,706)	(6,561)	(15,976)	-	(52,243)
Net	28,409	(8,136)	(15,976)	-	4,297

Deferred tax assets arising from unused tax losses that has not been recognised in the financial statements were as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Loss carry forward	77,818	86,769	19,319	19,319
Total	77,818	86,769	19,319	19,319

The tax losses expire in 2018 - 2024. The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits therefrom.

As of 31 December 2017 and 2016, the Group/Company recognised deferred tax assets in respect of a portion of unused tax losses because the Group/Company has been granted privileges by the Board of Investment. The management believes that it is probable that future taxable profits arising from increasing production capacity in certain businesses, restructuring of financing plan and business restructuring of the Group/Company will be available against which such losses can be used and, therefore, the related deferred tax assets can be utilised.

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22 Interest-bearing liabilities

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Current				
Bank overdrafts - secured	16,308	33,806	15,649	25,267
Short-term borrowings from financial institutions - secured	3,386,453	3,415,343	2,891,676	837,940
Bank overdrafts and short-term borrowings from financial institutions	3,402,761	3,449,149	2,907,325	863,207
Short-term borrowings from related parties - unsecured	8,000	8,000	32,000	1,349,300
Current portion of long-term borrowings from financial institutions - secured	108,750	65,000	58,750	12,000
Current portion of finance lease liabilities	74,805	64,410	73,160	9,078
Total current interest-bearing liabilities	3,594,316	3,586,559	3,071,235	2,233,585
Non-current				
Long-term borrowings from financial institutions - secured	1,123,750	1,010,000	898,750	255,000
Finance lease liabilities	90,643	86,935	86,827	12,974
Total non-current interest-bearing liabilities	1,214,393	1,096,935	985,577	267,974
Total interest-bearing liabilities	4,808,709	4,683,494	4,056,812	2,501,559

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Long-term borrowings of the Company				
a) Long-term borrowings of Baht 270 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 20 installments (Baht 3 million for installment 1-8, Baht 4.5 million for installment 9-16, Baht 6 million for installment 17-19 and the remain principle for installment 20). The repayments are to be made for every 3-month period, commencing December 2016.	255,000	267,000	255,000	267,000

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	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
b) Long-term borrowings of Baht 645 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 20 installments (Baht 7 million for installment 1-8, Baht 10.5 million for installment 9-16, Baht 14 million for installment 17-19 and the remain principle for installment 20). The repayments are to be made for every 3-month period, commencing December 2016.	610,000	-	610,000	-
c) Long-term borrowings of Baht 100 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 20 installments (Baht 2.5 million for installment 1-4, Baht 3.8 million for installment 5-8, Baht 6.3 million for installment 9-19 and the remain principle for installment 20). The repayments are to be made for every 3-month period, commencing June 2017.	92,500	-	92,500	-
Long-term borrowings of the Subsidiaries				
<i>Thai Rubber Latex Group Co., Ltd.</i>				
d) Loan as (b) which TRLG transferred all interest-bearing liabilities to the Company according to the entire business transferred arrangement.	-	638,000	-	-
<i>Latex Systems Co., Ltd.</i>				
e) Long-term borrowings facility of Baht 300 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 24 installments for 12.5 million per installment. The repayments are to be made for every 3-month period, commencing September 2017.	275,000	170,000	-	-
Total	1,232,500	1,075,000	957,500	267,000
<i>Less: Current portion of long term borrowings</i>	<i>(108,750)</i>	<i>(65,000)</i>	<i>(58,750)</i>	<i>(12,000)</i>
Net	<u>1,123,750</u>	<u>1,010,000</u>	<u>898,750</u>	<u>255,000</u>

As at 31 December 2017, the Group has unutilised credit facilities at the total of Baht 1,709 million and USD 115 million (2016: Baht 1,796 million and USD 121 million).

