



Form 56-2

ANNUAL REPORT 2013

Thai Rubber Latex Corporation (Thailand) Pcl.



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Part 1

Business Operations

1. Policy and Overall Business Operations

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

The company was 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 was 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 stop production of our factories, those are not breaking-even.
2. To find cheaper raw material sources with adequate supply and less competition in order to achieve lower product cost and better profitability.
3. 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.
4. To increase sales volume by clearly identifying the market segmentation.
5. 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.

1.2 Changes and Important Developments

Power to control the company

The founder is the company, which currently serves at the Board of Directors and Executive Committee Year 2005. The committee has appointed the new executive to learn the task and to lighten up the mission of the Executive Committee holding the post of Assistant Managing Director. Presently there are 4 Assistant Managing Directors. In addition to this the company has appointed the assistant Managing Directors and new other executives to the position of managing director to its subsidiaries for flexibility and increases the efficiency in the administration.

For the past 3 years, the nature of business has significant changes as follows;

- In 2011, the business has expanded its investment from latex business to dry rubber. The subsidiary named Thai Rubber HPNR Co., Ltd. has been established and holds 100% shares with investment capital of Baht 250 million and constructed the factory of blocked rubber in Chumporn province by replacing the factory that manufacture latex at Chumporn branch to be the blocked rubber factory because producing latex did not reach the target.
- In 2012, the blocked rubber factory has started its production and can generate the sales to Baht 2,246 million, representing to 10% of the sales volume including the group of Thaitex and in 2013 the generated sales has increased to Baht 2,738 million in 17% of the group's total sales with capacity of 50,000 tons per year.
- In 2013, there are several important changes of the company as follows;

1. Expanding our investment in Asian Economics Community (AEC)

The founding of a new subsidiary named Myanmar Thai Rubber Joint Corporation Limited at The Republic of the Union of Myanmar with registered capital of Baht 80 million, the company holds 64% an investment of Baht 51.20 million. The subsidiary will conduct the business administration of rubber and tapping, and Rubber Smoked Sheet factory and Latex factory in Muang Myeik, Tavoy Province, which the Republic of the Union of Myanmar has the prominent point in agriculture since they have rubber plantation that is ready for tapping and can support the procurement in the future and the tax benefits of investing in AEC. Currently the permit of investment promotion from the Board of Investment of the Republic of the Union of Myanmar is under the process.

2. The rubber plantation in the north has started tapping.

Thai Rubber Land and Plantation Co., Ltd. the subsidiary company has started to plant the rubber plantation in the North since 2006. Presently the Rubber Plantation has planted 800,000 trees and in 2013 was the first year started tapping 30,000 trees. The company expects that in 2014-2016 can tapping 45,000 trees,

500,000 trees, 650,000 trees and 800,000 trees or can tapping all the trees in 2016, which can help to increase the sales and profitability of the group in the future.

3. Cease the operation of small latex factory

Due to the production of small latex factory that did not break-even, the company has decided to cease the production of small latex factory in Bung-kan branch, Bung-kan province. Which have the capacity of 10,000 tons per year in 4% of the full production capacity, in order to reduce the fixed costs and optimize the asset management with the plan to sell the factory and machinery to generate the company's the revenues.

1.3 The shareholding structure of the group

The operation policy of the group is to be the manufacturer and distributor with the policy to divide its operations into six business group such as; concentrated latex group, rubber thread group, rubber plantation group, broker group, blocked rubber and other groups. The main income of the group is from the concentrated latex group. The concentrated latex group will buy the field latex from the farmer to produce concentrated latex and sold to the external customers and business group consist with subsidiary company that produce the rubber thread and affiliated company that produce the latex mattress. The subsidiary and affiliated will manufacture the finished goods from rubber and sold to external customers.

The rubber plantation group will use the field latex from the rubber plantation of the group of the company at the North to manufacture the ADS (Air Dried Sheet) and sold to the external customers.

The blocked rubber group will buy the rubber cup lump and rubber sheet from the farmer to manufacture the blocked rubber and sold to the external customers. The broker group will act as the agent at The Agricultural Futures Exchange of Thailand (AFET) which will receive the futures contracts order of the group and external customers.

The company together with subsidiaries and affiliated company can be classified into 6 groups of business according to the types of businesses operating, which are concentrated latex, rubber thread, rubber plantation, broker, blocked rubber and other groups. Names of companies in each group and shareholding in each company in 2013 are as follows;

Name

Share Holding

1. Concentrated Latex Group

1. Thai Rubber Latex Corporation (Thailand) Pcl.
2. Thai Rubber Latex Group Co., Ltd. (Subsidiary) 99.99%

2. Rubber Thread Group

1. World Flex Pcl. (Subsidiary) 98.44%

3. Rubber Estate Group

1. Thai Rubber Land and Plantation Co., Ltd. (Subsidiary) 99.99%

4. Broker Group

1. Agrowealth Co., Ltd. (Subsidiary) 99.99%

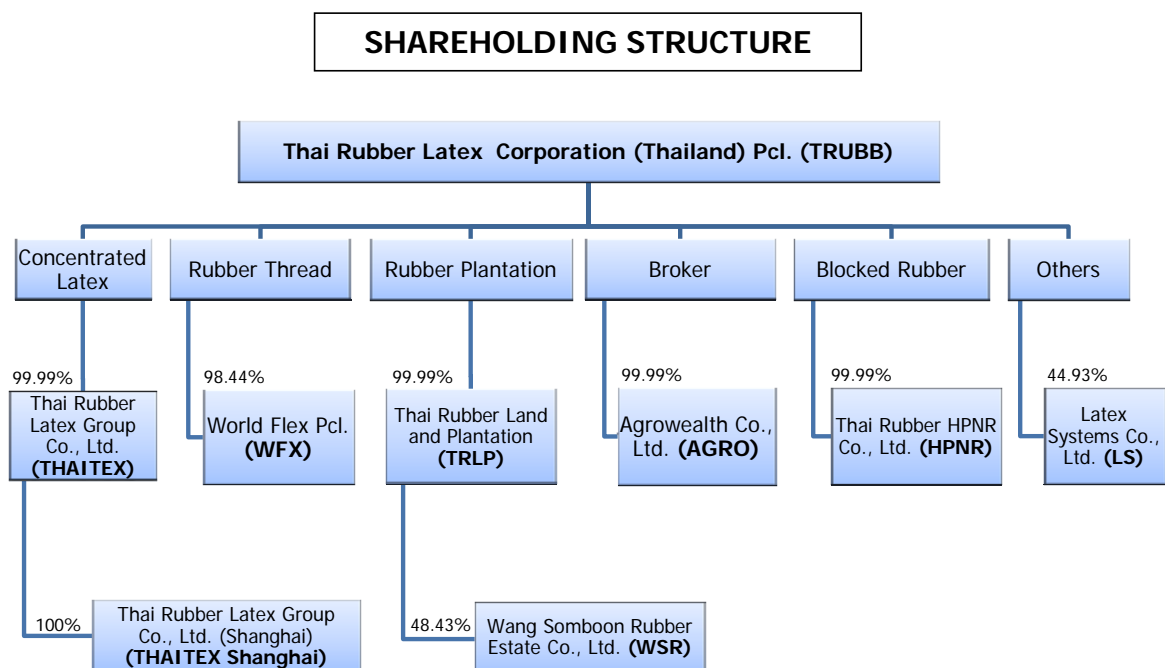
5. Blocked Rubber Group

1. Thai Rubber H P N R Co., Ltd. (Subsidiary) 99.99%

6. Others Group

1. Latex Systems Co., Ltd. (Associated Company) 44.93%

Note: Currently the company had not yet classified a business segment of investment in Myanmar Thai Rubber Joint Corporation Limited.



2. Nature of Business

Income Structure

(Million Baht)

Business group	2013		2012		2011	
	Income	%	Income	%	Income	%
1. Concentrated latex group	11,989.23	72.38%	17,715.30	81.45%	20,975.89	91.49%
2. Blocked rubber group	2,737.84	16.53%	2,246.01	10.33%	-	-
3. Rubber thread group	1,617.88	9.77%	1,602.87	7.37%	1,808.62	7.89%
4. Rubber plantation group	23.12	0.14%	51.01	0.23%	12.86	0.06%
5. Broker group	2.56	0.02%	4.07	0.02%	7.50	0.03%
6. Share of profit of equity-accounted investees-Associated	12.30	0.07%	14.71	0.07%	10.15	0.04%
7. Others incomes	182.12	1.10%	116.03	0.53%	112.81	0.49%
Total incomes before related party transactions	16,565.05	100.00%	21,750.00	100.00%	22,927.83	100.00%
Minus: Related party transactions	(2,952.46)		(5,173.18)		(6,542.76)	
Total incomes after related party transactions	13,612.59		16,576.82		16,385.07	

Concentrated Latex Group

2.1 Nature of Products and Services

The operation of Thai Rubber Latex Corporation (Thailand) Pcl. and Thai Rubber Latex Group Co., Ltd. is the manufacturer of concentrated latex which produced by fresh latex separated the liquid rubber and non-rubber contents and take out some through mechanical centrifugation speeds. The latex has 60% concentration properties of dry rubber content that can preserved the liquid for a long period of time. With chemical properties suitable to use as main raw material in manufacturing medical gloves, gloves, condoms, sponge, nipples, rubber thread glue, balloons etc. The product that used renewable natural latex is synthetic latex. The synthetic rubber cannot be substituted in some products such as medical gloves and condoms. These products are required high security. The two companies above have manufactured in Thailand and sold to domestic market and abroad.

For Thai Rubber Latex Group Co., Ltd. Shanghai is a company that duly registered in China, operating the business of trading all kinds of rubber products in China. The main product is blocked rubber.

Currently Thai Rubber Latex Corporation (Thailand) Public Company Limited has received the Certificate of ISO 9001: 2008, ISO 14001: 2004 and IEC 17025 (Standard Lab) the first company in the industry of concentrated latex in Thailand that receive the Certificate of Standard Laboratory in testing the latex. Moreover, Thai Rubber Latex Group Co., Ltd. has received the Certificate of ISO 9001: 2008 and ISO 14001: 2004.

2.2 Marketing and Competition

(1) Policy and Nature of Marketing

1. Main Competitive Strategies

- Receiving forward orders not exceeding 3 months: the cost can be estimated close to the actual cost and selling price to be set competitively at a profitable level, which help us to make a good production plan.

- Setting selling price at a profitable level and being competitive: our factories located in only 2 main regions i.e. southern and eastern area with different happening Wintering period would result in less problem of raw material shortage, which would have led to a capability to control production cost efficiently and being a leader in price setting.

- Our products are sold on a regular basis with punctual delivery time: being the world's largest rubber latex manufacturer, we can manage to deliver our products to the customers throughout the year as per scheduled plan.

- Product quality assurance: we will produce our concentrated latex according to the customer's specification, if not, we will adjust the product quality to meet the customer's requirement.

- After sales service: we have given our delivered products and services to the customers with honesty and good consistent care.

2. Nature of Customers

Most customers have been dealt with us for a long time with good mutual business relationship since our products and services are delivered to the customers with honesty with our help to solve out the problems when needed as well as flexibility in terms of deficit or exceeding quantity of the products.

3. Target customer's group

Our target customers are those producers of finished rubber products using concentrated latex as the raw material for production e.g. rubber gloves, rubber thread, latex nipples, condom, mattress, pillow, balloon and glue, etc.

4. Distribution and Sales Channels

Our local & export proportional distribution is 75% and 25% respectively with export market in China, Malaysia, South Korea, Pakistan, India, Europe etc. As the distribution channel and proportional distribution are arranged 80% directly to the rubber producing companies and 20% to the importers, our latex group would have no risk since our sales are not made to each specific customer in proportion exceeding 30% of sale revenue.

(2) The competitive conditions in the past year and industry outlook

Into 2013, the continue concerns over the situations of the global economy have placed downward pressure on the rubber prices. Poor economy indicators during February 2013 and US Federal Reserve about how long they can maintain the QE has caused a selloff in many commodities. The international RSS3 prices dropped almost 10% and TSR20 prices fell by 6% in February 2013. The

international rubber prices also fell sharply during February 2013 when news of Thai government will not renew its rubber buying scheme when it expire in end March 2013 when it was believe that the rubber prices should recover to acceptable levels during the wintering months where production will be reduced. It was also during this month that China rubber imports finally slowdown after a continuing strong growth during second half of year 2012.

Despite the fall of natural rubber prices in 2012, global rubber production have risen by over 4% especially in Thailand and Vietnam as new tapping areas were matured for tapping. Meanwhile production in Malaysia and Indonesia fell due as these two countries are more price sensitive, with lower prices, output fell.

Inventories in China and Thailand started building since 2012 continue to increase. The natural rubber market is increasing a two country market where Thailand continues to expand production and China continues to import. The Thai government increased its stockholding by some 200,000 tons in 2012. During 2013, the government has not bought any rubber, but is reviewing its rubber policy in the light of falling prices. China natural rubber imports rose by 39% during the first 4 months of 2013 especially for compound rubber. Shanghai and Qingdao bonded warehouses reported to have close to 440,000 tons, an increase of over 250,000 tons since beginning of 2011. The holding of stocks in China has been encouraged as rubber can be used as collateral to secure bank loans.

During June 2013, natural rubber prices continue to move lower due to weak global economy and rubber market fundamental. Continue weak demand and improved production season weigh down the rubber market. August was a volatile month for rubber prices. Higher than expected China industrial production supported prices while the prospects of military intervention in Syria depressed the prices. Rubber demand has slowly begun to pick up in developed market and rubber production continues to move higher in Thailand and Indonesia while Malaysia and India have lower production. Data shows Thailand natural rubber production including compound rubber rose by almost 12% for the first 7 months of 2013. Exports for compound rubber alone rose by over 50% while the RSS exports rose by 20%. For RSS, exports have increased despite Thai government continue to hold over 200,000 tonnes of rubber.

Rubber prices in Thailand fallen to just over Baht 70 per kg the government proposed a Baht 30 billion package to support the industry. Proposed measures include support the industry to improve smallholder productivity and low interest loans to support compound rubber, TSR and value added product output. The measures do not contain proposals to support prices and farmers in a number of areas are holding protests in the form of road block. The rubber inventory in China's bonded warehouses in Qingdao slipped nearly 5 percent to just below 300,000 tons in the last two weeks as local tyre makers turned to cheaper supply.

October short-term macroeconomic prospects are mixed around the world. The improvements of tyre markets continue to rise. In China, the rate of GDP growth this year has slowed to around 7.5% distinctly lower than the average of over 10% achieved in 2000 to 2012 period. US Federal Reserve's "tapering" talk in May exposed the fragile state of some emerging market economies.

Thailand government announced that rubber exported between the months of September to December will be exempted from paying replanting cess. China announced decision to purchase 200,000 tons of natural rubber from Thai government for its strategic stockpile after China Premier official visit to Thailand. With farmer's prices remaining around Baht 70 per kg, government support has moved to an area subsidy rather than the price support in operation. Under this policy, farmers will be paid Baht 2,520 per rai for an area of up to 25 rai. The support covers tapping season from September 2013 to March 2014. Also further assistance is offered through the provision of low interest loans to support compound rubber, TSR and value added product.

Despite the improving world consumption, 2014 natural rubber prices still remain under pressure as the supply continues to outstrip the demand. High prices from 2006 have driven the production. In addition, supportive government policies have encouraged an increase in new rubber plantings. These new plantations are now matured to be tapped, which is adding to the global rubber production. The biggest increase in this production will come from Thailand, Vietnam, Laos, Cambodia, China and India. Even though prices are still falling, they remain remunerative for most farmers and producers, so global production will still be increasing.

Huge rubber inventories in China bonded warehouses, Shanghai Exchange and Tokyo Exchange Warehouses, will continue to put more pressure on the market in 2014. This does not include the stockpile held by Thailand and China government. Unless the world economy especially of China improves, the global rubber prices may not have a chance for strong rebound.

2.3 Supply of Product

(1) Nature of Supply

Presently there are 7 factories of concentrated latex group in Thailand, scattered in eastern 4 factories and 3 factories in southern with full production capacity about 250,000 tons per year. In 2013, a significant change of 1 factory concentrated latex has ceased their small factory operation in the southeast. Since the production does not reach to break-even and reduce purchases of products from 3 allied factories and remains 2 factories that is corresponding the policy to increase the production of the factories within the concentrated latex group. It is regarded that the group are the major manufacturer of the world.

The group has the significant production policy; that is to produce under the requirement demanded by the customer and the concentrated latex could maintain its concentration under the standard even longer. Moreover, in supplying the main raw material such as field latex which is purchased in Thailand 100%. It is purchased from the rubber planters and distributor along the nearby areas of the plant to obtain the raw materials at low prices. As well as the procurement of field latex from areas in other provinces to get more raw materials. The secondary raw materials is chemicals to maintain the condition of latex that will be purchased in the country 100%. There are 15 distributors in the country. In the part of purchase, the concentrated latex group has no risk relying on the major distributor because there is no purchase from any distributor in the proportion higher than 30% of the total purchase. In 2013, the purchase price of field latex has reduced to 16% from last year.

For Thai Rubber Latex Group Co., Ltd. Shanghai, China the trading operations is to sell-purchase all kinds of rubber products such as blocked rubber, rubber sheet, and concentrated latex. By focusing on the distribution of blocked rubber purchased from the manufacturer in Thailand and China and distributed in China Market. The result of the performance has the tendency to raise the continuous profit. In 2013, the total sale is Baht 2,775 million with net profit of Baht 27 million.

(2) Environmental Impact

The production of concentrated latex group has recognized the environmental impact. During the past 3 years ago the amount has been apportioned for investment and the expenses of waste water pond total of Baht 9.28 million. So the environmental control system shall comply the laws and international standard. The group can control the BOD cost for wastewater treatment system at the level below the standard of the Ministry of Industry and there is no problems during the past 3 years.

Blocked Rubber Group

2.1 Nature of Products and Services

The major product is Blocked Rubber STR20 (Standard Thai Rubber 20) the main raw materials is rubber cup lump, rubber sheet through the process of making small pieces, dried through heat and press into block. Most of the products will use at tire industry.

2.2 Marketing and Competition

(1) Policy and Nature of Marketing

1. Main Competitive Strategies

In 2014, Thai Rubber H P N R Co., Ltd. has focused on sales to the manufacturers of premium automotive tires. The company has focused on improving the quality of the product to meet the needs of such customers.

2. Distribution and Sales Channels

In 2013, the sales distribution of the company in the country was 63% of the total sales distributed directly to the tire manufacturer. For international market sales were accounted to 37% of the total sales that directly distributed to the tire manufacturer and through local dealers. The major export markets were in China, India and Sri Lanka. These factories also manufactured STR20 Compound for China market. The STR market has no risk on depending the major customers because no sales to any customers in a high percentage than 30% of the revenues.

(2) The competitive conditions in the past year and industry outlook

In 2013, the automobile industry both domestic and international has continually grown. Especially in the countries with high grows productions of car due to the first car policy of the government, and 90% of STR20 is used as raw material in manufacturing tires. In recent year, the company has studied and continuously developed the quality of the rubber.

In 2014, it is expected that the business of STR20 rubber has growing under the recovering global economic conditions but the global market still highly competitive. The company still continues to improve the product quality and reduce the production costs to focus on selling to major tire manufacturers.

2.3 Products Supply

(1) Nature of Supply

The company has started to manufacture the STR20 in January 2012. The factory is located in Chumporn. The production capacity in 2013 is 42,000 tons and the aim in 2014 is to increase its production capacity to 50,000 tons per year. The important production policy is to focus on developing the products quality and reduce the production costs in order to get the maximum profit. The main raw material is the rubber cup lump. The raw materials are all purchase from local source. The rubber group has no risk on depending on major distributor because it has no purchase from any major distributor in a proportion higher than 30% of the total purchase.

(2) Environmental Impact

The Rubber Factory is a business that required a lot of water. So the company has emphasizes the system in using the circulation of water such as recycle the water of 100%, including using biological system to reduce the problem of odor. The company has also invest in biogas systems such as using biomass energy from the treatment system produce as the fuel energy use at the factory to reduce the energy costs and reduce the waste water pollution. During the past 3 years there are no environmental problems. The cost and investment fund for environment during the past 3 years has Baht 14.93 million.

Rubber Thread Group

2.1 Nature of Products and Services

The main raw material of Rubber Thread is Latex and most of the products are mainly use at textile industry. The customers will buy rubber thread as raw materials in fabricating another textile to weave with polyester thread to produce elastic band for readymade garment for ladies underwear, elastic waist pants, socks edge etc.

The products that use renewable natural rubber thread are synthetic rubber. If the price of synthetic rubber thread is cheaper up to a certain level. The customer will switch to use the synthetic rubber thread instead of natural rubber. Moreover, in 2013 the price of natural rubber has continuously dropped so the price of natural rubber thread has also dropped in accordingly. However, currently the group of customers that use both types of product has somewhat divided.

2.2 Marketing and Competition

(1) Policy and Nature of Marketing

1. Main Competitive Strategies

- Accommodating the needs of both small and major customers.
- Reassuring the clients by delivering the products on time.
- Providing the after-sales service by local representative that look after the market.
- To periodically visit the customers for adding more confidence to the customers.
- A product warranty and deliver to the consumers

2. Distribution and Sales Channels

The proportion of domestic sales is accounted to 5% of the total sales and it has directly sold to the users and through distributors. The foreign markets has the proportion of sales accounted up to 95% of the total sales. Distributed through the local distributors. The important market are China, South Asia and countries in South America. The rubber thread group has no risk on depending on major customers because no sales to any customers in higher percentage than 30% of the revenues.

(2) The competitive conditions in the past year and industry outlook

The rubber thread industry is an industry continually concentrate latex that classified as the products of natural rubber. The semi-finished products of textile industry. World Flex Pcl. is one of the major manufacturer in the country out from 5 companies. Most of the competitors are the domestic producers and manufacturer in Malaysia. In 2013, the demand of rubber thread has reduced because of economic condition of China, the major customer that experiencing problem of exporting as the consequence of economic slowdown in Europe which Europe is the

main importer of goods from China. Resulted to higher competition and low prices from opening the Thai-Chinese Free Trade.

While the Chinese market is highly competitive but the demand use is decreasing. But in 2013, the company can increase sales of 15% because the quality has been improved and increase the volume of production, also increase the marketing team which the market can be expanded to other market apart from China such as South America and Muslim countries, and that market has better price than Chinese market. The market condition in 2014 is depending on the international markets such as China and Europe. Factors affecting to the market is the recovery of economic in the overseas markets.

2.3 Nature of Products

(1) Nature of Supply

The factory of the company is located in Rayong with full production capacity of 24,000 tons per year. The important production policy is to manufacture the products according to the demand of the customer using the local raw materials. The supply of raw materials is concentrated latex that entirely purchase within the country which purchase from related companies and some bought from domestic traders. For the chemical is mainly purchased from importer. The rubber thread group has the risk on depending the major supplier such as the concentrated latex group of THAITEK group. Because the purchase of raw material from any supplier in higher percentage than 30% of the total purchase. But it is a guarantee that the company has raw material for production throughout the year.

(2) Environmental Impact

The production process should have the good water treatment system. The company has aware of the permanent water treatment system using the production process and focusing on reducing the use of water in the production. There is also the process to reuse some chemicals used in the production process. To reduce the amount of chemicals that make the treatment system become more efficient and reduce the pollution of waste water, and at the same time it reduced the utility costs. During past 3 years there is no environmental problems. The expenses and environmental investment for the past 3 years is totaled Baht 32 million.

Rubber Plantation Group

2.1 Nature of Products or Services

Thai Rubber Land and Plantation Co., Ltd. has operated the rubber plantation in Chiangrai, Phayao, Nan and Chainat. The plantation has started since 2003 until at present with the total of plantation area of 11,777 rais that consist with;

1. The plantation area in Chiangrai 8,748 rais had been planted since 2007 to 2012 and began tapping followed by one another since 2013.

2. The plantation area in Nan 1,044 rais had been planted since 2003 to 2013 and began tapping followed by one another since 2013.
3. The plantation area in Phayao 1,033 rais had been planted since 2008 to 2010 and will be tapped followed by one another since 2015.
4. The plantation area in Chainat is 952 rais had been planted since 2012 to 2013 and will be tapped followed by one another since 2019.

2.2 Marketing and Competition

(1) Policy and Nature of Marketing

Year 2013 is the first year in tapping the rubber. Mainly the company has focused on producing the rubber cup lump. Because the rubber cup lump is currently demanded at the northern market and the company is the major manufacturer of rubber cup lump that can bargain with the buyer well. Most of the buyers are the supplier of rubber cup lump to deliver to the plant that produced the block rubber in the southern provinces. For 2014, the company will manufacture the rubber crepe to supply the raw materials to the companies in THAITEX group.

(2) The competitive conditions for the past year and outlook of industry

The rubber plantation that already gives production in the northern areas mostly are small plantation. Therefore, at present the business competitor regarding the rubber plantation is still limited. But there is a tendency that the business competition regarding the rubber plantation may be increases in the future. Because the rubber plantation that grown in new rubber plantation has started giving production. But for the company, if there is a market competition more the company can still send the production from rubber plantation as the raw material to the companies in THAITEX Group.

2.3 Supply of Products or services

The company has sold the production of rubber from the plantation in Chiangrai, Phayao, Nan and Chainat since 2013 etc.

The approximate production of dry rubber (forecasting data of dry rubber production Year 2014-2017).

<u>Year</u>	<u>Production of Dry Rubber (tons)</u>
2013	121
2014	545
2015	1,957
2016	2,533
2017	3,300

Broker Group

2.1 Mission

Agrowealth Co., Ltd. started operation on August 14, 2003 with the goal to become a leading futures broker on the Agricultural Futures Exchange of Thailand (AFET). The company is a registered broker member of the exchange (Broker No. 2013) and is under the regulation of the Agricultural Futures Trading Commission (AFTC).