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The weighted effective interest rate as at 31 December are as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	(% per annum)			
Short-term borrowings	3.1 - 7.4	2.9 - 7.4	3.1 - 7.4	3.1 - 7.4
Long-term borrowings	MLR-2	MLR-2	MLR-2	MLR-2
Finance lease	4.4 - 6.5	5.1 - 6.5	4.4 - 6.5	5.1

Finance lease liabilities

Finance lease liabilities as at 31 December were payable as follows:

	Consolidation financial statements					
	2017			2016		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	81,729	6,924	74,805	71,549	7,139	64,410
After one year but within five years	97,244	6,601	90,643	90,465	3,530	86,935
Total	178,973	13,525	165,448	162,014	10,669	151,345

	Separate financial statements					
	2017			2016		
	Future minimum lease payments	Interest	Present value of minimum lease payments	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	79,740	6,580	73,160	10,117	1,039	9,078
After one year but within five years	92,845	6,018	86,827	13,490	516	12,974
Total	172,585	12,598	159,987	23,607	1,555	22,052

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

Long-term borrowings from financial institutions of the Group/Company are secured by the mortgage by land and premises thereon, plants and machinery, and also guaranteed by the Group/Company. Moreover, the Group/Company must be in compliance with the debt covenants and maintain the required financial ratios and other terms as stated in the agreements such as maintaining the debt to equity ratio.

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23 Trade accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	5	1,268	1,572	1,623	500,474
Other parties		203,495	180,957	45,322	12,292
Total		204,763	182,529	46,945	512,766

24 Other current payables

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Related parties	5	-	-	1,109	7,148
Other parties		154,780	145,561	49,271	13,398
Total		154,780	145,561	50,380	20,546

25 Non-current provision for employee benefits

		Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Statement of financial position					
Non-current provisions for:					
Defined benefit obligations		67,169	62,144	49,069	7,584
Year ended 31 December					
Statement of comprehensive income:					
Recognised in profit or loss:					
Current services cost		5,866	7,388	1,155	1,522
Reversal of provision for employee benefit		-	(431)	-	-
		5,866	6,957	1,155	1,522
Recognised in other comprehensive income:					
Actuarial losses recognised in the year		802	-	101	-
		802	-	101	-

Defined benefit plan

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service.

The defined benefit plans expose the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

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Movement in the present value of the defined benefit obligations.

	<i>Note</i>	Consolidated financial statements		Separate financial statements	
		2017	2016 <i>(in thousand Baht)</i>	2017	2016
At 1 January		62,144	59,540	7,584	7,820
Include in profit or loss:					
Current service cost		4,599	5,657	962	1,287
Interest on obligation		1,267	1,731	193	235
Reversal of provision for employee benefit		-	(431)	-	-
		5,866	6,957	1,155	1,522
Included in other comprehensive income					
Actuarial loss		802	-	101	-
		802	-	101	-
Other					
Benefit paid		(1,643)	(4,353)	(94)	(1,758)
Acquisition from entire business transfer	3	-	-	40,323	-
		(1,643)	(4,353)	40,229	(1,758)
At 31 December		67,169	62,144	49,069	7,584

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Discount rate	3	3	3	3
Future salary growth	3 - 6	3 - 6	3 - 6	3 - 6

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

Weighted-average duration of the defined benefit obligation was 16 years.

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Consolidated financial statements		Separate financial statements	
	Increase	Decrease	Increase	Decrease
	<i>(in thousand Baht)</i>			
At 31 December 2017				
Discount rate (1% movement)	(5,967)	6,999	(3,367)	3,894
Future salary growth (1% movement)	7,933	(6,831)	4,507	(3,936)
Employee turnover rate (1% movement)	(5,554)	6,633	(2,995)	3,515
Future mortality (1% movement)	352	(397)	193	(215)
At 31 December 2016				
Discount rate (1% movement)	(5,576)	6,567	(559)	649
Future salary growth (1% movement)	6,860	(5,923)	691	(606)
Employee turnover rate (1% movement)	(4,764)	5,657	(431)	501
Future mortality (1% movement)	304	(342)	29	(33)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

26 Share capital

	Par value per share <i>(in Baht)</i>	2017		2016	
		Number	Baht	Number	Baht
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 January					
- ordinary shares	1	749,608	749,608	749,608	749,608
Reduction of shares	1	(68,128)	(68,128)	-	-
Issue of new shares	1	1,200,000	1,200,000	-	-
At 31 December					
- ordinary shares		1,881,480	1,881,480	749,608	749,608
Issued and paid-up					
At 1 January					
- ordinary shares	1	681,480	681,480	681,480	681,480
Issue of new shares	1	1,003,600	1,003,600	-	-
At 31 December					
- ordinary shares		1,685,080	1,685,080	681,480	681,480

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Reduction of shares and issue of new shares