The company has a registered capital of Baht 75 million (paid-up capital of Baht 63.75 million) and is a subsidiary company of Thai Rubber Latex Corporation (Thailand) Pcl. The parent company is the world's biggest producer and exporter of latex concentrate. We aspire to bridge the gap among investors, the agricultural sector, and the financial sector to provide new alternative to invest and support farmers in their hedging operation. We aim to help players to diversify their investment and help them to better manage their risks from the volatile commodity price in the market.

2.2 Vision

With a strong dedication to become Thailand's leading futures broker, we have continuously improved our services and products to better serve our clients in 4 key aspects.

Data: We have an experienced group of marketers and analysts to help give our clients useful advice and trading tips. Also, with the support from our parent company, we are positioned to update our clients with the latest market-moving news.

IT: We have cutting-edge technologies that would ensure smooth, fast, and accurate transactions for our clients.

HR: We provide our clients with continuous training on both analytical and trading skills to support business need.

Moral: We value the relationship with clients and strive to ensure fair and timely advice.

2.3 Business Overview

As of 31 December 2013, AFET has the following number of brokers and products traded on the exchange.

(1) 10 broker members

(2) Trader members

(3) There are a total of 4 agricultural futures products traded on the exchange, with 7 varieties namely: Ribbed Smoked Rubber Sheet No.3 (RSS3), Block Rubber (STR20), White Rice 5% Both Options (BWR5), Thai Hom Mali Rice 100% Grade B Both Options (BHMR), White Rice 5% FOB (BRF5), Tapioca Chip Both Options (TC), and Canned Pineapple Pieces in Light Syrup (CPPL).

For 2013, there is a total of 52,863 contracts traded on AFET valued 23.11 billion baht. On average, the daily traded volume is 225.91 contracts/day valued at 98.77 million baht per day.

2.4 Customer Base

Our clients can be classified into two main groups. The first group represents agricultural producers, exporters, and farmers who use our service to hedge their risks and speculate on the agricultural futures market. The second group comprises of traders and speculators who are looking for alternative investment to enhance their portfolio return. Most of our clients are engaged in the trading of RSS3 futures contract as it has the highest liquidity and traded volume in the market.

2.5 Operation and Market Share

(1) Operation

HR: We have a total of 11 qualified and experienced professionals to assist our clients in their daily trading. Our staffs represent a diversified pool of talents ranging from a salesperson to a financial engineer.

Data: We have a system that allows our clients to monitor movements in the global financial market in real time. This gives our clients an edge in trading the market.

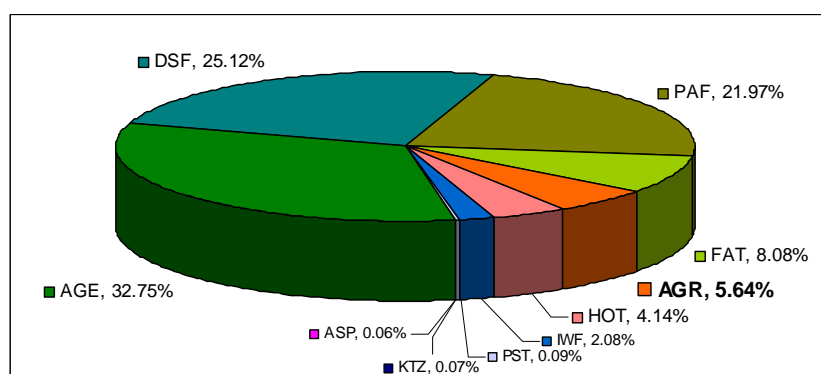
Trade: Our clients can execute trades through our marketers or directly using our internet trading platform.

Marketing and Promotion: Together with AFET, Agrowealth has been actively hosting seminars for investors to get to learn more about trading on AFET. We participated in various exhibitions and trade shows during the past year to attract new clients. Our company website is opened 24 hours a day and provides clients with extensive resources useful for their trading.

Public Relations: On a regular basis, our executive will give TV interviews and provides trading insights via various media channels. Our analyst writes daily market report that is posted on our website as well as published on various investment newspapers.

(2) Market Share

In 2013, we obtained a 5th rank with market share of around 5.64%.



Others Group: Latex Mattress

Today the mattress latex is a product that widely famous owing to health care trend with increasing income of the consumer. The nature of distribution of Latex Systems Co., Ltd. is selling the mattress in full piece and mattress pad in different sizes. To enable the manufacturers of ready made mattress will use as raw materials in making mattress in the future. The company is the 2nd major manufacturer of mattress latex in the country. In particular of sales it is divided to sold 50% to the mattress manufacturer in the country and export to the foreign market 50% such as South Korea, America, Russia and China. Every year the growth of sales volume of mattress of the company is 10%. The sales volume in 2013 is 36,900 pieces. While the second half of the year the company has increasing sales volume from first half year is 10%. Because the company has expanded its capacity by opening the additional 1 factory in Bangna-Trad Road, km.36.

The sales market of mattress is likely to increase due to the growth of real estate such as detached house, housing estate, condominium and tourism of foreign tourist. So there's a continuous and increasingly demand for the product of the company. The price of raw material, prices of concentrated latex as the key raw materials has adjusted down for about 6.32%. Because the raw materials are commodities whose prices are based on world market price. Moreover, in 2013 the company has started production of rubber pillows. A business that continued generate its sales and increases its profits. In 2014, the company will have full production of mattress of 72,000 pieces per year and rubber pillows of 500,000 pillows per year.

3. Risk Factor

3.1 Risk in volume and cost of raw rubber material

The quantity of raw material-rubber is the agricultural products from the rubber plantation but the amount of rubber launch to the market have many factors that will impact such as;

- (1) The product of rubber plantation- the rubber tree have season to produce and stop its production (seasonally loss their leaves), which on average is falls during March to May. But it depends to the climatic condition of each region whether it is shorter or longer season. If featuring like this, it resulting that during no production it will be lessen due to the reduction of production capacity.
- (2) Climate Condition such as; if too much drought in the area of rubber plantations there will less production or in the regions with high rainfall, it has less harvest.

Price of Rubber- rubber is commodity product so the price will fluctuate depending on many factors;

- (1) Supply and demand of natural rubber - since the demand of natural rubber is mainly used for production of tires and other vehicles. Although rubber is used in producing other various products. But tires are the main products. Therefore the demands of tires will significantly affect to the needs of rubber and, the supply of rubber will depend on the number of rubber plantation area for tapping as the main factor.
- (2) Competition with substitute products - the substitute product is any kinds of synthetic rubber. If too much production of synthetic rubber the more competition of producing product using the synthetic rubber as substitute.
- (3) Guidance of rubber price in The Agricultural Futures Market - Since rubber is traded at the Agricultural Futures Market in Thailand, Japan and China, which the buyers are in several groups such as the seller that wanted to prevent the risk and any investor group. So the volume of futures contract of sales in each year (representing the amount of rubber) is more than the production of rubber several times, so the price of rubber in the futures market will affect the trading of rubber.

3.2 Risk in Exchange Rate

The company will export the rubber to overseas customers. So the revenue is in foreign currency. However, the costs and expenses mostly incurred in the country, so the revenues will be converted into Thai currency. Which the exchange rate of Thai baht has fluctuation and may result to more or less income if not to prevent the risk.

3.3 The risk of government policy

Thailand is the largest producer of rubber in the world and exports of rubbers are one of the major revenues of the country which has many farmers are in this sector. Therefore the policy of the government is likely intervention the price of rubber if the government sees that the farmers will be suffered from low revenues. Such as what happened from the past, such as 2012, it has impact on the business operations of the private sector because the capital will be higher and could not compete the price with other exporting countries. Since the world market prices may not increase according to the sanctions of any country if the competitive conditions are unfavorable.

3.4 Financial Risks

At the end of Year 2013 two of its subsidiaries have long term loans from financial institutions totaling 252 million baht to invest in the manufacture of blocked rubber and concentrated latex. The principal amount must be repaid within 2017, which one subsidiary has outstanding loan of 74 million baht, and has agreements with financial institutions that are required to maintain the D/E ratio not to exceed three times. Presently that subsidiary can maintain the conditions of the financial institutions.

3.5 Risk in case of accumulated deficits that impact their ability to pay the dividends

In Fiscal Year 2013 the operation had net loss of Baht 155 million, a continuously net loss for the 2nd year of the company that cause unappropriated accumulated deficits at the end of the year 2013 in amount of Baht 229 million. The deficits during the past two years is due to the rubber price during 2012-2013 which is very low that led of lower sales and gross margin that generated at a low rate, which is not sufficient for the total costs and loss of rubber futures trading contract. The result of such deficits, the company can not pay the dividends to the shareholders during the year 2012-2013 under the law.

4. Assets use for business

4.1 Fixed Assets

The company and subsidiaries are operated the complete business likely in production, distribution and rubber export. The main fixed assets used for production are the property, plant and machineries. The groups of the company are the owner of these fixed assets as elaborated below;

(1) Assets use for production and distribution

Type of Property	Nature of Ownership	Book Value Million Bath	Obligation
1. Property use for business 347 plot. Total area 6,993 rais	Group of the company is the owner.	909	Some plot are mortgage to financial institution
2. 3 Offices located in Bangkok, Samutprakan and Chiangrai	Group of the company is the owner.		2 offices are mortgage to financial institution
3. 6 Factories that produced concentrated latex located in Chonburi, Rayong, Surat Thani, Songkhla and Phang Nga	Group of the company is the owner.		Mortgage to financial institution
3. 1 Factory that produced blocked rubber located in Chumporn	Subsidiary named Thai Rubber H P N R Co., Ltd. is the owner.	618	Mortgage to financial institution
4. 1 Factory that produced rubber thread located in Rayong	Subsidiary named World Flex Pcl. is the owner.		Mortgage to financial institution
5. 4 Greenhouses use for rubber plantation located at Chiangrai, Nan, Phayao and Chainat	Subsidiary named Thai Rubber Land and Plantation Co., Ltd. is the owner.		Non-mortgage to financial institution
6. 470 machineries use for production concentrated latex	Group of the company is the owner.		Most of the machineries are mortgage to financial institution
7. 79 machineries use for production of blocked rubber	Subsidiary named Thai Rubber H P N R Co., Ltd. is the owner.		Most of the machineries are mortgage to financial institution
8. 21 machineries use for production of rubber thread	Subsidiary named World Flex Pcl. is the owner.	326	Most of the machineries are mortgage to financial institution
9. 20 machineries use for rubber plantation	Subsidiary named Thai Rubber Land and Plantation Co., Ltd. is the owner.		Non-mortgage to financial institution

In this, on 31 December 2013 the group of the company has used the property, plat, building and machinery with value in totaled Baht 1,853 million as Loan Collateral to Financial Institution.

Note: Book value is assessment price adjusted with accumulative depreciation.

(2) Real Estate for investment (company is the owner) consists of;

- Property, office building for lease 1 building with area of 36.50 square yard with account value totaled Baht 12 million as of 31 December 2013. This office building has rented by non-related company of 40,000 Baht a month with lease period of 3 years and will be expired on 31 March 2016. This real estate has not mortgage to financial institution.
- Property, plant for lease has 16 plants on 75 rais, 2 Ngan 86 square yards with account value totaled Baht 75 million. One non-related company has leased in rate of in Baht 1.02 million per year (terms of lease is 10 years started on 1 February 2011 and will be expired on 31 January 2012. This estate has mortgaged to financial institution.
- As of 31 December 2013, the real estate for investment above has the account value totaled to Baht 87 million (assessment price by the independent appraisal on 2 December 2013 as the sales price).

(3) Assets held for sale consist of;

- Property, plant that produced concentrated latex (subsidiary company named Thai Rubber Latex Group Co., Ltd. is the owner) 1 Plant , located at Bueng-kan with area of 89 rais as of 31 December 2013 with account value totalled Baht 24 million and it is mortgage to financial institution. Currently it is on the basis to contact the buyer and expected to spend time in selling more than 1 year, and the management has considered that it is not necessary to have allowance for deteriorate value of that property. Since the price is similar with fair value at present. It is surely expected to sell the price not less than the book value in the future.
- Land use for planting the rubber (subsidiary company named Thai Rubber land and Plantation Co., Ltd. is the owner) 1 place, located at Petchabun with area of 2,512 rais as of 31 December 2013 with account value of Baht 121 million and on 18 February 2014, this land has been transferred for sale and it is earned the profit after deduction of expenses about Baht 10 million.

(4) Intangible Asset

The Intangible Asset of the company and subsidiaries company which is important for business operation is the software and computer with account value as of 31 December 2013 in totaled of Baht 1 million.

4.2 Investment Policy of Subsidiary and Associate Company

The policy of the company is to invest the business that manufactured product for sale because it is the main business of the group. The investment in proportion that is enough for the associate company is to join the administration and can be fixed the business guidelines. In addition to the subsidiary company and associate existed at present, the company has also the policy to add the investment in terms of management of rubber plantation and produced and sale the raw materials out from rubber such as the board of the company has the resolution on 26 July 2013 to approve the investment to establish the company at the Republic of the Union of Myanmar. For the management of the rubber plantation and produce and sale the raw material out from rubber totaled to Baht 51.20 million as of 31 December 2013. The company is under the processing of registration to establish the company (Note, Article 40.2 Page 99 at the Report of the Auditor) etc.

4.3 Particular of Assessment of asset

(1) The group of the company has used the policy to record the fixed assets such as property, building and plant and machineries under the fair value since 2007, and will assess the fair value every 5 years. Currently the group of the company has assessed the new fair value in 2011 (except the real estate for investment to reassess every year) and another assessment will be conducted in 2015. Therefore as of 31 December 2013 under the book value of property, plant, building and machineries of the group of the company has been recorded and disclosed in fair value.

(2) The appraisal company of price of the property to the group of the company in year 2011 is the Agency For Real Estate Affairs, the company that assess the value of the property in capital market investment in the names considered by the office or specialist at the office for consideration.

(3) Mr. Chamnong Buakai, the vice managing director of Agency For Real Estate Affairs Co., Ltd. is the person that controls the operation or the major appraisal that affix his signature in the report and his name has appeared in the list of the office that has considered.

(4) The purpose of appraise the value of the assets of the group of the company is to indicate the actual fair value of the property, plant, building and machineries.

(5) The report of appraise assets value will indicate in December 2011 (except the real estate for investment that will assess the value again every year).

5. Law Dispute

The company and subsidiaries have no law dispute that its value is more than 5% of shareholders' equity as of 31 December 2013.

6. General and Others Important Information

6.1 General Information

(1) The company

Name	Thai Rubber Latex Corporation (Thailand) Pcl.
Head office	99/1-3 Moo 13, Bangna-Trad Rd., Km.7, Bangkaew, Bangplee, Samutprakarn 10540
Office telephone	(662) 751-7171 (36 lines), 751-7140 up to 75
Office facsimile	(662) 316-3938
Factory	29 Moo 2, Banbung-Klang Rd., Km.56-57, Nongyai, Nongyai, Chonburi 20190
Factory telephone	(038) 168-529-34
Factory facsimile	(038) 168-529-34 ext.105
Type of business	Producer and distributor of concentrated latex and skim block
Company registration No.	0107536000137
Website	http://www.thaitex.com
Registered capital	749,607,657 common shares, Bath 749,607,657
Paid-up capital	681,453,819 common shares, Baht 681,453,819

(2) Subsidiaries that the company holds more than 10% share

1. Thai Rubber Latex Group Co., Ltd.

Office	99/1-3 Moo 13, Bangna-Trad Rd., Km.7, Bangkaew, Bangplee, Samutprakarn 10540
Telephone	(662) 751-7171 (36 lines), 751-7140 up to 75

Facsimile (662) 316-3938

Factory Total 7 Factories have location as follows:

1. 35 Moo 4, Krasom, Takuatung, Phang-nga 82130
Telephone (076) 496-539, 496-324, (081) 840-2835,
(081) 840-8352
Facsimile (076) 496-325
2. 124 Moo 11, Ban Klongpom, Banpru Hatyai, Songkhla 90250
Telephone (074) 291-171-5, (081) 738-5645
Facsimile (074) 471-633
3. 293/2 Moo 1, Surat-Nasan Road, Khunthalay, Muang, Suratthani
84100
Telephone (081) 719-4313, (089) 729-2631, (080) 523-6668
Facsimile (077) 355-769
4. 44/5 Moo 8, Krached-Hatyai, Krached, Muang Rayong 21100
Telephone (038) 634-105, 634-306-7
Facsimile (038) 634-308
5. 255 Moo 5 Ku River District, Pluakdaeng, Rayong 21140
Telephone (038) 913-289-92
Facsimile (038) 913-289-92 ext.103
6. 10/5 Moo 3, Patong, Soi Dao, Chantaburi 22180
Telephone (039) 385-147-9, (081) 890-9617
Facsimile (039) 385-147
7. 98 Moo 2, Ban Don Udom, Non Sombun, Bung-kan,
Bung-kan 38000
Telephone (081) 708-2335, (081) 974-6993
Facsimile (042) 023-291

Note: The Board of Directors' Meeting No.11/2013 of Thai rubber Latex Corporation (Thailand) Public Company Limited held on 12 November 2013 has resolved to cease the operation of the factory in Bung-kan of Thai Rubber Latex Group Co.,Ltd. due to the production of small latex factory did not break-even.

Type of business	Producer and distributor of concentrated latex and skim blocked
Shares holding	99,999,994 common shares, or 99.99% of 100 million shares
Registered capital	Baht 1,000 million
Paid-up capital	Baht 544 million

Subsidiary of Thai Rubber Latex Group Co., Ltd.

**Shanghai Runmao International Trading Co., Ltd.
or Thai Rubber Latex Group Co., Ltd. (Shanghai)**

Office	Shanghai Greentown Room 601 Unit 1, Lane 99 Jinhe Road, Pudong, Shanghai 200127 China
Telephone	(86) 2138762472
Facsimile	(86) 2150454365
Type of business	Trader of natural rubber products
Shares holding	100% of USD1.01 million investment amount

2. Wold Flex Pcl.

Office	30 Bangna Complex, Soi Bangna-Trad 25, Bangna-Trad Rd., Km.3, Bangna, Bangkok 10260
Telephone	(662) 744-0888
Facsimile	(662) 744-0233
Factory	59/1 Moo 5, Pluakdang, Maenamkoo, Pluakdang, Rayong 21140

Telephone	(038) 637-558-9
Facsimile	(038) 637-560
Type of business	Producer and distributor of rubber thread
Shares holding	75,799,454 common shares, or 98.44% of 77 million shares
Registered capital	Baht 308 million
Paid-up capital	Baht 308 million

3. Thai Rubber Land and Plantation Co., Ltd.

Office	121/316 Moo 3, Bando, Muang Chiang Rai, Chiang Rai 57100
Telephone	(053) 767-650
Facsimile	(053) 767-650
Rubber plantation	Located in Nan, Phayao, Chiang Rai and Chainat province
Type of business	Rubber plantation
Shares holding	29,999,994 common shares, or 99.99% of 30 million shares
Registered capital	Baht 300 million
Paid-up capital	Baht 300 million

Subsidiary Company of Thai Rubber Land and Plantation Co., Ltd.

Wang Somboon Rubber Estate Co., Ltd.

Office	99/1-3 Moo 13, Bangna-Trad Road Km.7, Bangkaew, Bangplee, Samutprakarn 10540
Telephone	(662) 751-7171 (36 lines), 751-7140 up to 75
Facsimile	(662) 751-7015
Rubber plantation	127 Moo 8, Wang Somboon, Wang Somboon, Sa Kaeo 27250
Telephone	(037) 252-084, (081) 916-5834
Facsimile	(037) 252-084
Type of business	Rubber plantation
Shares holding	2,678,000 common shares, or 48.43% of 5,530,000 shares

Registered capital Baht 55.30 million

Paid-up capital Baht 55.30 million

4. Agrowealth Co., Ltd.

Office 30 Bangna Complex, Soi Bangna-Trad 25,
Bangna-Trad Rd., Km.3, Bangna, Bangkok 10260

Telephone (662) 744-0888

Facsimile (662) 744-0233

Type of business Broker in the agricultural futures market of Thailand (AFET)

Shares holding 7,499,992 common shares, or 99.99% of 7,500,000 shares

Registered capital Baht 75 million

Paid-up capital Baht 63.75 million

5. Thai Rubber H P N R Co., Ltd.

Office 99/1-3 Moo 13, Bangna-Trad Road Km.7, Bangkaew, Bangplee,
Samutprakarn 10540

Telephone (662) 751-7171 (36 lines), 751-7140 up to 75, 751-7212

Facsimile (662) 751-7212

Factory 126 Moo 8, Phetchkasem Rd., Km.441, Khaochairaj, Patew,
Chumporn 86210

Telephone (077) 651-288

Facsimile (077) 651-288

Type of business Producer and distributor of blocked rubber (STR20) and rubber
compound

Shares holding 24,999,997 common shares, or 99.99% of 25 million shares

Registered capital Baht 250 million

Paid-up capital Baht 250 million

6. Latex Systems Co., Ltd.

Office and factory	Ladkabang Industrial Estate Export Processing Zone 1 111 Chalongkrung Rd., Lamphlatew, Ladkabang, Bangkok 10520
Telephone	(662) 326-0886-7
Facsimile	(662) 326-0292
Type of business	Producer and distributor of latex foam mattress
Shares holding	3,832,368 common shares, or 44.93% of 8,529,101 shares
Registered capital	Baht 78.81 million
Paid-up capital	Baht 78.81 million

(3) Other References

1. Registrar

Name	Thailand Securities Depository Co., Ltd.
Address	The Stock Exchange of Thailand Building, 62 Ratchadaphisek Rd., Klongtoey, Bangkok 10110
Telephone	(662) 229-2000
Facsimile	(662) 654-5642

2. Auditing Firm

Name	KPMG Phoomchai Audit Ltd.
Address	48th Floor, Empire Tower, 195 South Sathorn Road, Bangkok 10120
Telephone	(662) 677-2000
Facsimile	(662) 677-2222
Auditors	1. Mr.Nirand Lilamethwat CPA Registration No.2316, or 2. Ms.Nittaya Chetchotiros CPA Registration No.4439, or 3. Mr.Veerachai Ratanajaratkul CPA Registration No.4323

Part 2

Management and Corporate Governance

7. Security Information and Shareholder

7.1 Registered and Paid-Up Capital

The company has registered capital of Baht 749.61 million and paid-up capital of Baht 681.45 million issued to common stock 681,453,819 shares with book value at Baht 1 per share.

7.2 Shareholders

List of major shareholders as of the latest book closing date (11 March 2014)

- A group of 10 major shareholders

Item	Shareholders	Number of Shares	Percentage of Shareholding
1	Mr. Vorathep Wongsasuthikul's Group	134,513,834	19.74%
2	Mr. Paiboon Waraprateep's Group	100,883,159	14.80%
3	Mr. Wanchai Panwichiean	39,000,000	5.72%
4	Mr. Prachnon Temritthikulchai's Group	36,336,179	5.33%
5	Mr. Suchart Charoenpornpanichkul's Group	23,535,600	3.45%
6	Thaisri Insurance Co.,Ltd	17,887,093	2.62%
7	Thai NVDR Co.,Ltd.	12,782,693	1.88%
8	Mrs. Kunsinan Pongnaruesorn	9,265,250	1.36%
9	Mr. Suwinai Suwanhirankul	5,100,000	0.75%
10	Mrs.Ruedee Kankaew	5,000,000	0.73%
	Total	384,303,808	56.39%

- A group of major shareholders with influence over the setup of the company's management policy

Item	Shareholders	Number of Shares	Percentage of Shareholding
1	Mr. Vorathep Wongsasuthikul's Group	134,513,834	19.74%
2	Mr. Paiboon Waraprateep's Group	100,883,159	14.80%
3	Mr. Prachnon Temritthikulchai's Group	36,336,179	5.33%
4	Mr. Suchart Charoenpornpanichkul's Group	23,535,600	3.45%
	Total	295,268,772	43.33%

7.3 Others Issued Security

The company's convertibale security is "Warrant No. 1" or "TRUBB-W1" issued to 54,516,949 warrants. They have a term of 3 years from the date of issue and exercise dates are on the last business day of each June and December, beginning on the last business day of December 2011, with a final exercise date on 7 August 2014. The warrants can be exercised at a price of Baht 3.20 per share, with an exercise ratio of 1 warrant to 1.25 new ordinary shares. As at 31 December 2013, none of the above warrants have been exercised.

7.4 Dividend Policy

The company's dividend policy is depending on the performance of the company, at a rate not less than 1/3 of the annual net profit, after accumulated loss (if any), from the separate financial statement of the company. Subsidiaries and associated companies have dividend policy not to pay more than 100% of net profit.