On 13 December 2017, the extraordinary shareholders' meeting of the Company approved the reduction of the authorised share capital from Baht 749.6 million (749,607,657 shares at Baht 1 par value) to Baht 681.5 million (681,479,688 shares at Baht 1 par value) in order to reduce the authorised share capital that not yet been issued amounting to 68,127,969 shares at Baht 1 par value. Moreover, the meeting also approved to increase the authorised share capital from Baht 681.5 million (681,479,688 shares at Baht 1 par value) to Baht 1,881.5 million (1,881,479,688 shares at Baht 1 par value) by issuance of 1,200,000,000 ordinary shares at Baht 1 par value as private placement to Thai Rubber Latex Group Co., Ltd. in consideration of the entire business transfer which was paid-up capital of Baht 1,003.6 million. The Company registered the reduction of share capital and increase its authorised share capital with the Ministry of Commerce on 27 December 2017 and 28 December 2017, respectively.

Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

27 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Difference from business combination under common control

Difference on common control transactions arising within equity represents the difference of the book values of certain entities or business under common control under their cost as of the date of their acquisitions. The reserve is non-distributable and will be retained until the respective business are sold or otherwise disposed of.

Other components of equity

Currency translation differences

The currency translation differences account within equity comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

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Valuation surplus

The valuation surplus account within equity comprises the cumulative net change in the valuation of land, building and machinery included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of. Valuation surplus of building and machinery is amortised using the straight-line method according to its remaining useful life and transferred directly to retained earnings.

		Consolidated financial statements		Separate financial statements	
	Note	2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
At 1 January		1,331,667	694,870	163,451	107,787
Revaluation of land, building and machinery, net of income tax		48,495	700,298	-	63,902
Reversal of revaluation surplus of land and building which transferred to investment properties, net of income tax		-	(12,167)	-	-
Amortisation		(62,430)	(44,301)	(8,352)	(8,238)
Disposals, net of income tax		(2,218)	(7,033)	-	-
Revaluation surplus on assets acquisition from entire business transfer	3	-	-	397,600	-
At 31 December		<u>1,315,514</u>	<u>1,331,667</u>	<u>552,699</u>	<u>163,451</u>

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

28 Segments information

The Group's has four 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 Block rubber
- Segment 3 Latex products
- Segment 4 Rubber plantation

There are varying levels of integration between the Segment 1, Segment 2, Segment 3, and Segment 4 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.

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Information about reportable segments

	Concentrated and prevulcanized latex		Block rubber (*)		Latex products		Rubber plantation		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	<i>(in million Baht)</i>									
External revenue	6,940	5,573	-	317	2,482	1,833	5	13	9,427	7,736
Inter-segment revenue	3,062	2,352	-	25	-	-	51	107	3,113	2,484
Total segment revenue	10,002	7,925	-	342	2,482	1,833	56	120	12,540	10,220
Interest income	105	106	1	-	-	-	-	-	106	106
Interest expense	(210)	(187)	-	(10)	(29)	(26)	(41)	(35)	(280)	(258)
Depreciation and amortisation	(118)	(82)	(4)	(9)	(79)	(82)	(11)	(15)	(212)	(188)
Segment profit (loss) before income tax	155	(107)	3	34	134	57	(63)	(84)	229	(100)
Share of profit (loss) of investment in associates	-	-	-	-	-	-	-	(1)	-	(1)
Significant income and expenses										
- Selling-related expenses	(180)	(194)	-	(11)	(21)	(23)	-	(9)	(201)	(237)
- Personnel-related expenses	(251)	(224)	-	(6)	(208)	(172)	(37)	(26)	(496)	(428)
Investment in equity securities	100	-	-	-	-	-	30	30	130	30
Capital expenditure	165	186	-	-	112	257	43	56	320	499
Reportable segment assets at 31 December	3,445	3,118	215	219	2,195	1,922	2,153	2,311	8,008	7,570
Reportable segment liabilities as at 31 December	4,342	4,205	3	3	1,088	969	136	180	5,569	5,357

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(*) Thai Rubber HPNR Co., Ltd., a subsidiary, sold its property, plant, and equipment for block rubber to a local company during 2016 and changed its business structure to distribution of STR and compound rubber.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items.