8. Management Structure

8.1 Board of Directors

Name List of the Board of Directors

Names	Position	12 th Annual Meeting of the Board of Directors	12 th Annual Meeting of the Audit Committee
1. Mr. Vorathep Wongsasuthikul	President and Chief Executive Officer	12	
2. Mr. Paiboon Waraprateep	Vice President	12	
3. Mr. Prachnon Temritkulchai	Vice President	11	
4. Mr. Suchart Charoenpornpanichkul	Director and Member of the Risk Management Committee	8	
5. Dr. Tiwa Sappakit	Independent Director, Chairman of the Audit Committee	12	12
6.Mr. Erwin Muller	Independent Director, Chairman of the Remuneration Committee and Member of the Audit Committee	9	10
7.Ms. Suchada Sodthibhapkul	Director, Member of the Remuneration Committee and Member of the Risk Management	10	
8.Mr. Yanyong Tararorit	Independent Director and Member of the Audit Committee	12	12
9.Mr. Somkad Sueptrakul	Director	11	
10. Mr. Pakhawat Kovithvathanaphong	Independent Director and Chairman of the Risk Management Committee	9	

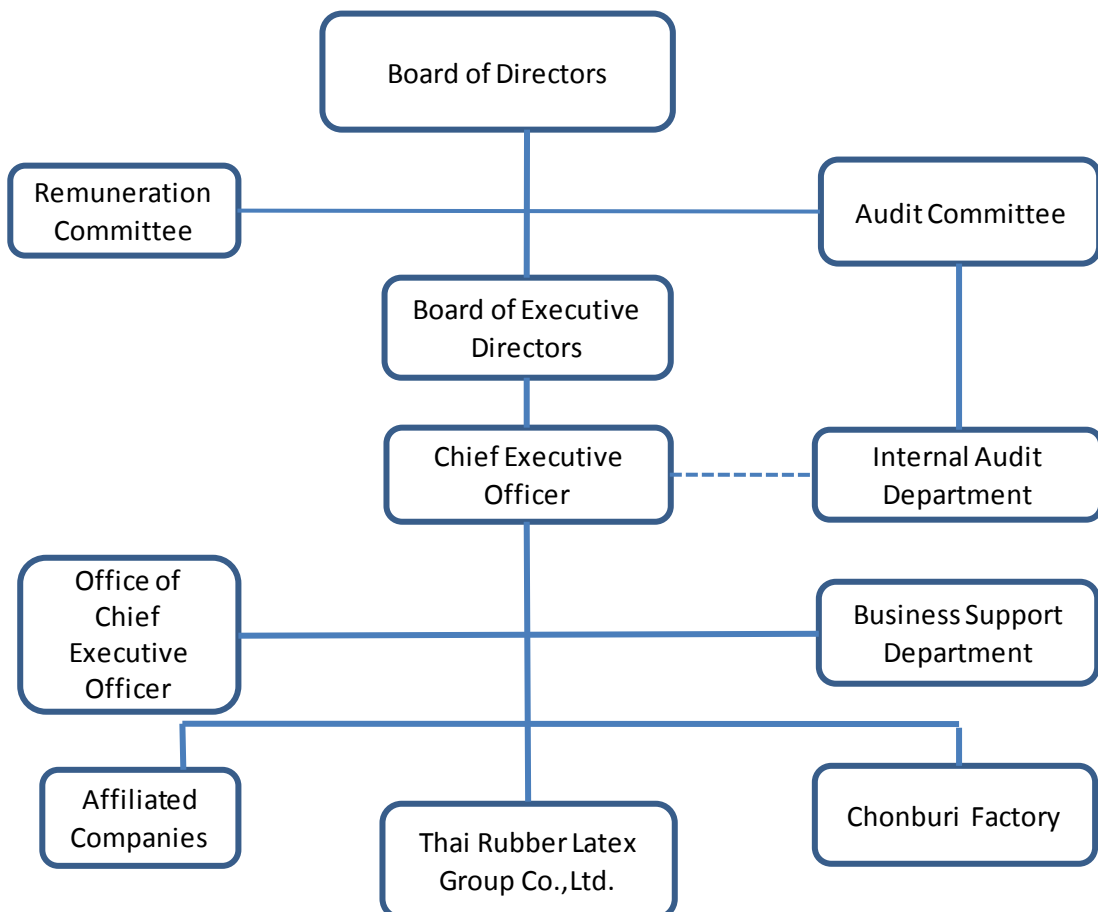
8.2 Management

Name list of the company's management as of 31 December 2013, as follows;

Names of Management	Position
1. Mr. Vorathep Wongsasuthikul	Chief Executive Officer
2. Mr. Paiboon Waraprateep	Executive Director
3. Mr. Prachnon Temritikulchai	Executive Director
4. Mr. Suchart Charoenpornpanichkul	Executive Director
5. Mr. Prawit Woraprateep	Assistant Managing Director
6. Ms. Chalongkwan Wongsasuthikul	Assistant Managing Director
7. Mr. Phatrapol Wongsasuthikul	Assistant Managing Director
8. Dr. Kitti Charoenpornpanichkul	Assistant Managing Director
9. Ms. Panjama Thienwiwat	Senior Finance Manager
10. Ms. Kittima Vanicharanan	Accounting Manager

Management Structure of the Company as of 31 December 2013

THAI RUBBER LATEX CORPORATION (THAILAND) PUBLIC COMPANY LIMITED



8.3 Secretary of the company

Ms. Chalongkwan Wongsasuthikul, Assistant Managing Director is the Secretary of the company.

8.4 Remuneration of Directors and Executives

(1) Monetary compensation

- Remuneration of the directors includes the meeting allowance of Baht 0.80 million per month or totaled Baht 9.60 million per year.

No.	Names	Position	Executive Director	Director	Audit Committee	Remuneration Committee	Director Risk Management	Total (Baht)
1	Mr. Vorathep Wongsasuthikul	President and Chief Executive Officer	70,000	30,000	0	0	0	100,000
2	Mr. Paiboon Waraprateep	Vice President	70,000	30,000	0	0	0	100,000
3	Mr. Prachnon Temritikulchai	Vice President	70,000	30,000	0	0	0	100,000
4	Mr. Suchart Charoenpornpanichkul	Director and Member of the Risk Management Committee	70,000	30,000	0	0	30,000	130,000
5	Dr. Tiwa Sappakit	Independent Director, Chairman of the Audit Committee	0	30,000	40,000	0	0	70,000
6	Mr. Erwin Muller	Independent Director, Chairman of the Remuneration Committee and Member of the Audit Committee	0	30,000	40,000	5,000	0	75,000
7	Ms. Suchada Sodthibhapkul	Director, Member of the Remuneration Committee and Member of the Risk Management	0	30,000	0	5,000	30,000	65,000
8	Mr. Yanyong Tavarorit	Independent Director and Member of the Audit Committee	0	30,000	40,000	0	0	70,000
9	Mr. Somkad Sueptrakul	Director	0	30,000	0	0	0	30,000
10	Mr. Pakhawat Kovithathanaphong	Independent Director and Chairman of the Risk Management Committee	0	30,000	0	0	30,000	60,000
	Total		280,000	300,000	120,000	10,000	90,000	800,000

- Remuneration of the Executive in 2013, the company paid the remuneration consists of salary, bonus, position allowance and travelling expenses to 3 executive directors and 4 assistant managing directors totaled Baht 22.29 million.

(2) Other remunerations

- Other remuneration of directors None

- Other remuneration of management is Provident Fund. The company has provided the provident fund. The contribution of the company is in rate of 3% and 5% according to the age of the employee (as specified in the regulations of the company) of the salary which in 2013 the company had paid the provident fund for 5 persons of management in the amount of Baht 819,000.

8.5 Personnel

In 2013, there are 84 employees of the company, the primary department has 78 factory workers. The total return of the employees is in the amount of Baht 20.33 million. The compensation of the employees are includes the salary, daily wage, overtime, bonus, provident fund and incentive pay. The personal development policies of the company are;

(1) Policy of Human Resources

The policy of the company on human resources management for the benefits of the employees as well as the company are as follows;

1. The procedure under the philosophy, vision, mission and intimate values of the company
2. Give priority to the employees as valuable resources for the sustainable growth of the company
3. Aimed in recruiting the personnel with knowledge, potential and attitude that is appropriate to the business of the company
4. Continuously promote the development of knowledge and skills of the employees in accordance the level of position, responsibility and needs of the company, awareness and good attitude towards the values of being “THAITEX.”
5. Enhancing the employee’s satisfaction with regard to the appropriateness of the management, management on compensation, welfare and safety that is rationally and fairly.
6. Promote good relationship between the staff and employees, and employees between the company for continuous contentment both employees and company.

(2) Policy of Labor Relationship

Under the policy of Human Resources management. The company has implemented the labor relationship in following event;

1. To practice the legal regulations of the government and company strictly
2. To respect the right of the employees under the several laws, rules and regulations for the peace in conducting the business of the company and orderliness of the nation.
3. Promote the activities for good relationship between the staff and employees and employees between the company base on good understanding and rationally.
4. Regularly promote the social responsibility of the employees and company both in terms of preserving the environment, social activities, religion and local communities.

The company has considered that the personnel of the company are extremely valuable to the success of company. So it is important to continuously develop to provide knowledge to the employees and ability that suit to their assigned duty and responsibility to its maximum potentiality by developing knowledge, ability to work in different work procedure. Also create the awareness, fair, moral, ethics towards the corporate, co-workers and business partners at work.

In 2013, the company has conducted the knowledge development, skill and ability at work. By organizing the training within the company and regularly sent the employee to have an external training as necessary and appropriate according to their department and level covering all departments such as;

- Management development by hiring outside consultant to carry the project of Sustainable Organizational Effectiveness for developing the new management in order to accommodate the current and future responsibility and etc.

- Promote in working by team and involvement of the employees such as to organize the Project 5S, understanding and good relations in the organization to all levels of employees.

- To encourage the employees of being creative, develop thinking, knowledge and realize to use the resources to the maximum value by the project to reduce the cost without reducing the quality (COQ) with the lecturer from Thailand Productivity Institute as the consultant etc.

9. Good Corporate Governance

The company has systematically organized structures for the management and supervision or operations related to management and supervision and delegated responsibilities commensurate with knowledge, skills and experience in the business and products of each of the parent company's departments and subsidiaries to improve competitive capacity leading to long-term growth and enhanced value for shareholders with consideration of all stakeholders.

9.1 Governance Policy

Thai Rubber Latex Corporation (Thailand) Pcl. has invested in a total of five subsidiaries as follows:

1. Thai Rubber Latex Group Co., Ltd. in which the company has a 99.99% shareholding.
2. World Flex Pcl. in which the company has a 98.44% shareholding.
3. Thai Rubber Land and Plantation Co., Ltd. in which the company has a 99.99% shareholding.
4. Agrowealth Co., Ltd. in which the company has a 99.99% shareholding.
5. Thai Rubber H P N R Co., Ltd. in which the company has a 99.99% shareholding.

The company has sent personnel with knowledge, skills, and experience to manage and supervise each of the company's subsidiaries and the subsidiaries are required to hold meetings together to report on performance at least once per month as follows:

1. The Executive Committee meets with the company and subsidiaries once a month.
2. The Executive Committee and the factory management, sales, marketing and finance divisions meet via video conference every Monday morning.
3. The parent company's Executive Committee monitors progress by regularly visiting each of the factories as deemed fitting to do so.

9.2 Subcommittees

The company has created management and supervision structures with subcommittee structures composed of the following five committees:

- (1) Board of Directors with 10 members
- (2) Executive Committee - 4 members
- (3) Audit Committee - 3 members
- (4) Remuneration Committee - 2 members
- (5) Risk Management Committee - 3 members.

In addition, the Board of Directors has appointed four management officers with a high level of skills, knowledge and experience as assistant managing director to

perform duties as directed and instructed by the chief executive officer and management. The assistants appointed comprise Mr. Prawit Waraprateep, Ms. Chalengkwan Wongsasuttikul, Mr. Pattarapol Wongsasuttikul and Dr. Kitt Charoenpornpanichakul.

The appointment of the four assistants managing director eases the workload of the chief executive officer and Executive Committee in practically every aspect. Although the committee has more free time, the committee remains unable to find suitable people for appointment. Hence, there are no problems with performance or the law. The committee has clearly specified the powers and responsibilities of the Board of Directors and the Executive Committee for the assistant managing director to follow as the opportunity arises and as deemed fitting.

(1) Board of Directors

Article 6 of the Public Company Limited Act of 1992 on directors in Clauses 67 – 97 stipulates the number of directors, qualifications, elections, meetings, and the directors' release from office, specifying the authority and function of the Board of Directors pursuant to Clause 77 for management of the company in line with the objectives, regulations, and resolutions of the shareholders' meetings. Moreover, Clause 85 has specified the responsibilities in the company's business performance and directors are required to perform duties in compliance with the laws, objectives and regulations of the company together with the resolutions of the shareholders' meetings with integrity and care in addition to protecting the interests of the company.

Apart from management duties, certain prohibitions have been specified along with liability for damages incurred by the company.

Scope of the Board of Directors' Authority and Duties

1. Set the policies and direction of the company's performance for compliance with the law, objectives and regulations of the company, and the resolutions of the shareholders' meetings.

2. Effectively regulate and supervise the management division to ensure performance in line with set policies to protect the interests of the company, shareholders, policyholders and other stakeholders.

3. Coordinate between shareholders and management to prevent conflicts of interest between the company and the directors.

4. Direct and manage investments, expansion, procurement, sales, or transfers of assets with significant impact on the company.

5. Attend Board of Directors' meetings, appoint and remove high-ranking executives; select and nominate for consideration of director appointments by the shareholders.

6. Propose auditors to shareholders for consideration of appointment and disclose accurate information in compliance with the law.

7. Hold authorities as set forth in the memorandum of association, regulations and the tenets of the law.

The company's Board of Directors requires approval from the shareholders' meeting before performing work, in the following cases:

1. Specifications of the law require a resolution of the shareholders' meeting.
2. To carry out connected transactions with values equal to or more than Baht 20 million, or 3% of NTA, whichever amount is higher.
3. The buying or selling of important assets with values from 50% of the company's total registered assets.
4. Providing financial assistance to connected persons equal to or more than 100 million baht, or 3% of NTA, whichever amount is lower.

Remarks: NTA (Net Tangible Assets)

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

(2) Executive Committee

The Board of Directors has formed one Executive Committee composed of no fewer than three of the company's directors. In 2013, the Executive Committee had four members composed of Mr. Worathep Wongsasuttikul, Mr. Paiboon Warapratheep, Mr. Prachanon Themrittikulchai, and Mr. Suchat Charoenpornpanichakul.

Thai Rubber Latex Corporation (Thailand) Pcl. has set up regulations and executive powers as a management structure in line with the following authority and duties:

Scope of the Executive Committee's Authority and Duties

1. Consider the annual setting of goals, policies, plans and budgets as proposed by the management division before presenting to the Board of Directors for consideration and approval, including the consideration approval to change and increase the annual budgetary expenditures when there are no meetings of the company's Board of Directors and notify the company's Board of Directors in the following meeting.
2. Have the managers of different divisions responsible for the performance of various businesses to report on performance to the Executive Committee on a monthly basis.
3. Approve expenditures in line with regulations set by the company
4. Approve investment expenditures as specified in the annual budget or as approved by the company's Board of Directors in the annual budget or as specified in principal by the company's Board of Directors.
5. Approve in principal investments for business expansion and joint ventures with other business operators then present to the Board of Directors for approval at the next meeting.
6. Approve the appointment of persons authorized to sign checks or the company's payment documents.

7. Serve as a consulting committee for the management division on policies involving production, marketing, finance and management of personnel and other operations.

8. Approve employee transfers and terminations.

9. Any actions assigned by the company's Board of Directors.

(3) Audit Committee

The Board of Directors has selected from the audit committee three independent directors and at least one expert in accounting and finance. In all, the company has three audit directors, namely, Dr. Tiwa Sappakit, Mr. Erwin Muller, and Mr. Yanyong Thawarorit with the Internal Audit Department Manager as the secretary.

At General Shareholders' Meeting No. 1/2011 on 22 April 2011 a resolution was passed to appoint the Audit Committee with the above list of names to serve as audit directors for a term of three years.

Before the preliminary actions, the audit committee formed the Audit Committee Charter, proposed the aforementioned to the Board of Directors for consideration of approval and announcement for enforcement in the performance of duties as assigned by the Board of Directors.

Scope of the Audit Committee's Authority and Duties

1. Check to determine the accuracy and adequacy of the Company's financial reports.

2. Check to assure the company has internal control and internal audit systems that are effective and appropriate with evaluation of the independence of internal control together with providing consent in considerations of transfers, layoffs/terminations of section chiefs, internal control, or other responsible departments related to internal control.

3. Check the company's performance in compliance with the laws governing securities and the stock exchange, the regulations set forth by the Stock Exchange of Thailand, and laws related to the company's businesses.

4. Consider the selection and proposal of the appointment of independent auditors of the company's accounting and the proposal of remuneration for the auditors with attendance at meetings with the auditor without the attendance of the Management Department at least once per year.

5. Examine related transactions or transactions with potential conflicts of interest for compliance with the laws and regulations of the stock exchange, in order to ensure that the aforementioned transactions are reasonable and in the company's maximum interests.

6. Prepare Audit Committee reports by disclosing in the company's annual report, which requires the signature of the Audit Committee Chairman.

7. Perform any other tasks assigned by the Board of Directors with approval from the Audit Committee.

Mr. Yanyong Tawarorit is an Audit Director with knowledge and experience in reviewing the company's financial statements (according to Attachment 1).

(4) Remuneration Committee

The Board of Directors has appointed the Remuneration Committee by selecting from two of the company's directors, namely, Mr. Erwin Muller and Mrs. Suchada Sotitpapakul with the Secretary of the company's Board of Directors as the Secretary.

Scope of Authority and Duties of the Remuneration Committee

1. Set policies, criteria and methods for nominating directors and high-ranking executives for proposal to the Board of Directors for consideration of approval.
2. Select and nominate suitable persons for various positions on the Board of Directors.
3. Set policies for payment of remuneration and other benefits, including the amount of remuneration and other benefits to directors and high-ranking executives by the application of clear and transparent criteria for proposal to the Committee for consideration and be able to send policies to relevant governing agencies upon request.
4. Set guidelines for assessing the performance of directors and high-ranking executives in order to consider annual remuneration adjustments by considering the duties, responsibilities and risks involved along with giving importance to long-term increases in shareholders' equity accompanying the consideration and assessments.
5. Perform any other tasks assigned by the Board of Directors.

(5) Risk Management Committee

The Board of Directors has appointed the Risk Management Committee by selecting from four of the company's directors, namely, Mr. Pakawat Kowitwattanapong, Mrs. Suchada Sotitpapakul and Mr. Suchat Jarernpanitkul with the Manager of the Risk Management Department as the Secretary.

The Risk Management Committee has a primary mission to establish the scope of the work system for use in managing significant risks with impacts on the company's performance and prepare strategies for preventing risks which can be appropriately used for proposal to the Executive Committee together with adjusting and supporting various instruments as necessary for improved risk management.

Scope of the Risk Management Committee's Authority and Duties

The Risk Management Committee works independently and reports directly to the Executive Committee with the following authority, duties and responsibilities:

1. The Risk Management Committee designates risk management policies and guidelines of the business group for presentation to the Executive Committee in order to consider overall risk management, which must cover various types of significant risks such as credit risks, market risks, liquidity risks, foreign exchange rate risks, product price risks and risks with impacts on the business group's reputation, etc.

2. The Risk Management Committee outlines strategies for concurrence with risk management policies with ability to assess, monitor and manage the business group's risk amounts at suitable levels.

3. The Risk Management Committee controls, monitors, checks and assesses risk management outcomes together with ensuring that companies in the business group comply with set risk management policies.

4. The Risk Management Committee reviews adequacy of risk management policies and systems including system efficiency and compliance with designated policies.

9.3 Nomination and Appointment of Directors and High-Ranking Executives

The company has two methods for nominating and appointing directors and high-ranking executives as follows:

Method 1 – The number of directors in the company depends upon shareholders' resolutions as deemed fitting by the management. However, the Company must have no less than five directors in compliance with public laws.

Method 2 – The Board of Directors is the Nominating Committee that will nominate persons with experience, knowledge, capabilities and backgrounds in compliance with public laws to replace the company's directors who are released from office upon the expiration of terms or resignations for other reasons, or in cases of increases or decreases in line with expansions or reductions in business size before proposal to the shareholders' meeting.

9.4 Governance of Subsidiary and Joint Venture Company Performance

The company systematically governs the performance of its subsidiaries and joint venture companies as follows:

(1) The company appoints persons with knowledge and capabilities to be directors and executive officers in each subsidiary company in order to designate controlling policies have management power and every company is required to report and meet with the mother company's Executive Director on a monthly basis. For executive officers at other levels, periodical meetings will be held.

(2) With regard to performance, subsidiaries will send financial statements on a monthly basis to prepare financial statements for every month with the parent company in order to monitor and analyze the monthly performance of subsidiaries.

(3) Every month after merging financial statements with the mother company, the Internal Auditing Department will be sent to analyze and examine various items and issues to be reported to the Audit Committee's monthly meetings in order to check financial status data and determine whether or not transactions were carried out between the aforementioned companies and related persons, etc., in order to make up-to-date reports to the meeting of the Board of Directors, which will also meet on a monthly basis.

(4) Directors in subsidiaries appointed by the company to manage, control and handle subsidiaries have no authority to decrease capital, increase capital, terminate or expand businesses before receiving permission or approval from the parent company's Board of Directors.

(5) The company and other shareholders have no written agreements on management of subsidiaries and joint venture companies. This issue must only be entered in shareholders' meetings or meetings of the Board of Directors.

9.5 Supervising the Use of Inside Information

The company forbids executives or agencies with knowledge of inside information from disclosing inside information to outside persons or persons without duties involving the aforementioned inside information.

9.6 Auditors' Remuneration

The company and its subsidiaries have selected auditors from KPMG Phoomchai Audit Co., Ltd. to audit the financial statements of 2013 with the following auditing fees: (Baht)

Item	Name of Paying Company	Name of Auditor	Audit Fee
1	Thai Rubber Latex Corporation (Thailand) Public Co., Ltd.	Mr. Niran Lilamethwat	900,000
2	Thai Rubber Latex Group Co., Ltd.	Mr. Piya Serinirat	2,110,000
3	World Flex Public Co., Ltd.	Mr. Piya Serinirat	750,000
4	Thai Rubber Land & Plantation Co., Ltd.	Mr. Piya Serinirat	450,000
5	Agro Wealth Co., Ltd.	Mr. Niran Lilamethwat	160,000
6	Thai Rubber HPNR Co., Ltd.	Mr. Piya Serinirat	450,000
7	Wang Somboon Rubber Estate Co., Ltd.	Mr. Piya Serinirat	90,000
8	Latex Systems Co., Ltd.	Mr. Piya Serinirat	90,000
Total Remuneration from Auditing Fees			5,000,000

9.7 Other Service Fees

- None -

10. Corporate Social Responsibilities: CSR

Throughout the business operation of Thai Rubber Latex Corporation (Thailand) Pcl. and its subsidiaries are intends participate the responsibility in supporting and helps the living condition of local communities where the company is

located for its business operation. Through the joint support of the public environment, support the development of education, assisting the relief of casualty; participate to promote the religious activities. Also to make livelihood for the people in the community as a private enterprise, with the intention to provide a happy community around and a community that builds the happiness by promoting the project.

10.1 Promote the Youth Development and Education

The Project **“Thai Rubber Solution to Indigent, people are happy with bright environment”** is a project that the company recognizes the importance that the school will have its own income, and it can be applied to improve the quality of life for the education of the students better. Also to increase the green area for local community. It is conducted by the school to find the area of 20 hectares as the area of the school or area donated by the community and the company will plant the rubber tree, and will look after under the procedure of rubber planting for a period of not less than 6 years or until the tapping of latex production. The company is responsible to the total cost over the period which the school and community are in cooperation to look after the rubber tree. The company will buy that production and the income or profits from selling the product will belong to the school. The school and the community will take care of the proceeds as appropriate.

Objectives

1. To permanently promote the life quality of the community
2. To help the school have regular and long term income that lead to various developments without depending the state budget
3. To promote the knowledge, planting and take care the rubber plantations integrated with the teachers, students and people in the community near the school
4. To increase the green area for the locality and to reduce the global warming
5. To promote the life quality of the student, teacher and community which they can earn by their own long-term and permanent income.

Period to carry the Project

- up to 6 years from September 2009-2016 or until the tapping.

Project Participants

- Thai Rubber Latex Corporation (Thailand) Pcl. and its subsidiaries
- The School that participated the project by the teachers and students
- The community where the school is located
- Local government where it is located

Place of the Project

1. Ban Mae Lua School

Address: Moo 1, Ban Mae Lua, Tha Khao Plueak,
Mae Chan District, Chiangrai

Planted areas

10 Rais approximate cost = Baht 160,000

- | | |
|---------------------------------|---|
| 2. Ban Mae Pang School | Address: Moo 5, Ban Daen-Tha Khao Plueak Rd.,
Mae Chan District, Chiangrai |
| Planted areas | 20 Rais approximate cost = Baht 320,000 |
| 3. Ban Tub Kumantong School | Address: Moo 8, Ban Tab Kumantong, Tha Khao
Plueak, Mae Chan District, Chiangrai |
| Planted areas | 20 Rais approximate cost = Baht 320,000 |
| 4. Ban Mae Lak Nein Tong School | Address: Moo 6, Tha Khao Plueak, Mae Chan
District, Chiangrai |
| Planted areas | 6 Rais approximate cost = Baht 96,000 |

Results of Performance

- | | |
|---------------------------------|--|
| 1. Ban Mae Lua School | started to conduct Year 2009 up to Present |
| 2. Ban Mae Pang School | started to conduct Year 2009 up to Present |
| 3. Ban Tub Kumantong School | started to conduct Year 2009 up to Present |
| 4. Ban Mae Lak Nein Tong School | started to conduct Year 2009 up to Present |

10.2 Promotes the knowledge and building the livelihood of the community **Training “Basic Rubber Tapping”**

The company has recognized the importance of strengthening the livelihood of the community. The training programs is to educate people in the community where the plantation of the company is located or for those interested individuals in general to take as their main occupation or part-time job that could raise their family in a regular basis income. The company is ready to accepts the participants to tap the rubber of the company at present or be listed as the tapper of the company and in the future at the rubber plantation that are offering to tap the rubber. As the issues to increase their income to create the stability in the community and contribute the wellness of the community itself.