	2017	2016	
	<i>(in million Baht)</i>		
Revenues			
Total revenue from reportable segments	12,540	10,220	
Other revenue	408	217	
	12,948	10,437	
Elimination of inter-segment revenues	(3,480)	(2,584)	
Consolidated revenue	9,468	7,853	
Profit or loss			
Total profit (loss) before income tax for reportable segments	478	(112)	
Elimination of inter-segment profits	(249)	12	
Consolidated profit (loss) before income tax	229	(100)	
Assets			
Total assets for reportable segments	12,715	12,989	
Elimination of inter-segment assets	(4,707)	(5,419)	
Consolidated total assets	8,008	7,570	
Liabilities			
Total liabilities for reportable segments	7,343	8,862	
Elimination of inter-segment liabilities	(1,774)	(3,505)	
Consolidated total liabilities	5,569	5,357	
Other material items			
	Reportable segment totals	Adjustments	Consolidated totals
		<i>(in million Baht)</i>	
2017			
Interest income	106	(105)	1
Interest expense	280	(105)	175
Capital expenditure	320	-	320
Depreciation and amortisation	212	(1)	211
2016			
Interest income	106	(104)	2
Interest expense	258	(104)	154
Capital expenditure	499	(5)	494
Depreciation and amortisation	188	(2)	186

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Geographical segments

Segment 1, 2, 3 and 4 are managed on a worldwide basis but operate manufacturing facilities and sales offices in Thailand, the People's Republic of China ("PRC") and the Republic of Union of Myanmar ("Myanmar").

In presenting geographical information on the basis, segment revenue is based on the geographical location of customers. Assets are based on the geographical location of the assets.

Geographical information

	Revenues		Non-current assets	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Thailand	8,248	6,716	5,113	5,018
Myanmar	6	5	103	110
PRC	1,214	1,132	1	2
Investments in equity - accounted investees	-	-	132	32
Total	9,468	7,853	5,349	5,162

29 Other income

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Gain on of fair value adjustment in investment properties	14	8,890	42,484	-	42,516
Gain on foreign exchange		8,551	1,506	48	-
Interest income		692	1,765	55,873	54,550
Gain on sale of fixed assets	15	-	29,143	-	100
Reversal of impairment on assets	15	-	12,018	-	-
Dividend income	5	-	535	231,971	7,186
Others		22,849	29,623	12,870	9,012
Total		40,982	117,074	300,762	113,364

30 Distribution costs

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Distribution expense	208,908	243,551	29,221	24,069
Latex gardener support expense	72,351	51,091	15,423	6,187
Marketing expense - Commission	39,857	30,283	7,281	6,337
Others	11,273	7,841	592	116
Total	332,389	332,766	52,517	36,709

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31 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Personnel expenses	174,970	154,325	24,283	27,066
Depreciation	62,820	55,886	4,400	3,017
Travelling expense	19,868	19,125	3,417	3,655
Office expense	15,611	17,716	3,838	4,167
Professional fees	13,259	13,269	6,427	5,585
Custom duty and other taxes	4,115	15,141	929	11,231
Bad and doubtful debts expense	-	2,598	-	-
Others	32,399	47,745	4,929	10,199
Total	323,042	325,805	48,223	64,920

32 Other expenses

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Net loss on sale of fixed asset	15	8,130	-	11	-
Net loss on future rubber contract		236	24,277	236	-
Impairment loss on assets	15	-	-	-	3,824
Net loss on foreign exchange		-	-	-	124
Loss on fair value adjustment in investment properties	14	-	-	2,640	-
Total		8,366	24,277	2,887	3,948

33 Employee benefit expenses

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Salary, wage and overtime expense	368,726	322,354	31,172	27,814
Others	114,780	106,042	4,924	6,967
Total	483,506	428,396	36,096	34,781

Defined contribution plans

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates 5% of their basic salaries and by the Group at rates ranging from 5% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by licensed fund manager.

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34 Expenses by nature

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

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht)</i>			
Change in finished goods and work in process	(192,228)	(51,860)	(222,564)	35,888
Raw materials and supplies used	5,854,402	3,321,320	512,560	277,060
Purchase of finished goods	1,954,603	3,145,386	2,369,287	1,680,690
Depreciation on building and equipment	207,605	181,001	16,393	18,313
Employee benefit expenses	483,506	428,396	36,096	34,781

35 Finance costs

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Interest expense:					
Subsidiaries	5	-	-	49,935	50,785
Associate	5	294	321	-	-
Related parties	5	-	158	-	158
Bank loans and overdrafts		189,595	169,291	48,216	46,272
Total interest expense		189,889	169,770	98,151	97,215
Other finance costs		6,340	6,798	1,796	612
		196,229	176,568	99,947	97,827
<i>Less:</i> amounts included in the cost of qualifying assets:					
- Property, plant and equipment under construction	15	(7,146)	(4,754)	-	-
- Rubber plantation development costs	20	(14,210)	(17,635)	-	-
Net		174,873	154,179	99,947	97,827

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36 Income tax expense

Income tax recognised in profit or loss

	Note	Consolidated financial statements		Separate financial statements	
		2017	2016	2017	2016
		<i>(in thousand Baht)</i>			
Current tax expense					
Current year		20,854	14,820	-	-
Deferred tax expense	21				
Movements in temporary differences		13,406	27,208	3,654	8,136
Total income tax expense		34,260	42,028	3,654	8,136

Reconciliation of effective tax rate

	Consolidated financial statements			
	2017		2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit (loss) before income tax expense		228,635		(100,439)
Income tax using the Thai corporation tax rate	20	45,727	20	(20,088)
Effect of different tax rates in foreign jurisdictions		2,178		4,740
Income not subject to tax		(15,657)		(6,458)
Expenses not deductible for tax purposes		1,230		4,344
Utilisation of previously unrecognised tax losses		(23,526)		-
Current year losses for which no deferred tax assets was recognised		14,575		40,894
Written-off unrecoverable deferred tax assets from loss carry forward		9,450		20,394
Others		283		(1,798)
Total		34,260		42,028

	Separate financial statements			
	2017		2016	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax expense		250,080		18,933
Income tax using the Thai corporation tax rate	20	50,016	20	3,787
Income not subject to tax		(46,394)		(1,437)
Expenses not deductible for tax purposes		342		922
Current year losses for which no deferred tax assets was recognised		-		4,466
Others		(310)		398
Total		3,654		8,136

Income tax reduction

Royal Decree No. 42 B.E. 2559 dated 3 March 2016 grants a reduction of the corporate income tax rate to 20% of net taxable profit for accounting periods which begins on or after 1 January 2016.

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37 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group has been granted privileges by the Board of Investment relating to latex concentrate, skim crepes, skim blocks, and rubber related products. The privileges granted include:

- (a) Exemption from payment of import duty on machinery approved by the Board of investment
- (b) Exemption from payment of income tax for certain operations for a period of eight years from the date on which the income is first derived from such operations
- (c) A 50% reduction in the normal income tax rate on the net profit derived from certain operations for a period of five years, commencing from the expiry date in (b) above and;
- (d) A deduction for a period of ten years of an amount equal to 5% of the increase in income of certain promoted operations over the income from those operations for the previous year.

As promoted companies, the subsidiaries in Thailand must comply with certain terms and conditions prescribed in the promotional certificates.

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2017			2016		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	1,234	4,821	6,055	749	4,369	5,118
Local sales	406	2,966	3,372	177	2,441	2,618
Total revenue	1,640	7,787	9,427	926	6,810	7,736

	Separate financial statements					
	2017			2016		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
	<i>(in million Baht)</i>					
Export sales	-	545	545	-	317	317
Local sales	-	2,310	2,310	-	1,826	1,826
Total revenue	-	2,855	2,855	-	2,143	2,143

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38 Earnings (loss) per share

The calculation of basic earnings (loss) per share for the years ended 31 December 2017 and 2016 were based on the profit or loss for the years attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in thousand Baht/thousand shares)</i>			
Profit (loss) attributable to ordinary shareholders of the Company	144,406	(168,083)	246,426	10,797
Number of issued shares at 31 December	1,685,080	681,480	1,685,080	681,480
Weighted average number of ordinary shares outstanding	681,480	681,480	681,480	681,480
Basic earnings (loss) per share (in Baht)	0.21	(0.25)	0.36	0.02

The increasing number of share capital from business restructuring in 2017 is not entitled to vote in shareholders' meeting and is not able to receive any dividends. Therefore, the new issued and paid-up shares capital amounting to 1,003.6 million shares are not included in the calculation of earnings per share of the Company. The earning per share of the Company is calculated from remaining number of ordinary shares (681,479,688 shares).

39 Financial instruments

Financial risk management policies

The Group/Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Group/Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group/Company. The Group/Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's/Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

Capital management

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital, which the Group defines as result from operating activities divided by total shareholders' equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group's/Company's operations and its cash flows. The Group/Company is primarily exposed to interest

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rate risk from its borrowings (*see note 22*). The Group/Company mitigates this risk by reviewing the interest rates in each period.