Objectives

1. To allow public in general understand and recognize the correct method of how to tap the rubber
2. To encourage people in the community and individuals to have a livelihood and as an skilled labor
3. As an alternatives for the people in the community or public in general to have more choice of occupation
4. To let the people in the community and the public in general can earn the regular income or special income out from main occupation
5. The people in the community will not longer find a living far from the original habitation

Period to carry the Project

- The training will be conducted at least 2 season or as appropriate

Project Participants

- Local community and nearby places
- Interested people in general
- Company and subsidiaries
- Local government sector

Details of Activities

- Provide the lecturer of theory and practical
- Provide the place for actual training of rubber trees
- Evaluate and advice of how to solve the problem
- To be listed as tapper of the rubber company
- Awarding the certificate according to the courses of the company

10.3 Promote the charitable activities

To promote Buddhism preservation for the soul of all people in the community and build good relationship between community and company at the business area operation. The company has seen the importance of the activities that promote Buddhism by merit-making together with the community. The project of Thot Kathin is annually organized at the area where the company operated.

Objectives

1. To build harmony and good relationship between the company and the community
2. To promote Buddhism preservation
3. To build the local events with the community themselves
4. Focus on making benefits as a whole towards community

Operation

- The company will select the needy temple or with factor that preserves Buddhism
- To choice the temple at the community where the company operates its business
- Organize an annual Thot Kathin at least 1 temple or more
- The company will act as the host of Thot Kathin through the cooperation of the individual at the community and people in general
- The ceremony of Thot Kathin is cooperated with the community at the area of the temple itself.

Result of Project Performance

2010 Thot Kathin at Wat Tha Khao Plueak, Mae Chan, Chiangrai

2011 Thot Kathin at Wat Na Lai, Wiangsa, Nan

2012 Thot Kathin at Wat Mae Lak, Mae Chan, Chiangrai

2013 Thot Kathin at Wat Phrathat Chommok Kaew Dhummararn, Mae Lao, Chiangrai

11. Internal Control

11.1 Internal Control

Summary of the Board of Directors' Opinions on the company's Internal Control System

In Board of Directors' Meeting 3/2557 on 21 March 2014, the Board of Directors evaluated the company's internal control system and was able to conclude that the system is both adequate and suitable. The company has organized its corporate structure to have a board of directors, four sub-committees and executives to consider the suitability of corporate structure, division into different fields and management, managerial authority and responsibilities in order to have an effective chain of command. High-ranking executives are under obligation to supervise internal control in compliance with set goals covering all aspects categorized as follows:

(1) High-Ranking Executives

The company has clear fields of operation. The chain of command is balanced with sub-committees governing and overseeing internal auditing under the Audit Committee.

(2) Employee and Operational Staff Management

The company has clearly set qualifications for employees in each position with duties and responsibilities, remuneration structures and growth structures for employees in every position, including consideration of ongoing training both inside and outside the corporation with a system for assessing performance using Key Performance Indicators (KPI).

(3) Communications Inside and Outside the Corporation

The company communicates to ensure that all levels of employees, executive officers and directors are aware of various policies, specifications, penalties and measures together with control of the scope of authority and duties at each step via notifications and electronic media.

Report of the Audit Committee

In the fiscal year 2013, the Audit Committee has been delegated by the Board of Directors of the company to perform their duties. The Audit Committee consists of experts in financial accounting and organization management namely;

Dr. Tiwa Sappakit	Chairman of the Audit Committee
Mr. Erwin Muller	Audit Committee
Mr. Yanyong Tavarorit	Audit Committee
and Mr. Bundit Hongsuwan	Senior Manager of Internal Audit, the secretary

The Audit Committee is responsible for the procedure of the management including to prepare and disclosures the financial information, internal audit, internal control in compliance the rules and regulations and related laws. A regular checking, monitoring and report from the Board of directors as elaborated below;

- (1) In 2013, the meeting of the audit committee had conducted 12th times.
- (2) It has considered the importance of financial statement report and review the reliability of financial statements including the quarterly financial statements and annual financial statement covering the accounting policies, and disclosures of financial statement to assure it has conducted under the accounting standard following the Notification of the Office of the Securities and Exchange Commission, Notification of The Stock Exchange of Thailand and related laws for the benefits of the investor or users of financial statements in deciding to invest. Thus, the Audit Committee has reviewed the quarterly financial statements and annual financial statement, and financial budget together with the board of the company every quarter. Also invited the auditor to attend the Annual General Meeting of the Shareholder so the shareholder can raise their questions about the financial statements.
- (3) To select the auditor and fixed the audit fee propose to the board of directors for the approval at the annual general meeting of the shareholders.
- (4) To consider the annual audit plan of the Internal Audit Department and recommend the practices. For the operation of the company be transparent, honest, neutral and legal under the objectives and rules and regulations of the company in compliance the operation of the company under the guidelines of the board of director that are involved in determining the vision, mission and strategy. To make the operation more efficient and effective to increase the economic value that will provide the maximum stability to the shareholders.
- (5) The meeting of the audit committee has invited the top executives to provide the information and ask about the management and invite the auditor to attend the meeting without the management of the company attended the meeting 1 time.
- (6) The appointment, removal and transfer to take the post of chief of internal audit committee must be approved by the audit committee each time.

- (7) The audit committee has considered that Mr. Bundit Hongsuwan is qualified and suitable as the chief of internal audit. He earned the degree in accountancy, finance, related laws and has experience about this work.

Adequacy of internal controls and internal audit

The audit committee has reviewed the adequacy of internal control systems of the company from the assessment of internal controls that the auditor has reported on a monthly basis. Including the evaluation of internal control systems that has an impact on financial statements of the company. The opinion of the auditor coherent that found no issues or defects that is significant. Therefore the audit committee has considered that the company has the adequate, effective internal control system and appropriate to its business operation.

The particular of internal audit, the audit committee has reviewed the performance of internal auditor ensuring that the process of internal audit has efficiently and effectively according to the approved annual plan. As well as improve the charter of internal audit department according to international standards that overseeing the development of internal audit to increase the value more enduring and continuously such as the development of knowledge, skill of the auditor to be more professional, and development in auditing in accordance the principles of international standard to achieve the expected goals. As well as the constant improving for the quality of auditing, personnel and the operation shall in accordance the international standard in the profession of internal auditing.

In compliance the law of the Securities and Exchange Commission, regulations of the Stock Exchange of Thailand and laws related with the business of the company.

The audit committee has reviewed the performance of the company in accordance the Securities and Exchange Commission, rules and regulations of the Office of the Securities and Exchange Commission, laws of the Stock Exchange of Thailand, Capital Market Supervisory Board and laws related with the business operation of the company. Including the binding requirements that could have happened from the agreement entered with third party and other demands. Therefore the audit committee has considered that the company has complying the laws and related laws correctly, accurately and up-to-date.

Suitability of the Auditor, considered to select and propose to nominate the auditor

The Audit Committee has considered to select and nominate the auditor. By considering the independency, skill-knowledge and experience of the auditor including the appropriateness of fee to ensure that the duty of the auditor is satisfactory and can provide the benefit to all stakeholders. The Audit Committee has considered that the auditor of the KPMG is independent, with knowledge and experience to work the accountancy, attributed to the performance in the past year was

found to be satisfactory. Therefore it has proposed to the board of directors to take this matter obtaining the approval from the General Meeting of the Shareholders to appoint 1. Mr. Niran Leelamethawat, Auditor, License No. 2316 and/or 2. Miss Nitaya Chitachotirot, Auditor, License No. 4439 and/or 3. Mr. Veerachai Ratanajarasakul, Auditor, License No. 4323 as the auditor of the company for the year 2014 by the compensation of the company and its subsidiaries amounting to 4.7 million baht.

Comments and overall observation from the performance under the charter

The Audit Committee has evaluated the overall performance as a group by evaluating the performance of audit committee manually which consists of 2 parts;

Part 1 perform the duty together with the audit committee and

Part 2 the specific duty of the audit committee by Part 2 is divided into 6 parts such as;

- (1) The review of the company's financial reports are accurate and sufficient
- (2) The review of the company's internal control and internal audit where appropriate and effectiveness
- (3) The review of the company's compliance with the Securities and Exchange Commission, terms of SET and laws relating to the business of the company.
- (4) To nominate the auditor
- (5) To consider the transaction or transactions that may have the conflict of interests and
- (6) the report of the audit committee

The audit committee has the overall opinion that the audit committee has accurately perform their duties according to the charter of audit committee, and according to the role assigned by the board of directors. As well as provide the comments and suggestions pertaining to various stakeholders for the equal benefits of all parties.

18 February 2014

On behalf of the Audit Committee

-Signature-

(Dr. Tiwa Sappakit)

Chairman of the Audit Committee

Thai Rubber Latex Corporation (Thailand) Pcl.

12. Related Party Transaction

12.1 Related party transaction with who may have conflict in the year 2013

In 2013, the company had business transaction with its subsidiaries, associated, related companies and related parties. Relationships are by ways of shareholdings, having common directors or partial joining executives. The significant business transaction between the company and those companies are summarized below.

Abbreviation's Explanation

The company

TRUBB = Thai Rubber Latex Corporation (Thailand) Pcl.

Subsidiaries

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

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

Associated Companies

WSB = Wang Somboon Rubber Estate Co., Ltd. (TRLP holds 48.43% shares in WSB)

LS = Latex Systems Co., Ltd. (TRUBB holds 44.93% shares)

Related Companies

TCR = Thai Chun Rubber Partnership Ltd.

Related Person

Mr. Prakit Waraprateep = Shareholder, Vice President's son and
Subsidiaries' Management

(1) Buying and selling related party transactions which are normal business activities

Name and Relationship	Transaction Description	Transaction Value (Million Baht)	Necessity and Reasonability
LS (Group of shareholders who collectively hold 6.28% Shares in TRUBB and hold 49.96% shares in LS)	THAITEX sold concentrated latex to LS as raw material for producing latex foam mattress.	74.93	- LS bought concentrated latex from THAITEX due to being related company of TRUBB. - THAITEX's selling price to LS is the same as to other customers.
LS (Group of shareholders who collectively hold 6.28% Shares in TRUBB and hold 49.96% shares in LS)	TRUBB sold concentrated latex to LS as raw material for producing latex foam mattress.	53.43	- LS bought concentrated latex from TRUBB before to be related company of TRUBB. - TRUBB's selling price to LS is the same as to other customers.
WSB (Group of shareholders who collectively hold 19.94% Shares in TRUBB and hold 18.21% shares in WSB)	THAITEX bought field latex from WSB's plantation as production raw material.	26.55	- WSB's plantation locates in the same province as THAITEX's factory. It is logistically reasonable to purchased due to reducing transportation cost. - THAITEX's purchasing price from WSB is the same as to other customers.
TCR (Groups of shareholders who collectively hold 13.39% shares in TRUBB and hold 60% shares in TCR)	TRUBB sold skim block to TCR as raw material for producing rubber band.	2.03	A shareholder of TCR is a co-founder of TRUBB and TCR has purchased skim block from TRUBB since its beginning. TRUBB's selling price to TCR is the same as to other customers.
Mr. Prakrit Waraprateep (hold 7.34% shares in TRUBB)	THAITEX bought field latex from Mr. Prakrit's plantation as production raw material.	1.07	Mr. Prakrit's plantation locates in the same province as Thaitex's factory. It is logistically reasonable to purchase from his plantation. And purchased price is the same as that of purchased from other plantation in the same

(2) Related Party Service Transactions

Name and Relationship	Transaction Description	Transaction Value (Baht)	Necessity and Reasonability
Mr. Prakit Waraprateep (hold 7.34% shares in TRUBB)	THAITEX's factory in Chantaburi province rent the land from Mr.Prakit as the site for the latex concentrate factory with five centrifuging machines.	96,000	Renting land is a way to reduce the investment in fixed assets as the small factory such as Chantaburi branch and hence reduce fixed cost. In addition the rent charged, currently 96,000 Baht per year, is lower than the rent of nearby comparable plot of land. Rent duration is 10 years. Contract expires in June 2015.

(3) Debt guarantee among the companies

Name and Relationship	Transaction Description	Transaction Value (Million Baht)	Necessity and Reasonability
LS (Group of shareholders who collectively hold 6.28% Shares in TRUBB and hold 49.96% shares in LS)	TRUBB has guaranteed the credit line of LS to Bangkok Bank Pcl.	30	- LS is the associated company which TRUBB hold 44.93% shares.

Policy in setting up price of related party transaction

Policy details are disclosed in the notes to consolidated financial statements point no.6, in the annual financial statements report of year 2013, which was audited by the Certified Public Accountant.

12.2 Necessary and Justification of Related Party Transaction

The company describes necessary and justification of related party transaction in the above tables. Board of Directors and Audit Committee certified above related party transactions on 21 February 2014.

12.3 Policy of Future Related Party Transaction

The company has no policy to create new related transaction, however, if necessary, the company will carry out the transaction in the way that is most beneficial to the shareholder. The transactions carried out in 2013 will continue in 2014.

Part 3

Financial Status and Operating Results

13. Important Financial Data

13.1 Financial Statements Summary

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

Statement of financial position

	Consolidated financial statements		
	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Assets			
			(in Baht)
<i>Current assets</i>			
Cash and cash equivalents	132,857,228	358,069,732	269,194,006
Trade and other accounts receivable	1,605,929,547	1,570,973,788	1,780,396,497
Short-term loans to related parties	-	-	-
Short-term loans to other parties	2,256,151	31,788,890	15,054,776
Inventories	1,363,876,245	2,056,160,677	1,955,695,967
Other current assets	114,791,575	100,769,605	160,440,086
Assets classified as held for sale	121,191,159	-	-
Total current assets	3,340,901,905	4,117,762,692	4,180,781,332
<i>Non-current assets</i>			
Restricted bank deposit	-	2,070,000	-
Investments in associates	100,753,422	92,932,509	80,308,824
Investments in subsidiaries	-	-	-
Other long-term investments	-	-	-
Investment properties	86,870,438	85,653,430	84,447,845
Property, plant and equipment	2,290,630,757	2,178,196,648	1,945,742,783
Assets classified as held for sale	23,912,148	121,191,159	-
Intangible assets	1,390,490	3,387,324	4,821,436
Land possessory rights	168,917,281	149,994,881	140,916,481
Rubber plantation development costs	616,911,188	486,326,919	381,487,246
Withholding tax deducted at source	149,697,353	163,806,401	139,541,863
Deposit for purchase of land	10,113,367	58,150,320	43,489,098
Deferred tax assets	64,062,670	47,689,522	8,329,013
Other non-current assets	55,960,303	34,413,855	40,726,252
Total non-current assets	3,569,219,417	3,423,812,968	2,869,810,841
Total assets	6,910,121,322	7,541,575,660	7,050,592,173

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

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

	Consolidated financial statements		
	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
Liabilities and equity			
			<i>(in Baht)</i>
Current liabilities			
Bank overdrafts and short-term loans from financial institutions	4,817,708,638	5,129,547,928	4,337,086,041
Trade and other accounts payable	247,201,045	225,120,289	255,093,137
Short-term loans from related parties	-	-	-
Short-term loans from other party	19,000,000	-	-
Current portion of long-term loans	94,227,728	141,038,418	171,172,714
Accrued expenses	92,679,683	104,177,391	123,905,564
Income tax payable	2,930,964	1,041,472	28,966,189
Other current liabilities	10,296,865	61,634,908	51,149,228
Total current liabilities	5,284,044,923	5,662,560,406	4,967,372,873
Non-current liabilities			
Long-term loans	185,208,466	269,186,402	250,437,402
Employee benefit obligations	41,383,841	36,870,896	30,008,142
Deferred tax liabilities	11,333,084	37,680,863	51,334,797
Other non-current liabilities	-	92,000	82,000
Total non-current liabilities	237,925,391	343,830,161	331,862,341
Total liabilities	5,521,970,314	6,006,390,567	5,299,235,214
Equity			
Share capital:			
Authorised share capital	749,607,657	749,607,657	599,686,442
Issued and paid-up share capital	681,453,819	681,453,819	545,169,489
Additional paid in capital:			
Premium on ordinary shares	342,113,518	342,113,518	342,113,518
Retained earnings (deficit)			
Appropriated			
Legal reserve	119,354,556	116,488,251	104,146,266
Unappropriated	(229,059,233)	(85,034,630)	253,754,713
Other components of equity	468,005,650	473,474,371	497,926,781
Equity attributable to owners of the Company	1,381,868,310	1,528,495,329	1,743,110,767
Non-controlling interests	6,282,698	6,689,764	8,246,192
Total equity	1,388,151,008	1,535,185,093	1,751,356,959
Total liabilities and equity	6,910,121,322	7,541,575,660	7,050,592,173

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

	Consolidated	
	financial statements	
	For the year ended	
	31 December	
	2013	2012
		(Restated)
		(in Baht)
<i>Income</i>		
Revenue from sale of goods and rendering of services	13,453,828,862	16,446,082,004
Other income	158,762,626	130,735,129
Total income	13,612,591,488	16,576,817,133
<i>Expenses</i>		
Cost of sales of goods and rendering of service	12,872,079,654	15,840,579,809
Selling expenses	335,837,735	455,780,023
Administrative expenses	314,518,001	231,569,518
Other expenses	43,019,425	58,580,785
Finance costs	248,472,560	244,251,154
Total expenses	13,813,927,375	16,830,761,289
<i>Share of profit of equity-accounted investees</i>		
Associates	12,301,913	14,766,085
Total	12,301,913	14,766,085
Loss before income tax expense	(189,033,974)	(239,178,071)
Income tax benefit (expense)	33,624,274	40,180,991
Loss for the year	(155,409,700)	(198,997,080)
Loss attributable to:		
Owners of the Company	(155,002,634)	(197,440,652)
Non-controlling interests	(407,066)	(1,556,428)
Loss for the year	(155,409,700)	(198,997,080)
Loss per share		
Basic loss per share (in Baht)	(0.23)	(0.31)
Diluted loss per share (in Baht)	(0.23)	(0.31)

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

Statement of cash flows

	Consolidated	
	financial statements	
	For the year ended	
	31 December	
	2013	2012
		(Restated)
		(in Baht)
<i>Cash flows from operating activities</i>		
Loss for the year	(155,409,700)	(198,997,080)
<i>Adjustments for</i>		
Depreciation and amortisation	111,518,152	131,647,973
Amortisation of rubber plantation development costs	41,164,454	4,500,116
Reversal of doubtful accounts and bad debts expense	(3,998,274)	(3,347,316)
Reversal of allowance for decline in value of inventories	(5,921,486)	(47,883,530)
Investment income	(21,292,660)	(39,010,799)
Finance costs	248,472,560	244,251,154
Loss from disposal of investments	-	-
Increase in fair value adjustment of investment properties	(1,217,008)	(1,205,585)
Unrealised gain on exchange	(13,533,199)	(4,937,491)
Impairment losses on assets	-	5,107,526
Gain on disposal of property, plant and equipment	(89,416)	(164,601)
Provision for employee benefits	4,512,945	8,945,554
Share of profit of equity-accounted investees, net of income tax	(12,301,913)	(14,766,085)
Income tax expense (benefit)	(33,624,274)	(40,180,991)
Cash provided by (used in) operation before changes in operating assets and liabilities	158,280,181	43,958,845
<i>Changes in operating assets and liabilities</i>		
Trade and other accounts receivable	(18,480,905)	213,680,546
Inventories	698,205,918	(52,581,180)
Other current assets	(13,278,420)	66,765,451
Other non-current assets	(21,546,448)	(10,507,440)
Trade and other accounts payable	23,137,375	(30,256,523)
Accrued expenses	(11,497,708)	(19,728,173)
Other current liabilities	(53,646,739)	20,090,052
Employee benefits obligation	-	(2,082,800)
Other non-current liabilities	(92,000)	10,000
Cash generated from (used in) operating activities	761,081,254	229,348,778
Income tax paid	6,902,045	(64,273,316)
Net cash from (used in) operating activities	767,983,299	165,075,462

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

	Consolidated	
	financial statements	
	For the year ended	
	31 December	
	2013	2012
		(Restated)
		(in Baht)
<i>Cash flows from investing activities</i>		
Interest received	21,466,035	38,888,016
Dividends received	4,481,000	2,142,400
Restricted bank deposit	2,070,000	(2,070,000)
Increase in short-term loans to related parties	-	-
(Increase) decrease short-term loans to other parties	29,532,739	(16,734,114)
Purchase of property, plant and equipment	(168,205,154)	(453,398,163)
Sale of property, plant and equipment	-	4,212,438
Purchase of intangible assets	-	(8,073)
Increase in assets not used in operation	-	(16,814,386)
Increase in land possessory rights	(18,922,400)	(9,078,400)
Increase in rubber plantation development costs	(171,748,723)	(109,339,789)
Net cash used in investing activities	(301,326,503)	(562,200,071)
<i>Cash flows from financing activities</i>		
Interest paid	(231,882,953)	(254,555,085)
Other finance costs paid	(15,197,836)	(9,604,371)
Dividends paid	-	(15,143,502)
Increase (decrease) in bank overdrafts and short-term loans		
from financial institutions	(311,839,290)	792,461,887
Finance lease payments	(8,029,079)	(5,847,310)
Proceeds from short-term loans from related parties	-	-
Proceeds from short-term loan from other party	19,000,000	-
Proceeds from long-term loans	68,754,401	150,000,000
Repayment of long-term loans	(221,050,000)	(169,280,000)
Net cash from (used in) financing activities	(700,244,757)	488,031,619
Increase (decrease) in translation adjustment	8,375,457	(2,031,284)
Net increase (decrease) in cash and cash equivalents	(225,212,504)	88,875,726
Cash and cash equivalents at 1 January	358,069,732	269,194,006
Cash and cash equivalents at 31 December	132,857,228	358,069,732
<i>Supplemental disclosures of cash flow information</i>		
Non-cash transactions		
Depreciation on revalued portion	29,652,008	29,879,424
Depreciation on revalued portion of associated companies	643,938	756,659
Assets acquired under financial lease and hire purchase agreements	29,536,052	13,742,014

13.2 Financial Ratio

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

Financial Ratio

	Consolidated financial statements	
	2013	2012
<u>LIQUIDITY RATIO</u>		
Current Ratio (times)	0.63	0.73
Quick Ratio (times)	0.33	0.34
Operating Cash Flow to Current Liabilities Ratio (times)	0.14	0.03
Accounts Receivable Turnover (times)	8	10
Average Collection Period (days)	43	37
Inventory Turnover (times)	8	8
Inventory Conversion Period (days)	48	46
Accounts Payable Turnover (times)	55	66
Average Payment Period (days)	7	5
Cash Cycle (days)	84	77
<u>PROFITABILITY RATIO</u>		
Gross Profit Margin	4.32%	3.68%
Operating Profit Margin	-2.36%	-1.98%
Others Profit Margin	0.94%	0.52%
Operating Cash Flow to Operating Profit Ratio	-242%	-51%
Net Profit Margin	-1.14%	-1.20%
ROE	-10.63%	-12.11%
<u>EFFICIENCY RATIO</u>		
ROA	-2.15%	-2.73%
Return on Fixed Assets	-0.09%	-2.38%
Fixed Assets Turnover (times)	4.62	6.28
Total Assets Turnover (times)	1.88	2.27
<u>FINANCIAL POLICY RATIO</u>		
Debt to Equity Ratio (times)	3.98	3.91
Interest Coverage Ratio (times)	3.96	1.51
Cash Flow Coverage Ratio (Cash Basis) (times)	1.85	0.25
Dividend Payout Ratio	n/a	n/a

14. Analyze and Explanation of the Management

14.1 Overall Performance

The Balance of World's Supply and Demand - Rubber

Year	Supply	Demand	Stock	Export	Import
2008	10.13	10.18	1.52	6.76	7.08
2009	9.69	9.33	1.88	6.28	6.31
2010	10.40	10.78	1.50	7.15	7.40
2011	10.70	10.61	1.40	7.19	7.37
2012	11.18	10.73	1.76	7.34	7.52
2013	11.51	11.13	2.15	7.49	7.68
CAGR* (%)	2.6%	1.8%	7.2%	2.1%	1.3%

* CAGR : Compound Annual Growth Rate



Source : Rubber Research Institute of Thailand, LMC (2013) and Projection (2012-2013's export-import)

The needs of rubber of the world become lesser than the production volume since 2011, which the production volume that has exceeded is 0.09, 0.45 and 0.38 million tons in 2011-2013. Resulted the price of the rubber in the world market has decreasing since 2011 until at present.

In 2013, world demand for rubber had still been diminishing due to the shrinking of world economy, on another hand the rubber supply keep increasing from newly tapped plantation. Hence, the competition among rubber suppliers is strong. And due to aforementioned factors, rubber price had been in the downtrend from the early 2013 whereas price started the year at around Baht 90-100 per kg., to Baht 75-85 per kg. throughout second quarter until end of the year. Situation like this affect the company's sales volume as buyers would delay purchasing upon expectation of lower price.

Nevertheless, the company had implement strategies to cope with this oversupply situation such as developing innovative products to market in order to create new market segment where competition is not strong. Also, company

implement cost reduction programs such as halting operation of factory which production volume did not reach breakeven volume in Bungkarn province.

In 2013, the administrator of the Thai Rubber Land and Plantation Co., Ltd. the subsidiary of the company has considered to modify the accounting records of cost of accounting for the development of rubber plantation which caused by the related cost of rubber plantation development. Also develops the retroactive financial statement that will affect to the combined financial statement of the group of the company and the combined net loss of the shareholder of Thai Rubber Latex Corporation (Thailand) Public Co., Ltd. totaled Baht 274 million. In 2012, it has modified (notes to the statement Article 4). The subsidized total loss is Baht 197 million.