The effective interest rates of loan to related and other parties as at 31 December and the periods in which the loans to other parties mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements				Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years		
2016						
Current						
Loans to other parties	MOR+1	16,793	400	-		17,193
Total		16,793	400	-		17,193
2017						
Current						
Loans to related parties	3.9	1,447,203	-	-		1,447,203
Total		1,447,203	-	-		1,447,203
2016						
Current						
Loans to related parties	3.9	1,390,303	-	-		1,390,303
Loans to other parties	MOR+1 and 6 - 12	13,486	400	-		13,886
Total		1,403,789	400	-		1,404,189

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The effective interest rates of interest-bearing financial liabilities as at 31 December and the periods in which those liabilities mature or re-price were as follows:

	Effective interest rate (% per annum)	Consolidated financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
2017					
Current					
Bank overdrafts and short-term borrowings from financial institutions	3.1 - 7.4	3,402,761	-	-	3,402,761
Loans from related party	4.0	8,000	-	-	8,000
Non-current					
Loans from financial institutions	MLR-2	108,750	1,123,750	-	1,232,500
Finance lease liabilities	4.4 - 6.5	74,805	90,643	-	165,448
Total		3,594,316	1,214,393	-	4,808,709
2016					
Current					
Bank overdrafts and short-term borrowings from financial institutions	2.9 - 7.4	3,449,149	-	-	3,449,149
Loans from related party	4.0	8,000	-	-	8,000
Non-current					
Loans from financial institutions	MLR-2	65,000	1,010,000	-	1,075,000
Finance lease liabilities	5.1 - 6.5	64,410	86,935	-	151,345
Total		3,586,559	1,096,935	-	4,683,494
	Effective interest rate (% per annum)	Separate financial statements			Total
		Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	
2017					
Current					
Bank overdrafts and short-term borrowings from financial institutions	3.1 - 7.4	2,907,325	-	-	2,907,325
Loans from related party	3.9	32,000	-	-	32,000
Non-current					
Loans from financial institutions	MLR-2	58,750	898,750	-	957,500
Finance lease liabilities	4.4 - 6.5	73,160	86,827	-	159,987
Total		3,071,235	985,577	-	4,056,812

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	Effective interest rate (% per annum)	Within 1 year	Separate financial statements		Total
			After 1 year but within 5 years (in thousand Baht)	After 5 years	
2016					
Current					
Bank overdrafts and short-term borrowings from financial institutions	3.1 - 7.4	863,207	-	-	863,207
Loans from related parties	3.8 - 3.9	1,349,300	-	-	1,349,300
Non-current					
Loans from financial institutions	MLR-2	12,000	255,000	-	267,000
Finance lease liabilities	5.1	9,078	12,974	-	22,052
Total		2,233,585	267,974	-	2,501,559

Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group/Company primarily utilises forward exchange contracts with maturities of less than one year to hedge such financial assets and liabilities denominated in foreign currencies. The forward exchange contracts entered into at the reporting date also relate to anticipated purchases and sales, denominated in foreign currencies, for the subsequent period.

At 31 December, the Group and the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
<i>(in million Baht)</i>				
United States Dollars				
Trade accounts receivable	565	423	321	23
Other current receivables	-	-	5	2
Trade accounts payable	(23)	(16)	-	(1)
Other current payables	(19)	(44)	(11)	(1)
Malaysian Ringgit				
Trade accounts receivable	14	65	14	-
Myanmar Kyat				
Cash and cash equivalents	5	13	-	-
Other current receivables	10	2	-	-
Trade accounts payable	(5)	(7)	-	-
Chinese Yuan				
Cash and cash equivalents	59	49	-	-
Trade accounts receivable	15	-	-	-
Other current receivables	-	3	-	-
Trade accounts payable	(6)	-	-	-
Gross balance sheet exposure	615	488	329	23

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Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Group as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. However, due to the large number of parties comprising the Group's customer base, Management does not anticipate material losses from its debt collection.

Liquidity risk

The Group/Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's/Company's operations and to mitigate the effects of fluctuations in cash flows.

Carrying amount and fair values

The following table shows the carrying amounts and fair values of financial assets and liabilities, including their levels in the fair value hierarchy.

	Carrying amount	Consolidated financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
31 December 2017					
<i>Current</i>					
Forward exchange contract	-	-	9,657	-	9,657
31 December 2016					
<i>Current</i>					
Forward exchange contract	-	-	(5,794)	-	(5,794)

As at 31 December 2017 and 2016, the fair value of non-financial assets and liabilities 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 simple over-the-counter 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.

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40 Commitments with non-related parties

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
	<i>(in million Baht)</i>			
Capital commitments				
<i>Contracted but not provided for:</i>				
Machinery, buildings and construction in progress	42	90	4	-
Total	42	90	4	-
Non-cancellable operating lease commitments:				
Within 1 year	12	7	-	-
More than one year but not over 5 years	6	1	-	-
Total	18	8	-	-
Other commitments:				
Bank guarantees	14	26	10	5
Forward exchange contract - buy	-	21	-	9
Forward exchange contract - sell	468	663	13	44
Rubber future - net	-	32	-	32
Total	482	742	23	90

As at 31 December 2017 and 2016, the Group and the Company had the following commitments:

- The Group has entered into forward exchange contracts to sell USD 14.2 million (2016: USD 18.7 million) at the forward rate of Baht 32.5 - 34.1 per USD (2016: 34.6 - 35.7 Baht per USD). These contracts are due between 5 January 2018 to 4 January 2019 (2016: 12 January 2017 to 19 June 2017). The Company has entered into forward exchange contracts to sell USD 0.4 million at the forward rate of Baht 32.6 - 33.2 per USD (2016: 35.7 - 36.0 Baht per USD). These contracts are due between 23 February 2018 to 20 June 2018 (2016: 10 April 2017 to 19 June 2017).
- As at 31 December 2017, the Group and the Company has no forward exchange contract to buy (2016: the Group has entered into forward exchange contracts to buy USD 0.6 million at the forward rate of Baht 35.7 - 36.0 per USD. The contracts are due on 12 April 2017 to 3 July 2017. The Company has entered into forward exchange contracts to buy USD 0.2 million at the forward rate of Baht 35.7 - 36.0 per USD. These contracts are due between 12 April 2017 to 3 July 2017).
- Commitments in respect of uncalled portion of investments of Baht 100 million (2016: Baht 467.3 million).
- The Company had outstanding commitments of approximately Baht 0.1 million (2016: Baht 0.8 million) in respect of the rental of space for storage of latex.
- The Group and the Company had outstanding commitments of approximately Baht 42.4 million and Baht 3.6 million, respectively (2016: the Group had Baht 89.6 million), in respect of construction and installation contract of machinery and tools.

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- A subsidiary had outstanding commitments of approximately Baht 17.5 million (*2016: Baht 5.1 million*), in respect of factory, warehouse, office rental and the house rental for staff.
- A subsidiary entered into a service agreement with a legal consultant of the Company in respect of land purchase for rubber plantation in the northern area, whereby service fees will be charged at the rates stipulated in the agreement.
- The Company entered into purchase agreements with a local company to purchase latex, at quantity and price specified in the agreements.
- A subsidiary entered into an agreement with a group of para rubber planter state enterprises in respect of the distribution of benefits from the harvesting of the field latex as stipulated in the agreement which is for a period of 35 years or until the end of the useful life of the para rubber trees.

In 2010, the subsidiary amended the agreement with a group of para rubber planter state enterprises in respect of the distribution of benefits from the harvesting of the field latex, whereby it is obliged to provide loans in amounts of not more than Baht 20,000 per rai, plus interest at a rate of 8 percent per year. The loan principal and interest are repayable within 10 years from the contract date. The Company has to pay the first installment when the para rubber trees provide latex.

- A subsidiary has outstanding commitments in respect of agreements for issuing of land title deeds with total area of 1,500 rais. The subsidiary is committed to pay commission to the operator at Baht 5,650 per rai.
- A subsidiary had registered with the People's Republic of China to set up a corporate office for a period of 20 years from 9 January 2006 to 8 January 2026.

Bank guarantees

As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 14 million (*2016: Baht 26 million*) issued by the banks on behalf of the Group and the Company, respectively, in respect of certain performances bonds as required in the normal course of their businesses.

41 Events after the reporting period

On 23 February 2018, the board of directors proposed for the dividend payment of Baht 0.04 per share, amounting to Baht 27.3 million. This dividend payment is subject to the approval by the shareholders of the Company.