The company had net loss (on the equity holder of the company basis) Baht 155 million, compared to the same period's result of last year which had net loss Baht 197 million, net loss decreased Million 42 baht or 21%.

Comparing operation result of 2013 and 2012, the company had sales and service income Baht 13,453.83 million; decreased Baht 2,922.25 million or 18% due to the average lower rubber price and weak demand. Cost of sales and service was Baht 12,872.08 million, decreased Baht 2,968.50 million or 19%. The company had gross margin Baht 581.75 million, decreased Baht 23.75 million. However, gross profit margin of 2013 was 4.30% which is higher comparing to 3.70% in 2012, partly due to the new product development and cost reduction program.

Selling expenses was Baht 335.84 million, decreased 26%, main items reduced were the export tax. Administration expenses was Baht 314.52 million, increased Baht 82.95 million or 36%. The increase was mainly the regroup of expenses relating to production to administration expenses as per the accounting standard. The difference from 2013 to 2012 of this item totaled Baht 54 million. And the regroup of administration expenses to asset for the year of 2013 hence increased the difference of administration expenses additional Baht 28 million. Financial cost was Baht 248.47 million, increase 2%.

The loss of the group of the company has continued 2 years so the group has adjusted such as cease the production of concentrated latex that did not break even and produce new products of concentrated latex that is differ than the competitor. Increasing the production of block rubber and rubber thread and to avoid seriously price conflict improving the market strategy to reach into the group of customers that having the good price. It is clearly recognize from the basic profit rate of financial statement including Year 2013 in level of 4.32% which is higher than Year 2012 that makes only 3.68% so the net loss of 2013 has reduced.

14.2 Result of Performance and ability to make profit

Concentrated Latex group: (manufacture and sell the concentrated latex by Thai Rubber Latex Corporation (Thailand) Pcl. and Thai Rubber Latex Group Co., Ltd. and trading the blocked rubber from China by Thai Rubber Latex Group Co., Ltd. Shanghai).

(Million Baht)

Concentrated Latex group	2013	2012	Change	% +/-
<u>Sales Volume (Tons)</u>				
1. Concentrated Latex	122,319.63	135,618.45	(13,298.82)	-10%
2. Blocked Rubber	34,074.00	36,210.00	(2,136.00)	-6%
<u>Selling Price</u>				
1. Concentrated Latex (Baht/kg.)	53.93	64.25	(10.32)	-16%
2. Blocked Rubber (RMB/kg.)	16.26	22.00	(5.74)	-26%
Sales and Service Incomes	9,866.77	13,392.05	(3,525.28)	-26%
Gross Profit	415.05	600	-184.95	-31%
Gross Profit Margin	4.20%	4.48%	-0.28%	
Gain on foreign exchange	11.54	7.48	4.06	54%
Gain from investment in agricultural futures	(43.32)	(32.45)	(10.87)	33%
Net Profit	(105.37)	(48.10)	(57.27)	119%

(1) Revenue from Sale: In Year 2013, the revenue was Baht 9,867million, a decrease of Baht 3,525 million or 26% when compared to Year 2012 which resulted from the reducing of sale price of concentrated latex and blocked rubber from last year 16% and 26% significantly. Indicating the market of using the rubber has lessened in Year 2013 that affected to reduce the operation in regards of price and volume.

(2) Factor toward Profit: The rubber is a commodities product, therefore the direction and level of sale prices of rubber is variable for making profits. In Year 2013, the price of 2 products has subsided. However, the gross profit margin has reduced a little bit from 4.48% to 4.20%. Due to the development strategy of new product of concentrated latex has helped to slow down the subsided the profit rate above. The combined expenses also has reduced from the policy to exempt to charge the export tax for export during September-December 2013 and has reduced the financial expenses benefited from the reducing of the interest rate and decreased the working capital using.

(3) Profit (Loss): In Year 2013, the net loss was Baht 105 million that increased Baht 57 million or 119% due to the diminishing price of natural rubber for the past 3 years. Makes the gross profit has reduced from the previous year to Baht 185 million, thus the obtained gross profit is not sufficient for the net profit.

Blocked Rubber group: (manufacture and sell the blocked rubber by Thai Rubber H P N R Co., Ltd.)

(Million Baht)

Blocked Rubber Group	2013	2012	Change	% +/-
Sales Volume (Tons)	34,349.51	23,518.42	10,831.09	46%
Selling Price (Baht/kg.)	79.71	95.69	(15.98)	-17%
Sales and Service Incomes	2,737.84	2,246.01	491.83	22%
Gross Profit	82.11	52.00	30.11	58%
Gross Profit Margin	3.00%	2.32%	0.68%	
Gain on foreign exchange	(1.54)	14.70	(16.24)	-110%
Gain from investment in agricultural futures	(0.90)	(24.33)	23.43	-96%
Net Profit	(23.32)	(98.38)	75.06	-76%

(1) Revenue from Sales: In Year 2013 was in Baht 2,738 million that increased Baht 492 million or 22% when compared to year 2012. Due to the expansion of production capacity, the sales volume of blocked rubber has increased from the previous year of 10,831 tons or 46%. But the sale price of the company has reduced from the previous year 17% that the same direction reducing of blocked rubber price at the world market. In Year 2013, the company has emphasized to sell the product to the user namely the automobile tires factory within the country more than exported to Chinese market. Which the Chinese market has a high competition and the buyer are the importer group. Therefore, the sales price of the company has reduced only 17% when compared to a 27% drop in the blocked rubber price of Thai Rubber Latex Group Co., Ltd. Shanghai in Chinese market in 2013. Therefore, the sales strategy of Thai Rubber H P N R Co., Ltd. in 2013 has emphasized for domestic sell of 63% of the totaled sales that helped the business well. In this, the company has tried to develop the product quality to have a standard sell to the Automobile tire factory.

(2) Factor in earning the profit: To increase the production line and production quantity, reduce the fixed cost per unit so the gross profit margin has increased from 2.32% to 3%. The total expenses had reduced from the policy of exemption to charge the export tax for export during September-December 2013.

(3) Profit (Loss): In 2013, the net profit was in Baht 23 million that reduced Baht 75 million or 76%. This was the result of the plan to increase the production capacity. So the gross profit has increased Baht 30 million and total expenses also reduced Baht 28 million. These were main reasons that the net loss has more reduced and the operation is getting better.

Rubber Thread Group: (manufacture and sell the rubber thread by World Flex Pcl.)

(Million Baht)

Rubber Thread Group	2013	2012	Change	% +/-
Sales Volume (Tons)	15,406.30	13,516.21	1,890.09	14%
Selling Price (Baht/kg.)	101.40	115.48	(14.08)	-12%
Sales and Service Incomes	1,617.88	1,602.87	15.01	1%
Gross Profit	84.24	(44.06)	128.30	-291%
Gross Profit Margin	5.21%	-2.75%	7.96%	
Gain on foreign exchange	19.77	12.99	6.78	52%
Gain from investment in agricultural futures	(0.02)	0.07	(0.09)	-131%
Net Profit	(26.11)	(99.82)	73.71	-74%

(1) Revenue from sale: Year 2013 was in Baht 1,618 million that increased Baht 15 million or 1% when compared to year 2012 due to the improvement of method of production. The sales volume of the rubber thread has increasing from the previous year of 1,890 tons or 14%. However, the selling price of previous year is a 12% drop in accordance the high competition in Chinese market. Although the profit rate from selling in Chinese market is not high. But the company always sells to the Chinese market to maintain the customer and maintain the sales volume. In using the development strategy for the method of production is to obtain the sufficient volume of product to enter to the market of new buyers' not Chinese market. Because the market of new buyers will give high profit rate than selling in Chinese market and no need to invest new machineries.

(2) Profitability Factor: The improvement of method of production was the reason of more volume of production and reduced the fixed cost per unit, and also launched the market for new buyers that change the profitability from the rate of gross loss margin at 2.75% in 2012 to the gross profit margin at 5.21% in 2013. The total expense has increased that fluctuate under the increasing sales volume. While the rubber thread group has no advantages from the policy of exemption to charge the export tax for export the same with concentrated latex group and blocked rubber group.

(3) Profit (Loss): Year 2013, the result of net loss was in Baht 26 million that reduced Baht 74 million or 74% due to the improvement plan of method of production. That the status of Baht 44 million gross loss in 2012 has been changed to make gross profit Baht 84 million in 2013. The main causes that makes the net loss has more reduce and the result of better operation.

14.3 Property Management Ability

In 2013, the total property was in Baht 6,910 million that reduced Baht 632 million or 8% from the previous year. The current assets have reduced Baht 777 million, while the non-current assets have increased Baht 145 million. The assets structure is consisting with current assets of 48% and non-current assets are 52%. An appropriate balance for the operation and it has the opportunity to expand and grow the business in the future.

(1) Assets Composition

- The current assets was in Baht 3,341 million that reduced to Baht 777 million or 19% due to the major significant is the cash details and comparison of cash that reduced Baht 225 million and the inventory has reduced Baht 692 million due to the reduction of rubber price. So the company can reduce the investment for the inventory more up to 34%.

- A non-current asset was in Baht 3,569 million that increased Baht 145 million due to the increases of property, plant and equipment totaled Baht 113 million. The cost of development of rubber plantation has increased Baht 131 million and the decreases of assets held for sale Baht 97 million. The company and subsidiaries' fixed assets turnover was 4.62 times has reduced from 6.28 times in the same from previous year as the selling price has decreased the total sales. However, the fixed assets still have expanded. Because the investment in planting the rubber estate are not yet finished. The income from rubber plantation of Thai Rubber Land and Plantation Co., Ltd. has started to be recognized in 2013 as the first year by starting to tap the rubber in total of 30,000 trees in proportion only 3.75% of the entire planting of 800,000 trees. Since the year 2014 and so on the company has expected that the fixed assets turnover will highly adjust from gradually open the tapping of rubber trees.

(2) The suitable of non-operating assets proportion

The financial statement has included the non-operating assets only 10% of the total assets because the company has emphasized the investment of assets using the operation of the main business.

(3) Impairment Losses of Assets

The existed assets has indicated the actual value and no details that indicating that it has impairment or not return. Because if there has impairment, the company will be provided the reserve or allowance to reduce the value, and to make the quality of the assets will show the actual value according to the price of the market and in accordance the principle of accounting that generally accepted.

(4) Account Receivable: The account receivable as other business has totaled to Baht 1,571 million. The important structure as follows;

- The portion of payment that was not yet on due date is in 65% that reduced from 77% of the previous year. Because of the policy to emphasize on increasing the domestic sale with credit of long term than the foreign sale but it has the chance to make good profit than selling abroad.

- For the payment of overdue date that was less than 3 month is in 25% that rised from 15% of the previous year as the amount increased Baht 155 million because at the end of the year, the major customer had proposed the postponement of the payment to be at the beginning of 2014. Due to the management policy of account and financial of the customer and at the beginning of the year 2014 that liability has been paid to the company.

- For the allowance for doubtful accounts of Baht 80 million or at 5% of account receivable. The allowance for doubtful accounts had reduced Baht 4 million from the previous year and the debtors are all in the process of lawsuit.

14.4 Liquidity and Sufficient Fund

(1) Source and uses of fund

-The change of the source and use of fund for the business: In 2013, the net cash from operation activities was high of Baht 768 million, because the use of fund in the inventory has reduced of Baht 698 million that is the benefits from price of rubber that has decreased.

- Suitability of capital structure: Most of the capital structure is from liability with the debt to equity ratio in 2013 at 4 times under the nature of normal operation of rubber business. The proportion rate of D/E ratio as of the end of the year is the highest ratio. While the ratio as of the end of the quarter 1 and 2 which is very low. Nevertheless the price condition of rubber which decreased from 2012 to 2013 has helped to increase cash flow from operation activities. The interest coverage ratio has been expanded from 1.51 equivalent to 3.96 times and the cash flow coverage ratio has been expanded from 0.25 equivalent to 1.85 times so the risk in financial has been reduced.

- Changing component of equity arise from the changes of deficit. Because this deficit not yet divided has increased Baht 144 million the result from the performance cause by net loss.

(2) Capital Expenditure

The big items of financing in 2013 was the rubber plantation development costs was Baht 172 million, that the company has gradually invest since 2007 and it is expected to use not so much investment in planting.

(3) Sufficient Liquidity

The use of working capital of the company will alter by season of tapping. Therefore the volume in using the working capital is not the same throughout the year. The working capital will be used more during the end of the year and reduce more during the second quarter especially during the price of rubber is low likewise at present. The credit line is enough for the operation.

(4) The ability to pay debt and maintaining the borrowing condition

At the end of Year 2013 two of its subsidiaries have long term loans from financial institutions totaling 252 million baht to invest in the manufacture of blocked rubber and concentrated latex. The principal amount must be repaid within 2017, which one subsidiary has outstanding loan of 74 million baht, and has agreements with financial institutions that are required to maintain the D/E ratio not to exceed three times. Presently that subsidiary can maintain the conditions of the financial institutions.

14.5 Factor that affect to the operation in the future

The effect from the production of rubber that is higher than the needs at present may affect to the price of rubber at the world market become lower like this for another period. At the same time the profit per unit is also low. Therefore the group of the company has the strategy and plan to increase the sales. By increasing the volume of production and volume of sales of every products through the method of market expansion to new market such as sell the concentrated latex to Chinese market, which from the past it has sold to a single distributor only. So for the past year the volume of sale has lower. Therefore the group has changed to sell it through the team work sales of the subsidiary of the company in China. So for the past year the number of customer has more increasing with good sales term. The group has expected that the sales volume of concentrated latex will return to rise in 2014, with expected goal of sales to 150,000 tons or increasing about 20% from the previous year for reducing the fixed cost per unit and increasing the profit of the main business group.

The huge investment of the group of company since 2006 is the project of rubber planting at the northern region. Thai Rubber Land and Plantation Co., Ltd. the subsidiary company has started the rubber plantation at the north since 2006. Now the total of planted rubber is 800,000 trees. In 2013 was the first year of tapping of 30,000 trees and expected that on 2014-2016 can be tapped 45,000 trees, 500,000 trees, 650,000 trees and 800,000 trees respectively, or the entire tapping in 2016 that will increase the total sales and profit of the group of the company in the future.

Details of Director, Management, Powerful Controller and Company Secretary

Attachment 1

Name/Position (1)	Age	Education / Training/Seminar (2)	Shareholding in company (%) (3)	Relationship between directors and executives (4)	Work Experience		
					Duration	Position	Organization/Company/Business
Mr. Vorathep Wongsasuthikul President Chief/Executive Officer	65	Master of Arts in Economics, Ramkhamhaeng University. - 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 - Certificate of Completion (Directors Certification Program) Thai Institute of Directors	4.73%		1986 - Present 1994 - Present 2008 - Present	Managing Director Executive Director President	Thai Rubber Latex Corporation (Thailand) Pcl. Wong Sornboon Rubber Estate Co.,Ltd. Thai Rubber Latex Corporation (Thailand) Pcl.
Mr. Paiboon Wanaprateep Vice President Executive Director	75	International Finance & Investment Management Program, Tsinghua - 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 - Certificate of Completion (Directors Certification Program) Thai Institute of Directors	0.56%		1986-Present 1989-Present 2008-Present	Executive Director Managing Director Vice President	Thai Rubber Latex Corporation (Thailand) Pcl. Wong Sornboon Rubber Estate Co.,Ltd. Thai Rubber Latex Corporation (Thailand) Pcl.
Mr. Prachon Temrithukhai Vice President Executive Director	68	Master of Science in Technical Education in Industrial Business King Mongkut's Institute of Technology North Bangkok - 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	0.82%		1986-Present 2008-Present	Executive Director Vice President	Thai Rubber Latex Corporation (Thailand) Pcl.
Mr. Suchart Charoernpompunichkul Executive Director Member of the Risk Management	49	Master of Business Administration major Assumption University Marketing (B.B.A.) Assumption University	none		1999 - Present 2012-Present	Executive Director Member of the Risk Management Committee	Thai Rubber Latex Corporation (Thailand) Pcl.

Details of Director, Management, Powerful Controller and Company Secretary

Name/Postion (1)	Age	Education / Training/Seminar (2)	Shareholding in company (%) (3)	Relationship between directors and executives (4)	Work Experience		
					Duration	Position	Organization/Company/Business
Dr. Tiwa Suppakit Independent Director Chairman of the Audit Committee	82	Ph.D. (Honorary) Agricultural Technology - Principle of Accounting VS Principle of Taxation : Same VS Difference, Stock Exchange of Thailand - Accounting for Non-Accounting Audit Committee, Stock Exchange of Thailand - 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 the internal audit committee of Thailand - How will the internal audit help audit committee's works? Association of Accountant & CAP of Thailand - Certificate of Completion (Directors Certification Program) Thai Institute of Directors	0.005%		2000-Present 1994-present	Director Chairman of the Audit Committee Independent Director	Thai Rubber Latex Corporation (Thailand) Pcl
Mr. Erwin Muller Independent Director Member of the Audit Committee Chairman of the Remuneration Committee	84	BA, Major in Accounting from International Institute of Accountants Sydney, Austr - Certificate of Completion (Directors Certification Program) Thai Institute of Directors - Accounting for Non-Accounting Audit Committee Stock Exchange of Thailand - 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)	none		2000-Present 1998-Present 1977-Present	Director/Independent Director Chairman of the Remuneration Committee Independent Director Honorary Chairman	Thai Rubber Latex Corporation (Thailand) Pcl Thailand Industrial Federation
Mrs. Suchada Sodthibhaphkul Director Member of the Remuneration Committee Member of the Risk Management Committee	60	MBA Chulalongkorn University, Thailand - Director Certification Program # 38/2003 from Thai Institute of Directors Association (IOD) - Capital Market Academy Leadership Program # 2/2006	none		2001-Present 2001-Present 2008-Present	Managing Director Director Director Member of the Remuneration Committee Member of the Risk Management Committee	KGI Securities (Thailand) Plc. The Thai Bond Market Association (Thai BMA) Thai Rubber Latex Corporation (Thailand) Pcl

Details of Director, Management, Powerful Controller and Company Secretary

Name/Position (1)	Age	Education / Training/Seminar (2)	Shareholding in company (%) (3)	Relationship between directors and executives (4)	Work Experience		
					Duration	Position	Organization/Company/Business
Mr.Yanyong Tavaront Independent Director Member of the Audit Committee	75	BA in Commerce, in Accounting Law from Thammasart U. - High level governor, 31st generation, Institute of Administration Development - Techniques to become the auditor, Office of the Auditor General of Thailand - Development for executive manager (MINI MBA), Office of the Auditor General of Thailand, NIDA	none		2008-Present 2010-Present 2011-Present	Director Independent Director Member of the Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl.
Mr.Somkade Sueprakul Director	62	MPA, Public Administration (Public Policy and Strategic Management) , National Institute of Development Administration (NIDA) - Democratic Politics and Governance for High-Level Administrators, King Prajadhipok's institute KPI (Class 10) College Politics and Governance King Prajadhipok's Institute - Directors Accreditation Program by Thai Institute of Directors Association (DAI77/2009) Directors Certification Program by Thai Institute of Directors Association (DCP115/2009) - Studied Management - Finance - Environment and Disaster protection in France Finland Sweden Norway Denmark Greece, Australia, China, etc..	none		2010-Present 2013-Present	Director Vice President Chairman of Audit Committee	Thai Rubber Latex Corporation (Thailand) Pcl. Electronics Industry Public Co.Ltd.

Details of Director, Management, Powerful Controller and Company Secretary

Name/Position (1)	Age	Education / Training/Seminar (2)	Shareholding in company (%) (3)	Relationship between directors and executives (4)	Work Experience		
					Duration	Position	Organization/Company/Business
Mr. Pakkawat Kovithumthong Independent Director Chairman of the Risk Management Committee	65	M.B.A. Wharton School, University of Pennsylvania, USA B.A. in Economics (First Class Honors), Thammasat University - National Defense College Class 344 - Director Certificate Program (DCP) 58/2005 - Capital Market Academy Class 5 - Certificate of Completion (Directors Certification Program) Thai Institute of Directors	none		1999 - Present	Independent Director	Land and House Public Company Limited
					2000 - Present	Member of The Audit Committee	
					2000 - Present	Performance Agreement Committee	State Enterprise Policy Office, Ministry of Finance
					2001 - Present	Chief Executive Officer/Director	Trinity Watthana Plc.
					2009 - Present	Advisor	Thai Listed Companies Association
					2010 - Present	Advisor	Association of Securities Companies
					2010 - Present	Director	Thai Listed Companies Association
Miss Chulangkarn Wongsusuthikul Company Secretary Assistant Managing Director	42	Master of Management, Major Organizational Management University of Central Oklahoma, U.S.A. Assumption University, Bangkok - Company Secretary Program Thai Institute of Directors. - Duty of Managing director. - New criteria enforced of the Exchange Statute - Public Relation of Economic Faculty in Chulalongkorn University Festival 1993	0.29%	Daughter of Mr.Vornthep Wongsusuthikul	2011 - Present	Director	The Thai Bond Market Association
					2005 - Present	Independent Director	Thai Rubber Latex Corporation (Thailand) Plc.
						Chairman of the Risk Management Committee	
					2005 - Present	Company Secretary	Thai Rubber Latex Corporation (Thailand) Plc.
					2005 - Present	Assistant Managing Director	
					2007 - Present	Executive Director	Thai Rubber Land and Plantation Co. Ltd.
					2008 - Present	Executive Director	World Flex Public Co. Ltd.
Mr.Pattarapol Wongsusuthikul Assistant Managing Director	40	Master of Business Administration Assumption University, Bangkok Bachelor of Business Administration (Major in marketing) Bangkok University Bangkok - Executive Development Program (EDP 13) Thai Listed Companies Association - Duty of Managing director. - Influence of becoming the member of ASEAN Economies.	0.30%	Son of Mr.Vornthep Wongsusuthikul	2010 - Present	Executive Director	Thai Rubber H P N R Co. Ltd.
					2012 - Present	Executive Director	Thai Rubber Latex Group Co. Ltd.
					2003 - Present	Executive Director	Agrowalth Co.,Ltd.
					2005 - Present	Assistant Managing Director	Thai Rubber Latex Corporation (Thailand) Plc.
					2006 - Present	Director	Latex Systems Co.,Ltd.
					2007 - Present	Executive Director	Thai Rubber Land and Plantation Co. Ltd.
					2008 - Present	Executive Director	World Flex Plc.
					2010 - Present	Executive Director	Thai Rubber H P N R Co. Ltd.
					2010 - Present	Managing Director	Thai Rubber Latex Group Co. Ltd.

Details of Director, Management, Powerful Controller and Company Secretary

Name/Position (1)	Age	Education / Training/Seminar (2)	Shareholding in company (%) (3)	Relationship between directors and executives (4)	Work Experience		
					Duration	Position	Organization/Company/Business
Mr.Prawit Warprateep Assistant Managing Director	42	Master of Science in Finance Chulalongkorn University, Thailand Master of Business Administration Eastern Michigan University, U.S.A. - Duty of Managing director. - Business analysis and decision making. - Influence of becoming the member of ASEAN Economies.	5.50%	Son of Mr.Paboon Warprateep	2003-Present 2005-Present 2006-Present 2007-Present 2008-Present 2010-Present 2010-Present	Executive Director Assistant Managing Director Director Executive Director Executive Director Executive Director Executive Director	Agrowealth Co.,Ltd. Thai Rubber Latex Corporation (Thailand) Pcl. Latex Systems Co.,Ltd. Thai Rubber Land and Plantation Co. Ltd. World Flex Pcl. Thai Rubber H P N R Co. Ltd. Thai Rubber Latex Group Co. Ltd.
Dr.Kitti Charoenpompunichkul Assistant Managing Director	40	Doctor in Sociology Degree (The 10th session), Faculty of Business Administration Ramkhamhaeng University, Bangkok. Master in Financial Economics Degree, Faculty of Economics, American University, Washington D.C. Master in Finance Degree, Faculty of Business Administration, American University, Washington D.C. Bachelor in Finance and Banking Degree, Faculty of Business Administration, Assumption University, Bangkok - Duty of Managing director. - Business analysis and decision making. - Influence of becoming the member of ASEAN Economies.	1.73%	Brother's son of Mr.Suchart Charoenpompunichkul	2003-Present 2005-Present 2006-2013 2007-Present 2010-Present 2010-Present	Executive Director Assistant Managing Director Executive Director Executive Director Managing Director Executive Director	Agrowealth Co.,Ltd. Thai Rubber Latex Corporation (Thailand) Pcl. Latex Systems Co.,Ltd. Thai Rubber Land and Plantation Co. Ltd. Thai Rubber H P N R Co. Ltd. Thai Rubber Latex Group Co. Ltd.
Mr.Bundit Hongsuwan Audit Committee Secretary Executive Secretary	59	Bachelor in Accounting Ramkhamhaeng University, Bangkok. - To increase the abilities of audit committee, President of the internal audit committee of Thailand - Roles and responsibilities of the Board of Directors and concept of Corporate Governance" by stock Exchange - Audit Committee : Experience and skills. - Corporate performance by controlling and internal audit by Thammasat University - How will the internal audit help audit committee's works? Association of Accountant & CAP of Thailand	none		1989-Present 1989-Present	Audit Committee Secretary Executive Secretary	Thai Rubber Latex Corporation (Thailand) Pcl.

Attachment 2

Details of the Subsidiaries' Directors

<div> <div>The company's name</div> <div>Director Name</div> </div>	Subsidiary				
	1	2	3	4	5
Mr.Vorathep Wongsasuthikul		X			
Mr.Paiboon Waraprateep		/			
Mr.Prachnon Temritikulchai		/			
Mr.Prawit Waraprateep	//	//	//	//	//
Mr.Kitti Charoenpornpanichkul	//		//	//	//
Miss.Chalongkwan Wongsasuthikul	//	//	//		//
Mr.Pattapol Wongsasuthikul	//	//	//	//	//
Mr.Prakit Waraprateep	/		/		//
Mr.Kowit Wongsasuthikul	/		//		//
Mr.Paitoon Wongsasutthikul				//	
Mr.Nat Vongsasuttikul		//			
Mr.Pasithphol Temritikulchai	/		/		//

Remark: / = Director X= President // = Executive Director

Subsidiary:

1. Thai Rubber Latex Group Co.,Ltd.
2. World Flex Pcl.
3. Thai Rubber Land and Plantation Co.,Ltd.
4. Agrowealth Co.,Ltd.
5. Thai Rubber H P N R Co.,Ltd.

Details of Chief Internal Audit and Chief Compliance

Chief Internal Audit:

Name Mr.Bundit Hongsuwan
Age 59 Years
Position Senior Manager of Internal Audit Department
Thai Rubber Latex Corporation (Thailand) Pcl.

Education

Bachelor in Accounting Ramkhamhaeng University, Bangkok.

Shareholding in company and its subsidiarie

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)316-2485

Work Experience

1989 - present Secretary of the Executive Committee Thai Rubber Latex Corporation (Thailand) Pcl.
Secretary of the Audit Committee

Trainning / Seminar

- * "Method of setting and working for efficiency Audit Committee" by SET
- * "Roles and responsibilities of the Board of Directors and concept of Corporate Governance" by SET
- * "Audit Committee : Experience and skills"
- * "Efficiency Corporate by controlling and internal audit" by Thammasat University
- * "How will the internal audit help audit committee's works?" by Association of Accountant & CAP of Thailand

Chief Compliance: None

Attachment 4

Details of the Assessment Price of Assets

Details of the Assessment Price of Assets showned in Part 1: Bussiness Operatons,
4. Assets use for business

Form of Confirmation Letter for accurate audit fee of the Auditor
Accounting Period ended as of 31 December 2013

Audit Fee

(Baht)

No.	Name of Payer Company	Name of Auditor	Audit Fee
1	Thai Rubber Latex Corporation (Thailand) Pcl.	Mr. Niran Leelamethawat	900,000
2	Thai Rubber Latex Group Co., Ltd.	Mr. Piya Serinirat	2,110,000
3	World Flex Pcl.	Mr. Piya Serinirat	750,000
4	Thai Rubber Land and Plantation Co., Ltd.	Mr. Piya Serinirat	450,000
5	Agrowealth Co., Ltd.	Mr. Niran Leelamethawat	160,000
6	Thai Rubber H P N R Co., Ltd.	Mr. Piya Serinirat	450,000
7	Wang Somboon Rubber Estate Co., Ltd.	Mr. Piya Serinirat	90,000
8	Latex System Co., Ltd.	Mr. Piya Serinirat	90,000
Total Audit Fees			5,000,000

Non-Audit Fee

None

Information above

[/] It is Accurate. I hereby confirm that there is no other non-audit information that the company and subsidiary company had paid to me, affiliated accounting office and individual or business related with me and accounting office where I am belong that I am aware and no disclosure as mentioned above.

[] Not accurate, not correct means.....

.....

When after the information above (if any) has been corrected. I hereby confirm that all the information in this form indicated the audit fee and non-audit fee that the company and subsidiary pay to me, accounting office that I am belong and individual or business related with me and accounting office mentioned above are all accurate.

Signed –signature-

(Mr. Niran Leelamethawat)

Affiliated, KPMG Phoomchai Audit Ltd.

Auditor of Thai Rubber Latex Corporation (Thailand) Pcl.

Financial Statements

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

Financial statements for the year ended
31 December 2013
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
Empire Tower, 50th-51st Floors
195 South Sathorn Road
Bangkok 10120, Thailand

บริษัท เคพีเอ็มจี ภูเก็ต สอบบัญชี จำกัด
ชั้น 50-51 เซ็นทรัลพลาซ่าภูเก็ต
195 ถนนสาทรใต้
กรุงเทพฯ 10120
Tel: +66 2677 2000
Fax: +66 2677 2222
www.kpmg.co.th

Independent Auditor's Report

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

I have audited the accompanying 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 2013, the consolidated and separate statements of income and 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.

Management's Responsibility for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, 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.

Auditor's Responsibility

My responsibility is to express an opinion on these consolidated and separate financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and separate financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

In my opinion, the 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 2013 and their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Emphasis of Matter

Without qualifying my opinion, I draw attention to notes 3 and 4 to the financial statements describing the effect of the Company's adoption from 1 January 2013 of certain new accounting policies and the adjustments of the accounting transaction of rubber plantation development costs. The corresponding figures presented are based on the audited consolidated and separate financial statements as at and for the year ended 31 December 2012, which were audited by another auditor who expressed an unmodified opinion on those statements on 22 February 2013, after making the adjustments described in notes 3 and 4. As part of my audit I have audited the adjustments described in notes 3 and 4 that were applied to restate the corresponding figures. In my opinion, such adjustments are appropriate and have been properly applied.

(Nirand Lilamethwat)
Certified Public Accountant
Registration No. 2316

KPMG Phoomchai Audit Ltd.
Bangkok
21 February 2014

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

Assets	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
		(in Baht)					
<i>Current assets</i>							
Cash and cash equivalents	7	132,857,228	358,069,732	269,194,006	19,904,716	102,413,865	46,612,404
Trade and other accounts receivable	6, 9	1,605,929,547	1,570,973,788	1,780,396,497	578,522,024	1,068,339,194	1,450,439,274
Short-term loans to related parties	6	-	-	-	1,218,083,385	1,003,112,616	683,073,141
Short-term loans to other parties		2,256,151	31,788,890	15,054,776	69,000	30,323,333	13,280,706
Inventories	10	1,363,876,245	2,056,160,677	1,955,695,967	173,982,870	331,864,833	421,730,179
Other current assets		114,791,575	100,769,605	160,440,086	36,345,974	49,192,851	82,537,156
Assets classified as held for sale	15	121,191,159	-	-	-	-	-
Total current assets		3,340,901,905	4,117,762,692	4,180,781,332	2,026,907,969	2,585,246,692	2,697,672,860
<i>Non-current assets</i>							
Restricted bank deposit		-	2,070,000	-	-	-	-
Investments in associates	11	100,753,422	92,932,509	80,308,824	37,570,345	37,570,345	37,570,345
Investments in subsidiaries	12	-	-	-	1,574,982,299	1,574,982,356	1,574,982,356
Other long-term investments	8	-	-	-	-	-	-
Investment properties	13	86,870,438	85,653,430	84,447,845	86,870,438	85,653,430	84,447,845
Property, plant and equipment	14	2,290,630,757	2,178,196,648	1,945,742,783	187,399,068	187,139,990	194,854,842
Assets classified as held for sale	15	23,912,148	121,191,159	-	-	-	-
Intangible assets	16	1,390,490	3,387,324	4,821,436	821,771	1,318,139	1,821,673
Land possessory rights	17	168,917,281	149,994,881	140,916,481	6,270,000	6,270,000	6,270,000
Rubber plantation development costs	4, 18	616,911,188	486,326,919	381,487,246	-	-	-
Withholding tax deducted at source		149,697,353	163,806,401	139,541,863	115,427,628	161,228,150	138,316,119
Deposit for purchase of land		10,113,367	58,150,320	43,489,098	-	-	-
Deferred tax assets	3, 19	64,062,670	47,689,522	8,329,013	16,897,931	7,203,383	2,192,549
Other non-current assets		55,960,303	34,413,855	40,726,252	4,352,484	4,302,394	1,842,367
Total non-current assets		3,569,219,417	3,423,812,968	2,869,810,841	2,030,591,964	2,065,668,187	2,042,298,096
Total assets		6,910,121,322	7,541,575,660	7,050,592,173	4,057,499,933	4,650,914,879	4,739,970,956

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

Liabilities and equity	Note	Consolidated financial statements			Separate financial statements		
		31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)	31 December 2013	31 December 2012 (Restated)	1 January 2012 (Restated)
		(in Baht)					
<i>Current liabilities</i>							
Bank overdrafts and short-term loans from financial institutions	21	4,817,708,638	5,129,547,928	4,337,086,041	1,385,815,421	1,889,774,186	1,737,960,172
Trade and other accounts payable	6, 20	247,201,045	225,120,289	255,093,137	269,913,980	1,301,486,020	1,372,335,095
Short-term loans from related parties	21	-	-	-	1,030,000,000	-	-
Short-term loans from other party	21	19,000,000	-	-	-	-	-
Current portion of long-term loans	21	94,227,728	141,038,418	171,172,714	1,729,042	39,226,453	114,976,453
Accrued expenses		92,679,683	104,177,391	123,905,564	6,051,525	15,785,819	15,601,481
Income tax payable		2,930,964	1,041,472	28,966,189	-	-	-
Other current liabilities		10,296,865	61,634,908	51,149,228	1,177,394	6,194,419	22,824,390
Total current liabilities		5,284,044,923	5,662,560,406	4,967,372,873	2,694,687,362	3,252,466,897	3,263,697,591
<i>Non-current liabilities</i>							
Long-term loans	21	185,208,466	269,186,402	250,437,402	-	1,738,158	40,964,611
Employee benefit obligations		41,383,841	36,870,896	30,008,142	6,004,774	5,254,950	4,114,230
Deferred tax liabilities	3, 19	11,333,084	37,680,863	51,334,797	-	-	-
Other non-current liabilities		-	92,000	82,000	-	-	-
Total non-current liabilities		237,925,391	343,830,161	331,862,341	6,004,774	6,993,108	45,078,841
Total liabilities		5,521,970,314	6,006,390,567	5,299,235,214	2,700,692,136	3,259,460,005	3,308,776,432
<i>Equity</i>							
Share capital:							
Authorised share capital	23	749,607,657	749,607,657	599,686,442	749,607,657	749,607,657	599,686,442
Issued and paid-up share capital		681,453,819	681,453,819	545,169,489	681,453,819	681,453,819	545,169,489
Additional paid in capital:							
Premium on ordinary shares		342,113,518	342,113,518	342,113,518	342,113,518	342,113,518	342,113,518
Retained earnings (deficit)							
Appropriated							
Legal reserve	25	119,354,556	116,488,251	104,146,266	58,650,000	58,650,000	50,000,000
Unappropriated		(229,059,233)	(85,034,630)	253,754,713	187,796,068	219,125,511	400,159,138
Other components of equity		468,005,650	473,474,371	497,926,781	86,794,392	90,112,026	93,752,379
Company		1,381,868,310	1,528,495,329	1,743,110,767	1,356,807,797	1,391,454,874	1,431,194,524
Non-controlling interests		6,282,698	6,689,764	8,246,192	-	-	-
Total equity		1,388,151,008	1,535,185,093	1,751,356,959	1,356,807,797	1,391,454,874	1,431,194,524
Total liabilities and equity		6,910,121,322	7,541,575,660	7,050,592,173	4,057,499,933	4,650,914,879	4,739,970,956


นายวรงค์ วงสาธุทิกุล
 กรรมการบริหาร


นายไพบูลย์ วรประทีป
 กรรมการบริหาร


นายปรัชญ์นันท์ เต็มฤทธิกุลชัย
 กรรมการบริหาร

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

		Consolidated financial statements		Separate financial statements	
		For the year ended 31 December		For the year ended 31 December	
	Note	2013	2012 (Restated) (in Baht)	2013	2012 (Restated)
Income					
Revenue from sale of goods and rendering of services	35	13,453,828,862	16,446,082,004	4,191,230,633	7,527,593,845
Other income	27	158,762,626	130,735,129	102,129,928	70,171,203
Total income		13,612,591,488	16,576,817,133	4,293,360,561	7,597,765,048
Expenses					
Cost of sales of goods and rendering of service		12,872,079,654	15,840,579,809	4,070,253,854	7,284,306,282
Selling expenses	28	335,837,735	455,780,023	80,310,472	166,488,654
Administrative expenses	29	314,518,001	231,569,518	56,206,754	61,939,114
Other expenses	31	43,019,425	58,580,785	42,196,427	31,415,660
Finance costs	33	248,472,560	244,251,154	88,734,679	83,222,320
Total expenses		13,813,927,375	16,830,761,289	4,337,702,186	7,627,372,030
Share of profit of equity-accounted investees					
Associates		12,301,913	14,766,085	-	-
Total		12,301,913	14,766,085	-	-
Loss before income tax expense		(189,033,974)	(239,178,071)	(44,341,625)	(29,606,982)
Income tax benefit (expense)	34	33,624,274	40,180,991	9,694,548	5,010,834
Loss for the year		(155,409,700)	(198,997,080)	(34,647,077)	(24,596,148)
Loss attributable to:					
Owners of the Company		(155,002,634)	(197,440,652)	(34,647,077)	(24,596,148)
Non-controlling interests		(407,066)	(1,556,428)	-	-
Loss for the year		(155,409,700)	(198,997,080)	(34,647,077)	(24,596,148)
Loss per share					
Basic loss per share (in Baht)	36	(0.23)	(0.31)	(0.05)	(0.04)
Diluted loss per share (in Baht)		(0.23)	(0.31)	(0.05)	(0.04)

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

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

Statement of comprehensive income

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
	(in Baht)			
Loss for the year	(155,409,700)	(198,997,080)	(34,647,077)	(24,596,148)
Other comprehensive income				
Foreign currency translation differences for foreign operations	8,375,457	(2,031,284)	-	-
Other comprehensive income for the period, net of income tax	8,375,457	(2,031,284)	-	-
Total comprehensive income (expenses) for the year	(147,034,243)	(201,028,364)	(34,647,077)	(24,596,148)
Total comprehensive income (expenses) attributable to:				
Owners of the Company	(146,627,177)	(199,471,936)	(34,647,077)	(24,596,148)
Non-controlling interests	(407,066)	(1,556,428)	-	-
Total comprehensive income (expenses) for the year	(147,034,243)	(201,028,364)	(34,647,077)	(24,596,148)

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

For the year ended 31 December 2012														
		Balance at 31 December 2011 - as reported												
		Impact of changes in accounting policies												
		Cumulative effects of adjustment for accounting transactions												
		Balance at 31 December 2011 - restated and 1 January 2012												
Transactions with owners, recorded directly in equity														
Contributions by and distributions to owners of the Company														
	37	Stock dividend												
	37	Dividend												
		Total transactions with owners, recorded directly in equity												
Comprehensive income (expenses) for the year														
		Loss												
		Other comprehensive income												
		Total comprehensive income (expenses) for the year												
Transfer to legal reserve														
Transfer to retained earnings														
Transfer to retained earnings of associates														
		Balance at 31 December 2012												
For the year ended 31 December 2013														
		Balance at 31 December 2012 - as reported												
		Impact of changes in accounting policies												
		Cumulative effects of adjustment for accounting transactions												
		Balance at 31 December 2012 - restated and 1 January 2013												
Comprehensive income (expenses) for the year														
		Loss												
		Other comprehensive income												
		Total comprehensive income (expenses) for the year												
Transfer to legal reserve														
Transfer to retained earnings														
Transfer to retained earnings of associates														
		Balance at 31 December 2013												

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

		Separate financial statements					Other components of equity
		Issued and paid-up share capital	Share premium	Legal reserve	Retained earnings (in Baht)	Unappropriated	Revaluation surplus on assets
For the year ended 31 December 2012							
		545,169,489	342,113,518	50,000,000	374,528,494	117,190,474	1,429,001,975
	3	-	-	-	25,630,644	(23,438,095)	2,192,549
		545,169,489	342,113,518	50,000,000	400,159,138	93,752,379	1,431,194,524
Transactions with owners, recorded directly in equity							
Contributions by and distributions to owners of the Company							
	37	136,284,330	-	-	(136,284,330)	-	-
	37	-	-	-	(15,143,502)	-	(15,143,502)
		136,284,330	-	-	(151,427,832)	-	(15,143,502)
Comprehensive income (expenses) for the year							
		-	-	-	(24,596,148)	-	(24,596,148)
		-	-	-	(24,596,148)	-	(24,596,148)
		-	-	8,650,000	(8,650,000)	-	-
		-	-	-	3,640,353	(3,640,353)	-
		681,453,819	342,113,518	58,650,000	219,125,511	90,112,026	1,391,454,874
For the year ended 31 December 2013							
		681,453,819	342,113,518	58,650,000	189,394,122	112,640,032	1,384,251,491
	3	-	-	-	29,731,389	(22,528,006)	7,203,383
		681,453,819	342,113,518	58,650,000	219,125,511	90,112,026	1,391,454,874
Comprehensive income (expenses) for the year							
		-	-	-	(34,647,077)	-	(34,647,077)
		-	-	-	(34,647,077)	-	(34,647,077)
		-	-	-	3,317,634	(3,317,634)	-
		681,453,819	342,113,518	58,650,000	187,796,068	86,794,392	1,356,807,797

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 financial statements		Separate financial statements	
	For the year ended 31 December		For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
	(in Baht)			
<i>Cash flows from operating activities</i>				
Loss for the year	(155,409,700)	(198,997,080)	(34,647,077)	(24,596,148)
<i>Adjustments for</i>				
Depreciation and amortisation	111,518,152	131,647,973	13,260,640	12,919,890
Amortisation of rubber plantation development costs	41,164,454	4,500,116	-	-
Reversal of doubtful accounts and bad debts expense	(3,998,274)	(3,347,316)	(2,990,274)	(3,512,000)
Reversal of allowance for decline in value of inventories	(5,921,486)	(47,883,530)	-	(11,850,499)
Investment income	(21,292,660)	(39,010,799)	(59,899,708)	(47,655,568)
Finance costs	248,472,560	244,251,154	88,734,679	83,222,320
Loss from disposal of investments	-	-	57	-
Increase in fair value adjustment of investment properties	(1,217,008)	(1,205,585)	(1,217,008)	(1,205,585)
Unrealised gain on exchange	(13,533,199)	(4,937,491)	(4,099,847)	(543,699)
Impairment losses on assets	-	5,107,526	-	-
Gain on disposal of property, plant and equipment	(89,416)	(164,601)	-	(129,737)
Provision for employee benefits	4,512,945	8,945,554	749,824	1,235,370
Share of profit of equity-accounted investees, net of income tax	(12,301,913)	(14,766,085)	-	-
Income tax expense (benefit)	(33,624,274)	(40,180,991)	(9,694,548)	(5,010,834)
Cash provided by (used in) operation before changes in operating assets and liabilities	158,280,181	43,958,845	(9,803,262)	2,873,510
<i>Changes in operating assets and liabilities</i>				
Trade and other accounts receivable	(18,480,905)	213,680,546	495,427,077	268,546,482
Inventories	698,205,918	(52,581,180)	157,881,963	101,715,845
Other current assets	(13,278,420)	66,765,451	16,741,600	44,797,534
Other non-current assets	(21,546,448)	(10,507,440)	(50,090)	(2,460,027)
Trade and other accounts payable	23,137,375	(30,256,523)	(1,030,091,826)	(70,761,172)
Accrued expenses	(11,497,708)	(19,728,173)	(9,734,294)	184,338
Other current liabilities	(53,646,739)	20,090,052	(4,836,314)	(17,388,803)
Employee benefits obligation	-	(2,082,800)	-	(94,650)
Other non-current liabilities	(92,000)	10,000	-	-
Cash generated from (used in) operating activities	761,081,254	229,348,778	(384,465,146)	327,413,057
Income tax paid	6,902,045	(64,273,316)	45,800,522	(22,912,031)
Net cash from (used in) operating activities	767,983,299	165,075,462	(338,664,624)	304,501,026

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 financial statements For the year ended 31 December		Separate financial statements For the year ended 31 December	
	2013	2012 (Restated)	2013	2012 (Restated)
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
Interest received	21,466,035	38,888,016	54,993,783	46,523,979
Dividends received	4,481,000	2,142,400	-	119,499,718
Restricted bank deposit	2,070,000	(2,070,000)	-	-
Increase in short-term loans to related parties	-	-	(214,970,769)	(320,039,475)
(Increase) decrease short-term loans to other parties	29,532,739	(16,734,114)	30,254,333	(17,042,627)
Purchase of property, plant and equipment	(168,205,154)	(453,398,163)	(13,023,350)	(6,438,737)
Sale of property, plant and equipment	-	4,212,438	-	1,866,970
Purchase of intangible assets	-	(8,073)	-	-
Increase in assets not used in operation	-	(16,814,386)	-	-
Increase in land possessory rights	(18,922,400)	(9,078,400)	-	-
Increase in rubber plantation development costs	(171,748,723)	(109,339,789)	-	-
Net cash used in investing activities	(301,326,503)	(562,200,071)	(142,746,003)	(175,630,172)
<i>Cash flows from financing activities</i>				
Interest paid	(231,882,953)	(254,555,085)	(87,930,727)	(83,060,626)
Other finance costs paid	(15,197,836)	(9,604,371)	(142,735)	(11,702,826)
Dividends paid	-	(15,143,502)	-	(15,143,502)
Increase (decrease) in bank overdrafts and short-term loans from financial institutions	(311,839,290)	792,461,887	(503,958,765)	151,814,014
Finance lease payments	(8,029,079)	(5,847,310)	(3,316,295)	(3,476,453)
Proceeds from short-term loans from related parties	-	-	1,030,000,000	-
Proceeds from short-term loan from other party	19,000,000	-	-	-
Proceeds from long-term loans	68,754,401	150,000,000	-	-
Repayment of long-term loans	(221,050,000)	(169,280,000)	(35,750,000)	(111,500,000)
Net cash from (used in) financing activities	(700,244,757)	488,031,619	398,901,478	(73,069,393)
Increase (decrease) in translation adjustment	8,375,457	(2,031,284)	-	-
Net increase (decrease) in cash and cash equivalents	(225,212,504)	88,875,726	(82,509,149)	55,801,461
Cash and cash equivalents at 1 January	358,069,732	269,194,006	102,413,865	46,612,404
Cash and cash equivalents at 31 December	132,857,228	358,069,732	19,904,716	102,413,865
<i>Supplemental disclosures of cash flow information</i>				
<i>Non-cash transactions</i>				
Depreciation on revalued portion	29,652,008	29,879,424	3,317,634	4,550,442
Depreciation on revalued portion of associated companies	643,938	756,659	-	-
Assets acquired under financial lease and hire purchase agreements	29,536,052	13,742,014	-	-

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

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

Notes to the financial statements

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 21 February 2014.

1 General information

Thai Rubber Latex Corporation (Thailand) Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at No. 99/1-3 Moo 13, Bangna-Trad Road, K.M. 7, Tambol Bangkaew, Amphur Bangplee, Samutprakarn, Thailand.

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

The principal activities of the Group are comprehensive rubber businesses covering the whole value chain of rubber and latex products, which are the rubber plantation in Thailand, the producer of latex concentrate and latex rubber, latex rubber thread and latex foam mattress and as a broker in the Agricultural Futures Exchange of Thailand. Details of the Company’s subsidiaries and associates as at 31 December 2013 and 2012 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.

The FAP has issued the following new and revised TFRS relevant to the Group’s operations and effective for accounting periods beginning on or after 1 January 2013:

TFRS	Topic
TAS 12	Income Taxes
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments

The adoption of these new and revised TFRS has resulted in changes in the Group’s accounting policies. The effects of these changes are disclosed in note 3.

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 financial statements beginning on or after 1 January 2014 and have not been adopted in the preparation of these financial statements. Those new and revised TFRS that are relevant to the Group’s operations are disclosed in note 41.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as stated in the accounting policies.

**Thai Rubber Latex Corporation (Thailand) Public Company Limited
and its Subsidiaries**
Notes to the financial statements

(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 unless otherwise stated.

(d) Use of estimates and judgements

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 estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is included in the following notes:

Note 5(w)	Current and deferred taxation
Note 22	Measurement of employee benefit obligations

3 Changes in accounting policies

(a) Overview

From 1 January 2013, consequent to the adoption of new and revised TFRS as set out in note 2, the Group has changed its accounting policies in the following areas:

- Accounting for income tax
- Accounting for the effects of changes in foreign exchange rates
- Presentation of information on operating segments

Details of the new accounting policies adopted by the Group are included in notes 3(b) to 3(d) below. Other new and revised TFRS did not have any impact on the accounting policies, financial position or performance of the Group.

(b) Accounting for income tax

The principal change introduced by TAS 12 is the requirement to account for deferred tax liabilities and assets in the financial statements. Deferred tax liabilities and assets are the amounts of income taxes payable and recoverable, respectively, in future periods in respect of temporary differences between the carrying amount of the liability or asset in the statement of financial position and the amount attributed to that liability or asset for tax purposes; and the carry forward of unused tax losses. The accounting policy for deferred tax is described in note 5(w).

Thai Rubber Latex Corporation (Thailand) Public Company Limited
and its Subsidiaries
Notes to the financial statements

The Group adopted TAS 12 with effect from 1 January 2013. The effects of the change are recognised retrospectively in the financial statements. The impact of the change on the financial statements is as follows:

	Consolidated financial statements			Separate financial statements		
	31 December 2013	31 December 2012	1 January 2012 <i>(in thousand Baht)</i>	31 December 2013	31 December 2012	1 January 2012
Statement of financial position						
Increase in deferred tax assets	64,063	47,689	8,329	16,898	7,203	2,192
Decrease in investment in associates	(93)	(1,085)	(1,143)	-	-	-
Increase in deferred tax liabilities	11,333	37,681	51,335	-	-	-
Decrease in other components of equity	(93,545)	(117,360)	(125,397)	(19,967)	(22,528)	(23,438)
Increase in retained earnings	146,182	125,855	80,820	36,865	29,731	25,630
Increase in non-controlling interests	<u>-</u>	<u>428</u>	<u>428</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in shareholder's equity	52,637	8,495	(44,577)	16,898	7,203	2,192
Increase in non-controlling interests	<u>-</u>	<u>428</u>	<u>428</u>	<u>-</u>	<u>-</u>	<u>-</u>
Increase (decrease) in total equity	<u>52,637</u>	<u>8,923</u>	<u>(44,149)</u>	<u>16,898</u>	<u>7,203</u>	<u>2,192</u>
	Consolidated financial statements			Separate financial statements		
Statement of comprehensive income for the year ended 31 December			2013	2012	2013	2012
			<i>(in thousand Baht)</i>			
(Increase) decrease in income tax expense			<u>42,722</u>	<u>53,014</u>	<u>9,695</u>	<u>5,011</u>
Increase (decrease) in profit for the year			<u>42,722</u>	<u>53,014</u>	<u>9,695</u>	<u>5,011</u>
Increase (decrease) in earnings (loss) per share						
- Basic earnings (loss) per share <i>(in Baht)</i>			<u>(0.063)</u>	<u>(0.083)</u>	<u>(0.014)</u>	<u>(0.008)</u>
- Diluted earnings (loss) per share <i>(in Baht)</i>			<u>(0.063)</u>	<u>(0.083)</u>	<u>(0.014)</u>	<u>(0.008)</u>

(c) Accounting for the effects of changes in foreign exchange rates

From 1 January 2013, the Group has adopted TAS 21 (revised 2009) Accounting for the effects of changes in foreign exchange rates.

Thai Rubber Latex Corporation (Thailand) Public Company Limited
and its Subsidiaries
Notes to the financial statements

The principal change introduced by TAS 21 (revised 2009) is the introduction of the concept of functional currency, which is defined as the currency of the primary economic environment in which the entity operates. TAS 21 (revised 2009) requires the entity to determine its functional currency and translate foreign currency items into its functional currency, reporting the effects of such translation in accordance with the provisions of TAS 21 (revised 2009). Foreign currencies are defined by TAS 21 (revised 2009) as all currencies other than the entity's functional currency.

Management has determined that the functional currency of the Company is Thai Baht and that the adoption of TAS 21 (revised 2009) from 1 January 2013 has not had a significant impact on the Group's reported assets, liabilities or retained earnings.

(d) Presentation of information on operating segments

From 1 January 2013, the Group has adopted TFRS 8 Operating Segments. The new policy for presentation of information on operating segments, together with information on the previous policy, is given below. The new policy has been applied retrospectively and segment information included in the financial statements for the year ended 31 December 2012, which are included in the Group's 2013 financial statements for comparative purposes, has been re-presented accordingly. The change in policy only impacts presentational aspects and has no impact on the Group's reported assets, liabilities, results or earnings per share.

TFRS 8 introduces the "management approach" to segment reporting. It requires a change in the presentation and disclosure of segment information based on the internal reports regularly reviewed by the Group's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to those segments. Previously the Group presented segment information in respect of its business and geographical segments in accordance with TAS 14 Segment Reporting.

The change in basis of presentation and disclosure of segment information has had no significant effect on the segment information reported in the Group's financial statements.

4 Adjustments for accounting transaction

During the quarter 4 of 2013, the management of Thai Rubber Land and Plantation Co., Ltd., the subsidiary, made the adjustments for the related development costs of rubber plantation and retrospectively adjusted the financial statements which have the impact to the consolidated financial statements as follows:

	Consolidated financial statements		
	31	31	1
	December	December	January
	2013	2012	2012
	<i>(in thousand Baht)</i>		
<i>Statement of financial position</i>			
Increase in rubber plantation development costs	107,144	82,783	58,571
Increase in retained earnings	<u>107,144</u>	<u>82,783</u>	<u>58,571</u>
	Consolidated financial statements		
<i>Statement of income and comprehensive income for the year ended 31 December</i>	2013	2012	
	<i>(in thousand Baht)</i>		
Decrease in administrative expenses	<u>24,361</u>	<u>24,212</u>	
Increase in profit for the year	<u>24,361</u>	<u>24,212</u>	

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	Consolidated financial statements	
<i>Statement of income and comprehensive income for the year ended 31 December</i>	2013	2012
Loss per share (decrease)		
Basic loss per share (Baht)	<u>(0.04)</u>	<u>(0.04)</u>
Diluted loss per share (Baht)	<u>(0.04)</u>	<u>(0.04)</u>

5 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements except as explained in note 3, which addresses change in accounting policies.

(a) Basis of consolidation

The consolidated financial statements relate to the Company and its subsidiaries (together referred to as the "Group").

Business combinations

The Group applies the acquisition method for all business combinations other than those with entities under common control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable. The acquisition date is the date on which control is transferred to the acquirer. Judgment is applied in determining the acquisition date and determining whether control is transferred from one party to another.

Goodwill is measured as the fair value of the consideration transferred including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Consideration transferred includes the fair values of the assets transferred, liabilities incurred by the Group to the previous owners of the acquiree, and equity interests issued by the Group. Consideration transferred also includes the fair value of any contingent consideration.

A contingent liability of the acquiree is assumed in a business combination only if such a liability represents a present obligation and arises from a past event, and its fair value can be measured reliably.

The Group measures any non-controlling interest at its proportionate interest in the identifiable net assets of the acquiree.

Transaction costs that the Group incurs in connection with a business combination, such as legal fees, and other professional and consulting fees are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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The accounting policies of subsidiaries have been changed where necessary to align them with the policies adopted by the Group.

Losses applicable to non-controlling interests in a subsidiary are allocated to non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Associates (equity-accounted investees)

Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for in the consolidated financial statements using the equity method (equity-accounted investees) and are recognised initially at cost. The cost of the investment includes transaction costs.

The consolidated financial statements include the Group's share of profit or loss and other comprehensive income of equity accounted investees from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the Group's carrying amount of that interest is reduced to zero and recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates and jointly-controlled entities 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.

(b) Foreign currencies

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rates ruling at that date. Foreign exchange differences arising on translation are recognised in profit or loss.

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

Foreign operations

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

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

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Foreign exchange differences arising on translation are recognised in other comprehensive income and presented in the foreign currency translation reserve in equity until disposal of the investment.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign 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 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 exchange ruling at the end of reporting period. Gains and losses from the translation are included in determining income. Premiums or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

Interest rate swap contracts

The net amount of interest to be received from or paid to the counterparty under the interest rate swap contracts is recognised as income or expenses on an accrual basis.

Agricultural futures contracts

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

(d) *Cash and cash equivalents*

Cash and cash equivalents 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.

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

Non-current assets (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use, are classified as held for sale. The assets (or disposal group) are measured at the lower of their carrying value and fair value less cost to sell. Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets and investment properties. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

(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 impairment losses. Investments in associates in the consolidated financial statements are accounted for using the equity method.

Investment in other debt and equity securities

Debt securities and marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses and foreign currency differences on available-for-sale monetary items, are recognised directly in equity. Impairment losses and foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in the profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

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.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the FIFO method applied to the carrying value of the total holding of the investment.

(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.

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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.

(j) *Property, plant and equipment*

Recognition and measurement

Owned assets

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses except for land and buildings 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 (major components) of property, plant and equipment.

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 reserve 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

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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 reserve in equity. Any loss is recognised in other comprehensive income and presented in the revaluation reserve in equity to the extent that an amount had previously been included in the revaluation reserve 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.

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:

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

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

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

(k) 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, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

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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, other than goodwill, 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 are as follows:

Software licenses	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.

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 present the costs of rubber tree plantation, which are amortised over the estimated productive life of the rubber trees (20 years). Cost of supplying rubber vacancies and infilling mature areas are included in determining income. No amortisation is provided on rubber plantation development costs that are not ready for harvest.

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(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 included in determining income.

(p) Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

(q) Trade and other accounts payable

Trade and other accounts payable are stated at cost.

(r) Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognised past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date on AA credit-rated bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group/Company, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in profit or loss.

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The Group recognises all actuarial gains and losses arising from defined benefit plans in profit or loss and all expenses related to defined benefit plans in profit or loss.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting period, then they are discounted to their present value.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans 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 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.

(t) Revenue

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

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.

Commissions

When the Group acts in the capacity of an agent rather than as the principal in a transaction, the revenue recognised is the net amount of commission made by the Group.

Investments

Revenue from investments comprises dividend and interest income from investments and bank deposits.

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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

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions and contingent consideration, losses on disposal of available-for-sale financial assets, fair value losses on financial assets at fair value through profit or loss, impairment losses recognised on financial assets (other than trade receivables), and losses on hedging instruments that are recognised in profit or loss.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest 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.

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.

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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 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 presents basic and diluted earnings (loss) per share (EPS) data for its ordinary shares. Basic EPS 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 period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(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.

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6 Related parties

For the purposes of these financial statements, parties are considered to be related to the Group if the Group 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 and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with subsidiaries, associates and jointly-controlled entities 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
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.
Parties or other related parties	Thailand	Directors of subsidiaries

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

Transactions	Pricing policies
Sale of goods/Raw materials	Market price
Rendering of service	Agreed price
Purchase of goods/raw materials	Market price less operating expenses at the agreed rate (1.0 – 5.0 baht per kilogram) starting from April 2013 (2012: 2.0 – 7.0 Baht per kilogram)
Receiving of services	Agreed price
Interest income	Interest rate of 4.70% - 4.90% per annum (2012: 4.58% - 7.50% per annum)
Interest expense	Interest rate of 4.60-4.85% per annum (2012: 4.86% - 5.19% per annum)

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

Year ended 31 December	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Subsidiaries				
Sales of goods	-	-	411,188	673,746
Purchases of goods	-	-	2,044,831	4,272,728
Rental and service income	-	-	3,182	3,020
Service expense	-	-	161	230
Interest income	-	-	55,134	44,827
Interest expense	-	-	20,021	4,034

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<i>Year ended 31 December</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Associates				
Sales of goods	128,361	128,650	53,427	128,650
Purchases of raw materials	26,551	24,557	-	-
Rental and service income	60	132	60	132
Key management personnel				
Short-term employee benefit	30	36	10	1
Other related parties				
Sales of goods	65,813	97,259	65,813	97,259
Purchases of raw materials and supplies	1,074	2,312	-	-
Rental and service income	60	2,352	60	2,352

Balances as at 31 December 2013 and 2012 with related parties were as follows:

<i>Trade and other accounts receivable</i>	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	125,959	58,622
Associates	36,706	32,197	15	32,192
Other related parties	4	19,060	1,624	18,895
Total	36,710	51,257	127,598	109,709

<i>Loans to related parties</i>	Interest rate		Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012	2013	2012
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Short-term loans						
Subsidiaries	4.70-4.90	4.58-5.00	-	-	1,218,083	1,003,113
Short-term loans to related parties			-	-	1,218,083	1,003,113

As at 31 December 2013, short-term loans at call to subsidiaries represent promissory notes, bearing interest at the rate of 4.70%-4.90% per annum (2012: 4.58%-5.00% per annum).

Movements during the years ended 31 December 2013 and 2012 of loans to related parties were as follows:

<i>Short-term loan to related parties</i>	Separate financial statements	
	2013	2012
	<i>(in thousand Baht)</i>	
Subsidiaries		
At 1 January	1,003,113	683,073
Increase	481,874	476,540
Decrease	(266,904)	(156,500)
At 31 December	1,218,083	1,003,113

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Trade and other accounts payable

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Subsidiaries	-	-	242,909	1,267,453
Associates	707	356	-	2
Other related parties	15	56	-	-
Total	722	412	242,909	1,267,455

*Short-term loans from
related parties*

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
	Interest rate			
	2013	2012	2013	2012
	<i>(% per annum)</i>			
Subsidiaries	4.60-4.85	-	-	-
Short-term loans from related parties	-	-	1,030,000	-

As at 31 December 2013, short-term loan from subsidiary represent promissory notes at call, bearing interest at the rate of 4.60-4.85% per annum.

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

Short-term loan from related parties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Subsidiaries				
At 1 January	-	-	-	-
Increase	-	-	1,937,884	970,000
Decrease	-	-	(907,884)	(970,000)
At 31 December	-	-	1,030,000	-

Significant agreements with related parties

As at 31 December 2013, a total of Baht 2,059 million and USD 2 million of credit facilities (2012: Baht 1,803 million and USD 2 million) granted to the Company by the commercial banks are guaranteed by certain subsidiaries, and the Company has issued letters of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 6,145 million and USD 15 million (2012: Baht 6,239 million and USD 15 million).

7 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Cash on hand	785	1,358	142	593
Cash at bank - current accounts	57,804	205,230	19,401	95,291
Cash at bank - saving accounts	74,268	151,482	361	6,530
Total	132,857	358,070	19,904	102,414

As at 31 December 2013, the interest rate on cash at banks was 0.01% - 0.5% per annum (2012: 0.10% - 1.10% per annum).

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8 Other long-term investments

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Listed security available for sale	1,249	1,249	1,249	1,249
Investment in equity securities				
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	1,000	1,000
	<u>11,349</u>	<u>11,349</u>	<u>10,349</u>	<u>10,349</u>
Less allowance for impairment	<u>(11,349)</u>	<u>(11,349)</u>	<u>(10,349)</u>	<u>(10,349)</u>
Net	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

9 Trade and other accounts receivable

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Trade accounts receivable:					
Related parties	6	36,688	49,472	112,982	97,453
Other parties		<u>1,571,052</u>	<u>1,508,771</u>	<u>512,007</u>	<u>1,019,570</u>
		1,607,740	1,558,243	624,989	1,117,023
Less allowance for doubtful accounts		<u>(79,693)</u>	<u>(83,691)</u>	<u>(77,236)</u>	<u>(80,226)</u>
Net		<u>1,528,047</u>	<u>1,474,552</u>	<u>547,753</u>	<u>1,036,797</u>
Other receivable:					
Related parties	6	22	1,785	14,616	12,256
Other parties		<u>77,861</u>	<u>94,637</u>	<u>16,153</u>	<u>19,286</u>
		77,883	96,422	30,769	31,542
Net		<u>1,605,930</u>	<u>1,570,974</u>	<u>578,522</u>	<u>1,068,339</u>

Aging analyses for trade accounts receivable are as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Related parties				
Within credit term	27,326	34,122	59,057	62,313
Overdue:				
Less than 3 months	9,362	15,350	21,802	35,140
6 - 9 months	-	-	19,999	-
9-12 months	-	-	12,124	-
	<u>36,688</u>	<u>49,472</u>	<u>112,982</u>	<u>97,453</u>

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	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Other parties				
Within credit term	1,024,294	1,169,051	261,132	792,819
Overdue:				
Less than 3 months	385,212	229,874	128,212	122,170
3-6 months	61,475	19,011	25,800	17,708
6-9 months	17,096	1,579	16,784	1,579
9-12 months	12	224	2	224
Over 12 months	82,963	89,032	80,077	85,070
	1,571,052	1,508,771	512,007	1,019,570
Less allowance for doubtful accounts	<u>(79,693)</u>	<u>(83,691)</u>	<u>(77,236)</u>	<u>(80,226)</u>
	1,491,359	1,425,080	434,771	939,344
 Net	 <u>1,528,047</u>	 <u>1,474,552</u>	 <u>547,753</u>	 <u>1,036,797</u>

The normal credit term granted by the Group ranges from 30 days to 180 days.

10 Inventories

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Finished goods	1,049,033	1,591,395	170,555	325,396
Work in process	10,904	24,063	-	-
Raw material	275,188	423,039	2,862	5,978
Packing materials	5,186	3,110	173	97
Supplies	23,565	24,032	393	394
	<u>1,363,876</u>	<u>2,065,639</u>	<u>173,983</u>	<u>331,865</u>
Less allowance for decline in value	-	(9,478)	-	-
Net	<u>1,363,876</u>	<u>2,056,161</u>	<u>173,983</u>	<u>331,865</u>
Inventories recognised as an expense in 'cost of sales of goods':				
- Cost	12,871,600	15,830,295	4,070,254	7,284,306
- Write-down to net realisable value	-	9,478	-	-
Net	<u>12,871,600</u>	<u>15,839,773</u>	<u>4,070,254</u>	<u>7,284,306</u>

11 Investments in associates

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
At 1 January	92,932	80,309	37,570	37,570
Share of net profits of equity- accounted associates	12,302	14,766	-	-
Dividend income	(4,481)	(2,143)	-	-
At 31 December	<u>100,753</u>	<u>92,932</u>	<u>37,570</u>	<u>37,570</u>

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Investments in associates as at 31 December 2013 and 2012, and dividend income from those investments for the years then ended, were as follows:

Consolidate financial statements												
Company's name	Nature of business	Country of incorporation	Ownership interest		Paid-up capital		Cost		Carrying amount based on equity method		Dividend received	
			2013	2012	2013	2012	2013	2012	2013	2012		
(in thousand Baht)												
(%)												
Associates												
Wang Somboon Rubber Estate Co., Ltd.	Planting of rubber	Thailand	48.4	48.4	55,300	55,300	32,308	30,101	34,175	34,440	1,607	2,143
Rosener-Mautby Meditrade (Thailand) Ltd.	Production of latex examination gloves	Thailand	31.5	31.5	120,000	120,000	37,849	37,849	-	-	-	-
Latex Systems Co., Ltd.	Production of and distribution of foam latex mattress and pillow	Thailand	44.9	44.9	78,808	78,808	63,173	37,570	66,578	58,492	2,874	-
Total							133,330	105,520	100,753	92,932	4,481	2,143

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	Ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend received	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
	(in thousand Baht)											
Associates												
Rosener-Mautby Meditrade (Thailand) Ltd.	31.5	31.5	120,000	120,000	37,849	37,849	(37,849)	(37,849)	-	-	-	-
Latex Systems Co., Ltd.	44.9	44.9	78,808	78,808	37,570	37,570	-	-	37,570	37,570	-	-
Total			75,419	75,419	75,419	75,419	(37,849)	(37,849)	37,570	37,570	-	-

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The following summarised financial information on equity-accounted investees were as follows:

	Report date	Ownership interest (%)	Current assets	Non current assets	Total assets	Current liabilities	Non current liabilities	Total liabilities	Total revenues	Total expense	Net profit (loss)
<i>2012</i>											
Wang Somboon											
Rubber Estate Co., Ltd.	31 December	48.43	15,708	59,178	74,886	2,623	1,144	3,767	32,269	25,409	5,247
Latex Systems Co., Ltd.	31 December	44.93	76,918	164,028	240,946	67,747	45,098	112,845	283,044	247,173	27,207
Total			92,626	223,206	315,832	70,370	46,242	116,612	315,313	272,582	32,454
<i>2013</i>											
Wang Somboon											
Rubber Estate Co., Ltd.	31 December	48.43	35,215	57,045	92,260	4,056	1,181	5,237	33,111	29,418	2,770
Latex Systems Co., Ltd.	31 December	44.93	69,784	204,357	274,141	81,777	44,614	126,391	297,393	264,602	24,393
Total			104,999	261,402	366,401	85,833	45,795	131,628	330,504	294,020	27,163

Rosner-Mautby Meditrade (Thailand) Ltd. has temporarily ceased its operations since 2007. Thus, there is no available financial information for the years ended 31 December 2013 and 2012.

The Company recognized share of losses from investment in Rosner-Mautby Meditrade (Thailand) Limited until the value of the investment reached zero. Subsequent losses incurred by this associate have not been recognized 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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12 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2013 and 31 December 2012 and dividend income from investment for the year then ended were as follows:

Separate financial statements												
Nature of business	Ownership interest		Paid-up capital		Cost		Impairment		At cost-net		Dividend received	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012		
(in thousand Baht)												
Subsidiaries												
Thai Rubber Latex Group Co., Ltd.	100.0	100.0	544,000	544,000	544,000	544,000	-	-	544,000	544,000	-	-
World Flex Public Company Limited	98.4	98.4	308,000	308,000	443,600	443,600	-	-	443,600	443,600	-	-
Thai Rubber Land and Plantation Co., Ltd.	100.0	100.0	300,000	300,000	300,000	300,000	-	-	300,000	300,000	-	-
Agrowealth Co., Ltd.	100.0	100.0	63,750	63,750	49,850	49,850	(12,468)	(12,468)	37,382	37,382	-	-
Thai Rubber HPNR Co., Ltd.	100.0	100.0	250,000	250,000	250,000	250,000	-	-	250,000	250,000	-	-
STR and compound rubber												
Total			1,587,450	1,587,450	1,587,450	1,587,450	(12,468)	(12,468)	1,574,982	1,574,982	-	-

All subsidiaries are operating in Thailand.

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13 Investment properties

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
At 1 January				
- Land	30,286	27,257	30,286	27,257
- Office for rent	55,367	57,191	55,367	57,191
	<u>85,653</u>	<u>84,448</u>	<u>85,653</u>	<u>84,448</u>
Fair value adjustments				
- Land	3,029	3,029	3,029	3,029
- Office for rent	(1,812)	(1,824)	(1,812)	(1,824)
	<u>1,217</u>	<u>1,205</u>	<u>2,422</u>	<u>1,205</u>
As 31 December				
- Land	33,315	30,286	33,315	30,286
- Office for rent	53,555	55,367	53,555	55,367
Total	<u>86,870</u>	<u>85,653</u>	<u>86,870</u>	<u>85,653</u>

Investment properties of the Group were determined at fair value based on valuations performed by independent valuer who was authorised by the SEC. The fair value of the land and building were determined based on market approach.

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

The Group has pledged investment properties amounting to approximately Baht 75.3 million (31 December 2012: Baht 74.4 million) as collateral against credit facilities from financial institutions.

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14 Property, plant and equipment

	Consolidated financial statements (in thousand Baht)						
	Land and land improvement	Building and building improvement	Machinery	Office and other equipment	Vehicles	Other fixed assets	Assets under construction and installation
							Total
<i>Cost / revaluation</i>							
At 1 January 2012	770,769	925,382	924,513	342,762	95,463	110,066	3,555,825
Additions	175,860	1	3,145	31,459	21,178	26	474,783
Transfers	-	-	(6,604)	(5,118)	(13,695)	-	(27,137)
Disposals	(96,257)	156,638	117,012	51,990	52	9,621	(104,377)
At 31 December 2012 and							
1 January 2013	850,372	1,082,021	1,038,066	421,093	102,998	119,713	3,899,094
Additions	121,003	84,602	11,134	3,404	24,777	-	256,413
Transfer to assets held for sale	(15,298)	(22,011)	-	-	-	-	(37,309)
Transfers	623	37,855	643	-	-	-	-
Disposals	-	-	(3,326)	(7,904)	-	-	(11,230)
At 31 December 2013	956,700	1,182,467	1,046,517	416,593	127,775	119,713	4,106,968
<i>Depreciation and impairment losses</i>							
At 1 January 2012	47,640	521,634	616,797	279,180	62,572	77,752	1,610,082
Depreciation charge for the year	-	30,891	50,221	32,016	10,498	5,170	128,796
Impairment losses	-	4,978	130	-	-	-	5,108
Disposals	-	-	(5,119)	(5,001)	(12,969)	-	(23,089)
At 31 December 2012 and							
1 January 2013	47,640	557,503	662,029	306,195	60,101	82,922	1,720,897
Depreciation charge for the year	-	20,112	58,498	23,943	15,817	1,704	120,074
Offset of accumulated depreciation on building transferred to asset as held for sale	-	(13,397)	-	-	-	-	(13,397)
Disposals	-	-	-	(10,212)	(1,025)	-	(11,237)
At 31 December 2013	47,640	564,218	720,527	319,926	74,893	84,626	1,816,337

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<i>Net book value</i>	Consolidated financial statements						
	Land and land improvement	Building and building improvement	Machinery	Office and other equipment (in thousand Baht)	Vehicles	Other fixed assets	Assets under construction and installation
At 1 January 2012							
Owned assets	723,129	403,748	307,716	63,582	21,791	32,314	382,363
Assets under finance leases	-	-	-	-	11,100	-	-
	<u>723,129</u>	<u>403,748</u>	<u>307,716</u>	<u>63,582</u>	<u>32,891</u>	<u>32,314</u>	<u>382,363</u>
							<u>1,934,643</u>
							<u>11,100</u>
							<u>1,945,743</u>
At 31 December 2012 and 1 January 2013							
Owned assets	802,732	524,518	376,037	114,898	21,397	36,791	280,324
Assets under finance leases	-	-	-	-	21,500	-	-
	<u>802,732</u>	<u>524,518</u>	<u>376,037</u>	<u>114,898</u>	<u>42,897</u>	<u>36,791</u>	<u>280,324</u>
							<u>2,156,697</u>
							<u>21,500</u>
							<u>2,178,197</u>
At 31 December 2013							
Owned assets	909,060	618,249	325,990	96,667	23,672	35,087	252,696
Assets under finance leases	-	-	-	-	29,210	-	-
	<u>909,060</u>	<u>618,249</u>	<u>325,990</u>	<u>96,667</u>	<u>52,882</u>	<u>35,087</u>	<u>252,696</u>
							<u>2,261,421</u>
							<u>29,210</u>
							<u>2,290,631</u>

The gross amount of the Group's fully depreciated property, plant and equipment that were still in use as at 31 December 2013 amounted to Baht 289.1 million (2012: Baht 271.7 million).

Property, plant and equipment under construction

Capitalised borrowing costs relating to the acquisition of the building amounted to Baht 4 million (2012: Baht 9 million), with an interest rate of 5 – 7.5% (2012: 5.13 – 7.5%).

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	Land and land improvement	Building and building improvement	Machinery	Office and other equipment	Vehicles (in thousand Baht)	Other fixed assets	Assets under construction and installation	Total
<i>Cost/Revaluation</i>								
At 1 January 2012	93,905	127,721	111,702	59,927	36,497	21,577	1,477	452,806
Additions	-	-	-	3,165	-	-	3,274	6,439
Disposals	-	-	-	(2,055)	(10,747)	-	(1,720)	(14,522)
At 31 December 2012								
and 1 January 2013	93,905	127,721	111,702	61,037	25,750	21,577	3,031	444,723
Additions	-	-	-	517	-	-	12,506	13,023
At 31 December 2013	93,905	127,721	111,702	61,554	25,750	21,577	15,537	457,746
<i>Depreciation and impairment losses</i>								
At 1 January 2012	9,814	69,868	83,963	53,650	25,776	14,880	-	257,951
Depreciation charge for the year	-	2,680	3,855	2,377	2,472	1,032	-	12,416
Disposals	-	-	-	(2,037)	(10,747)	-	-	(12,784)
At 31 December 2012								
and 1 January 2013	9,814	72,548	87,818	53,990	17,501	15,912	-	257,583
Depreciation charge for the year	-	1,181	5,584	2,391	2,575	1,033	-	12,764
At 31 December 2013	9,814	73,729	93,402	56,381	20,076	16,945	-	270,347

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	Separate financial statements						Assets under construction and installation	Total
	Land and land improvement	Building and building improvement	Machinery	Office and other equipment (in thousand Baht)	Vehicles	Other fixed assets		
<i>Net book value</i>								
At 1 January 2012								
Owned assets	84,091	57,853	27,739	6,277	421	6,697	1,477	184,555
Assets under finance leases	-	-	-	-	10,300	-	-	10,300
	<u>84,091</u>	<u>57,853</u>	<u>27,739</u>	<u>6,277</u>	<u>10,721</u>	<u>6,697</u>	<u>1,477</u>	<u>194,855</u>
At 31 December 2012 and 1 January 2013								
Owned assets	84,091	55,173	23,884	7,047	8,249	5,665	3,031	187,140
Assets under finance leases	-	-	-	-	-	-	-	-
	<u>84,091</u>	<u>55,173</u>	<u>23,884</u>	<u>7,047</u>	<u>8,249</u>	<u>5,665</u>	<u>3,031</u>	<u>187,140</u>
At 31 December 2013								
Owned assets	84,091	53,992	18,300	5,173	5,674	4,632	15,537	187,399
Assets under finance leases	-	-	-	-	-	-	-	-
	<u>84,091</u>	<u>53,992</u>	<u>18,300</u>	<u>5,173</u>	<u>5,674</u>	<u>4,632</u>	<u>15,537</u>	<u>187,399</u>

The gross amount of the Company's fully depreciated plant and equipment that were still in use as at 31 December 2013 amounted to Baht 92.51 million (2012: Baht 73.1 million).

During 2013, Thai Rubber Latex Group Co., Ltd., a subsidiary of the Company has ceased one of their small factory. The subsidiary has transferred the related assets from property, plant and equipment to assets held for sale in the amount of Baht 23.91 million. However, the value of these assets did not have a significant effect to the consolidated and separate financial statements.

The Group and the Company have pledged their property, plant and equipment which have a net book value of Baht 2,689.14 million and Baht 146.94 million, respectively (2012: Baht 1,992.1 million and Baht 153.71 million, respectively), as collateral to secure the Group's and the Company's bank overdrafts, trusted receipts, short and long term loans.

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15 Assets classified as held for sale

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
At 1 January	121,191	-	-	-
Transfers in	23,912	121,191	-	-
At 31 December	145,103	121,191	-	-

As at December 31, 2013, the asset held for sales consisted of land, building and land possessory rights of a subsidiary. In October 2013, the subsidiary entered into land and land possessory rights sale agreement for the assets which has their book value of Baht 121 million. The buyer paid Baht 30 million for a deposit to this subsidiary. This asset was classified as current assets in the statement of financial position. For the land and building held for sale amounting to Baht 23.91 million, are still in the process of finding buyers which expected to take more than one year. Therefore, the subsidiary classified this assets as non-current assets. In addition, the management of the subsidiary has accessed impairment of the assets and believes that allowance for impairment of assets is not required since the assets values were close to current fair values, and such assets are saleable in the future at prices not less than their carrying values.

16 Other intangible assets

	Software License	
	Consolidated financial statements	Separate financial statements
	<i>(in thousand Baht)</i>	
At 1 January 2012	10,748	6,147
Additions	8	-
Disposals	(1)	-
At 31 December 2012 and 1 January 2013	10,755	6,147
At 31 December 2013	10,755	6,147
<i>Amortisation</i>		
At 1 January 2012	(5,927)	(4,325)
Amortisation charge for the year	(1,442)	(504)
Disposals	1	-
At 31 December 2012 and 1 January 2013	(7,368)	(4,829)
Amortisation charge for the year	(1,997)	(496)
At 31 December 2013	(9,365)	(5,325)
<i>Net book value</i>		
At 1 January 2012	4,821	1,822
At 31 December 2012 and 1 January 2013	3,387	1,318
At 31 December 2013	1,390	822

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17 Land possessory rights

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
At 1 January	149,995	140,916	6,270	6,270
Increase	18,922	9,079	-	-
At 31 December	168,917	149,995	6,270	6,270

As at 31 December 2013, the Group and the Company have land possessory rights of approximately 12,968 rais and 49 rais respectively, (2012: 12,879 rais and 49 rai respectively). The Group and the Company are currently in the process of legal ownership acquisition.

18 Rubber plantation development costs

	Consolidated financial statements	
	2013	2012
	<i>(in thousand Baht)</i>	
At 1 January	486,327	381,487
Increase	171,748	109,340
Decrease	(41,164)	(4,500)
At 31 December	616,911	486,327

19 Deferred tax

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

	Consolidated financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Total	168,409	132,996	(115,680)	(122,988)
Set off of tax	(104,347)	(85,307)	104,347	85,307
Net deferred tax assets (liabilities)	64,062	47,689	(11,333)	(37,681)

	Separate financial statements			
	Assets		Liabilities	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Total	39,590	29,300	(22,692)	(22,097)
Set off of tax	(22,692)	(22,097)	22,692	22,097
Net deferred tax assets (liabilities)	16,898	7,203	-	-

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Movements in total deferred tax assets and liabilities during the year were as follows:

	At 1 January 2013	Consolidated financial statements (Charged) / Credited to:			At 31 December 2013
		Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
<i>Deferred tax assets</i>					
Property, plant and equipment (devaluation and depreciation gap)	3,473	(258)	-	-	3,215
Trade accounts receivable (doubtful accounts)	16,818	1,958	-	-	18,776
Inventories (allowance for decline in value)	1,204	(1,204)	-	-	-
Employee benefit obligation	7,160	1,109	-	-	8,269
Others	703	6	-	-	709
Loss carry forward	103,368	33,802	-	-	137,440
Total	132,996	35,413	-	-	168,409
<i>Deferred tax liabilities</i>					
Property, plant and equipment (revaluation)	(79,959)	(17,874)	-	-	(97,833)
Investment properties (revaluation)	(30,402)	12,555	-	-	(17,874)
Others	(12,627)	12,627	-	-	-
Total	(122,988)	7,308	-	-	(115,680)
Net	10,008	42,721	-	-	52,729

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	At 1 January 2012	Consolidated financial statements (Charged) / Credited to:			At 31 December 2012
		Profit or loss	Other comprehensive income (in thousand Baht)	Equity	
<i>Deferred tax assets</i>					
Property, plant and equipment (devaluation and depreciation gap)	3,473	-	-	-	3,473
Trade account receivable (doubtful account)	17,488	(670)			16,818
Inventories (allowance for decline in value)	12,891	(11,687)			1,204
Employee benefit obligations	5,620	1,540	-	-	7,160
Others	777	(74)	-	-	703
Loss carry forward	29,093	74,545	-	-	103,638
Total	69,342	63,654	-	-	132,996
<i>Deferred tax liabilities</i>					
Property, plant and equipment (revaluation)	(110,598)	30,639	-	-	(79,959)
Investment properties (revaluation)	(1,750)	(28,652)	-	-	(30,402)
Others	-	(12,267)	-	-	(12,627)
Total	(112,348)	(10,640)	-	-	(122,988)
Net	(43,006)	53,014	-	-	10,008

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		Separate financial statements (Charged) / Credited to:			
	At 1 January 2013	Profit or loss	Other comprehensive income (in thousand Baht)	Equity	At 31 December 2013
<i>Deferred tax assets</i>					
Trade account receivable	16,045	(598)	-	-	15,447
Employee benefit obligations	1,050	151	-	-	1,201
Others	598	-	-	-	598
Loss carry forward	11,607	10,737	-	-	22,344
Total	29,300	10,290	-	-	39,590
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(20,080)	407	-	-	(19,673)
Investment properties	(2,017)	(1,002)	-	-	(3,019)
Total	(22,097)	(595)	-	-	(22,692)
Net	7,203	9,695	-	-	16,898

		Separate financial statements (Charged) / Credited to:			
	At 1 January 2012	Profit or loss	Other comprehensive income (in thousand Baht)	Equity	At 31 December 2012
<i>Deferred tax assets</i>					
Trade account receivable	16,747	(702)	-	-	16,045
Inventories	2,725	(2,725)	-	-	-
Employee benefit obligations	823	227			1,050
Others	598	-	-	-	598
Loss carry forward	-	11,607	-	-	11,607
Total	20,893	8,407	-	-	29,300
<i>Deferred tax liabilities</i>					
Property, plant and equipment	(17,755)	(2,325)	-	-	(20,080)
Investment properties	(946)	(1,071)	-	-	(2,017)
Total	(18,701)	(3,396)	-	-	(22,097)
Net	2,192	5,011	-	-	7,203

Deferred tax assets arising from temporary differences and unused tax losses that have not been recognised in the financial statements were as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Loss carry forward	101,634	110,475	-	-
Total	101,634	110,475	-	-

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The tax losses expire in 2014-2017. 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.

20 Trade and other accounts payable

		Consolidated financial statements		Separate financial statements	
	<i>Note</i>	2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Trade accounts payable					
Related parties	6	707	356	234,777	1,264,250
Other parties		173,903	221,693	22,489	32,891
		<u>174,610</u>	<u>222,049</u>	<u>257,266</u>	<u>1,297,141</u>
Other accounts payable					
Related parties	6	15	56	8,132	3,205
Other parties		72,576	3,015	4,516	1,140
		<u>72,591</u>	<u>3,071</u>	<u>12,648</u>	<u>4,345</u>
Total		<u>247,201</u>	<u>225,120</u>	<u>269,914</u>	<u>1,301,486</u>

21 Interest-bearing liabilities

		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Current					
Bank overdrafts - secured		8,944	4,575	3,246	501
Short-term loans from financial institutions - secured		<u>4,808,765</u>	<u>5,124,973</u>	<u>1,382,569</u>	<u>1,889,273</u>
Bank overdrafts and short-term loans from financial institutions		4,817,709	5,129,548	1,385,815	1,889,774
Short term loan from related party - unsecured		-	-	1,030,000	-
Short-term loan from other party - secured		19,000	-	-	-
Current portion of long-term loans from financial institutions - secured		86,400	135,050	-	35,750
Current portion of finance lease liabilities		<u>7,828</u>	<u>5,988</u>	<u>1,729</u>	<u>3,476</u>
Total current interest-bearing liabilities		<u>4,930,937</u>	<u>5,270,586</u>	<u>2,417,544</u>	<u>1,929,000</u>

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

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	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Non-current				
Long-term loans from financial institutions				
- secured	165,700	258,100	-	-
Finance lease liabilities	19,508	11,086	-	1,738
Total non current interest-bearing liabilities	185,208	269,186	-	1,738
Total interest-bearing liabilities	5,116,145	5,539,772	2,417,544	1,930,738

Under loan agreements, the Group and the Company have to strictly follow the covenants and restrictions imposed by the financial institutions, including maintain certain financial ratios.

Long-term loans from financial institutions of the Company and its subsidiaries are secured by the mortgage by the Company's and the subsidiaries' land and premises thereon, plants and machinery, and also guaranteed by the Company and the subsidiaries.

As at 31 December 2013, World Flex Public Company Limited, a subsidiary of the Company had a short-term loan from other party in the amount of Baht 19 million with interest rate at 4% per annum. This short-term loan are payable within 30 April 2014. The subsidiary's land was secured as collateral for this short-term loan.

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

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Long-term loans of the Company				
a) Long-term loan of Baht 130 million (total credit facility of Baht 250 million), with a grace period of 17 months, subject to interest at THBFIX plus 1.75 percent per annum and payable commencing September 2009 to January 2013.	-	35,750	-	35,750
Long-term loans of the subsidiaries				
<i>Thai Rubber Latex Group Co., Ltd.</i>				
a) Long-term loan of Baht 100 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 14 installments (Baht 6 million for installment 1-13 and Baht 2 million for installment 14). The repayments are to be made for every 3-month period, commencing October 2013.	74,000	-	-	-

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	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
b) Long-term loan of Baht 150 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 8 installments (Baht 15 million for installment 1-2 and Baht 20 million for installment 3-8). The repayments are to be made for every 6-month period, commencing January 2012.	-	120,000	-	-
<i>Thai Rubber HPNR Co., Ltd.</i>				
a) Long-term loan of Baht 100 million subject to interest at Minimum Loan Rate minus 3% per annum and repayable in 47 installments for 2.1 million per installment, commencing July 2012.	62,400	87,400	-	-
b) Long-term loan of Baht 150 million subject to interest at Minimum Loan Rate minus 1% per annum and repayable in 47 installments for 3.1 million per installment, commencing February 2013.	115,700	150,000	-	-
Total	252,100	393,150	-	35,750
<i>Less: Current portion of long term loans</i>	<i>(86,400)</i>	<i>(135,050)</i>	<i>-</i>	<i>(35,750)</i>
Net	165,700	258,100	-	-

The weighted effective interest rate as at 31 December 2013 are as follows

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(% per annum)</i>			
Short-term loans	MOR, MLR, 4	MOR, 3.85-5.30	4.60 - 7.94	MOR, 3.85-5.30
Long-term loans	MLR-1 to -3	MLR-1 and -3	-	MLR-1, -3
Finance lease	5.81 - 6.48	5.81 - 6.48	5.81 - 6.48	5.81 - 6.48

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Notes to the financial statements

Finance lease liabilities

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

	Consolidated financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	9,516	1,688	7,828	6,880	892	5,988
After one year but within five years	21,699	2,191	19,508	12,554	1,468	11,086
Total	31,215	3,879	27,336	19,434	2,360	17,074

	Separate financial statements					
	2013			2012		
	Future minimum lease payments	Interest	Present value of minimum lease payments (in thousand Baht)	Future minimum lease payments	Interest	Present value of minimum lease payments
Within one year	1,899	170	1,729	3,796	320	3,476
After one year but within five years	-	-	-	1,898	160	1,738
Total	1,899	170	1,729	5,694	480	5,214

22 Employee benefit obligation

The Group and the Company have a defined benefit pension 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 statement of financial position obligation was determined as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Present value of unfunded obligations	41,384	36,871	6,005	5,255

Thai Rubber Latex Corporation (Thailand) Public Company Limited and its Subsidiaries
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Movement in the present value of the defined benefit obligations

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Defined benefit obligations at 1 January	36,871	30,008	5,255	4,114
Benefits paid by the plan	(1,328)	(2,083)	-	(94)
Current service costs and interest	5,841	4,558	750	555
Actuarial (gains) losses	-	4,388	-	680
Defined benefit obligations at 31 December	41,384	36,871	6,005	5,255

Expense recognised in profit or loss

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Current service costs	4,578	3,370	569	390
Interest on obligation	1,263	1,188	181	165
Actuarial (gains) losses	-	4,388	-	680
Total	5,841	8,946	750	1,235

The expense is recognised in the following line items in the statement of comprehensive income:

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Cost of sales and administrative expenses	5,841	8,946	750	1,235
Total	5,841	8,946	750	1,235

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2013	2012	2013	2012
	<i>(%)</i>			
Discount rate	3.40-4.31	3.40-4.31	3.44	3.44
Future salary increases	3-6	3-6	3-6	3-6

Assumptions regarding future mortality are based on published statistics and mortality tables, which are calculated at a 100% rate from the 2008 ("TMO 2008").

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23 Share capital

	Par value per share (in Baht)	2013		2012	
		Number	Baht (thousand share / thousand Baht)	Number	Baht
Authorised					
At 1 January					
- ordinary shares	1	749,608	749,608	599,686	599,686
Increase of new shares	1	-	-	149,922	149,922
At 31 December					
- ordinary shares	1	749,608	749,608	749,608	749,608
Issued and paid-up					
At 1 January					
- ordinary shares	1	681,454	681,454	545,169	545,169
Increase of new shares	1	-	-	136,285	136,285
At 31 December					
- ordinary shares	1	681,454	681,454	681,454	681,454

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

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.

24 Warrants

On 20 June 2011, the Extraordinary General Shareholder's Meeting of the Company No. 1/2011 passed a resolution to issue 54,516,949 warrants ("Warrant No. 1" or "TRUBB-W1"), for allocation free-of-charge to the existing shareholders who subscribed to the rights offering and were allocated ordinary shares, at a rate of 1 warrant for every 2 newly issued ordinary shares. The warrants can be exercised at a price of Baht 4 per share, with an exercise ratio of 1 warrant to 1 new ordinary share. They have a term of 3 years from the date of issue and exercise dates are on the last business day of each June and December, beginning on the last business day of December 2011, with a final exercise date on 7 August 2014.

On 19 August 2011, the Securities and Exchange Commission and the Stock Exchange of Thailand approved the receipt of securities and warrant to purchase new ordinary share no. 1 ("Warrant No.1" or "TRUBB-W1") to enable the offering of 54,516,637 ordinary shares. Share trading commenced on 23 August 2011.

Since the Annual General Meeting of the Company's shareholders No. 1/2012, held on 27 April 2012, approved a stock dividend payment, the Company is to adjust the rights of the warrants of the Company (TRUBB-W1), to be in accordance with the Warrant Covenants of Rights and Duties of the Issuer and Holders of Warrants of the Company.

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The Company announced the adjustment of the exercise price and exercise ratio of TRUBB-W1, effective on 8 May 2012 as follows:

	Previous	Present
Exercise price (Baht/share)	4.00	3.20
Exercise ratio (Share(s) per 1 unit of warrant)	1.00	1.25

As at 31 December 2013, none of the above warrants have been exercised.

25 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 Section 116 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.

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.

Valuation surplus

The valuation surplus account within equity comprises the cumulative net change in the valuation of property, plant and equipment included in the financial statements at valuation until such property, plant and equipment is sold or otherwise disposed of. Valuation surplus of plant, property and equipment 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	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
At 1 January	468,366	490,182	90,112	93,752
Amortisation	(13,329)	(21,816)	(3,318)	(3,640)
At 31 December	<u>455,037</u>	<u>468,366</u>	<u>86,794</u>	<u>90,112</u>

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

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26 Segment information

The Company's and its subsidiaries' have two reportable segments, as described below. These two significant principal reportable segments 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 The manufacture and sale of latex concentrated and prevulcanized latex

Segment 2 The manufacture of latex products.

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 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		Latex products		Total reportable segments (in million Baht)		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
External revenue	11,810	14,788	1,641	1,654	13,451	16,442	3	4	13,454	16,446
Inter-segment revenue	2,917	5,173	-	-	2,917	5,173	-	-	2,917	5,173
Total segment revenue	<u>14,727</u>	<u>19,961</u>	<u>1,641</u>	<u>1,654</u>	<u>16,368</u>	<u>21,615</u>	<u>3</u>	<u>4</u>	<u>16,371</u>	<u>21,619</u>
Interest revenue	82	53	-	-	82	53	1	1	83	54
Interest expense	233	222	28	25	261	247	-	-	261	247
Depreciation and amortization	74	62	51	28	125	90	-	-	125	90
Segment profit (loss) before income tax	(271)	(378)	(7)	(62)	(278)	(440)	(2)	(2)	(280)	(442)
Share of profit (loss) of equity accounted investees	11	12	1	3	12	15	-	-	12	15
Significant income and expenses										
- Selling-related expenses	215	236	34	31	249	267	-	-	249	267
- Personnel-related expenses	160	131	25	39	185	170	3	3	188	174
Segment assets	8,733	9,205	2,522	2,343	11,255	11,548	52	62	11,307	11,610
Investment in equity securities	67	59	35	35	102	94	-	-	102	94
Capital expenditure	193	225	82	251	275	476	1	-	276	476
Segment liabilities	6,361	6,786	1,841	1,636	8,202	8,422	22	30	8,224	8,452

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

	2013	2012
	<i>(in million Baht)</i>	
Revenues		
Total revenue from reportable segments	16,371	21,619
Other revenue	159	137
	<u>16,530</u>	<u>21,756</u>
Elimination of inter-segment profits	(2,917)	(5,173)
Consolidated revenue	<u>13,613</u>	<u>16,577</u>
Profit or loss		
Total loss for reportable segments	(280)	(442)
Share of profit from investments in equity accounted investees	12	15
Elimination of inter-segment profits	79	188
Consolidated loss before income tax	<u>(189)</u>	<u>(239)</u>
Assets		
Total assets for reportable segments	11,255	11,548
Elimination of inter-segment assets	(4,495)	(4,162)
Other assets	52	62
Investments in equity accounted investees	102	94
Consolidated total assets	<u>6,914</u>	<u>7,542</u>
Liabilities		
Total liabilities for reportable segments	8,202	8,422
Elimination of inter-segment liabilities	(2,698)	(2,446)
Other liabilities	22	30
Consolidated total liabilities	<u>5,526</u>	<u>6,006</u>

Other material items	Reportable segment totals	Adjustments <i>(in million Baht)</i>	Consolidated totals
2013			
Interest revenue	83	(29)	54
Interest expense	261	(24)	237
Capital expenditure	276	-	276
Depreciation and amortisation	125	-	125
2012			
Interest revenue	54	(15)	39
Interest expense	247	(4)	243
Capital expenditure	476	-	476
Depreciation and amortisation	90	-	90
Impairment loss on property, plant and equipment	5,108	-	5,108

Geographical segments

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

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

Geographical information

	Revenues		Non-current assets	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Thailand	10,834	12,643	3,587	3,330
PRC	2,775	3,932	3	-
Investments in equity accounted investees	4	2	102	94
Total	13,613	16,577	3,692	3,424

27 Other income

	Note	Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
		<i>(in thousand Baht)</i>			
Interest income	6	54,269	39,011	59,899	47,656
Other income	6	74,736	56,545	35,658	17,227
Net gain on foreign exchange		29,758	35,179	6,573	5,288
Total		158,763	130,735	102,130	70,171

28 Selling expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht)</i>			
Selling expense	248,965	267,425	48,211	77,385
Marketing expense-Commission	23,869	24,427	14,521	17,170
Latex gardener support expense	54,317	157,437	17,372	71,566
Others	8,687	6,491	206	368
Total	335,838	455,780	80,310	166,489

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Notes to the financial statements

29 Administrative expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Personnel	188,232	173,788	28,328	30,476
Depreciation	32,678	19,810	7,791	7,480
Professional fees	10,892	14,219	5,501	5,747
Commission	1,920	3,266	2,051	3,099
Others	80,796	20,486	12,536	15,137
Total	314,518	231,569	56,207	61,939

30 Employee benefit expense

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Salary, wage and overtime expense	126,108	112,402	9,999	10,545
Others	62,124	61,386	18,329	19,931
Total	188,232	173,788	28,328	30,476

Defined benefit plans

Details of the defined benefit plans are given in note 22.

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.

31 Other expenses

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	(in thousand Baht)			
Loss from investment in agricultural futures	41,375	56,717	40,385	31,416
Others	1,644	1,864	1,811	-
Total	43,019	58,581	42,196	31,416

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32 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	
	2013	2012	2013	2012
	(in thousand Baht)			
Change on finished goods and work in Process	(555,521)	(138,932)	(154,841)	104,382
Raw materials and supplies used	7,307,693	8,891,977	392,770	512,705
Purchase of finished goods	4,393,837	6,405,767	3,489,547	6,644,540
Depreciation on building and equipment	124,620	119,895	12,228	11,868
Employee benefits expenses	188,232	359,540	28,328	29,588
Loss from investment in agricultural futures	41,375	56,717	40,385	31,416

33 Finance costs

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
		(in thousand Baht)			
Interest expense:					
Subsidiaries	6	-	-	20,021	4,034
Other related parties		233,275	233,788	-	-
Bank loans and overdrafts		4,043	9,516	66,313	67,485
Total interest expense		237,318	243,304	86,334	71,519
Other finance costs		15,198	9,604	2,401	11,703
		<u>252,516</u>	<u>252,908</u>	<u>88,735</u>	<u>83,222</u>
Less: amounts included in the cost of qualifying assets:					
- Property, plant and equipment under construction	14	(4,043)	(8,657)	-	-
Net		<u>248,473</u>	<u>244,251</u>	<u>88,735</u>	<u>83,222</u>

34 Income tax expense

Income tax recognized in profit or loss

		Consolidated financial statements		Separate financial statements	
	Note	2013	2012	2013	2012
		(in thousand Baht)			
Current tax expense					
Current year		9,097	12,833	-	-
		<u>9,097</u>	<u>12,833</u>	<u>-</u>	<u>-</u>
Deferred tax expense	19				
Movements in temporary differences		(42,721)	(53,014)	(9,695)	(5,011)
Total income tax expense (benefit)		<u>(33,624)</u>	<u>(40,181)</u>	<u>(9,695)</u>	<u>(5,011)</u>

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Notes to the financial statements

Reconciliation of effective tax rate

	Consolidated financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Losses before income tax expense		(189,034)		(239,178)
Income tax benefit using the Thai corporation tax rate	20	(37,807)	23	(55,011)
Expenses no deductible for tax purposes		4,183		14,830
Total	20	(33,624)	23	(40,181)

	Separate financial statements			
	2013		2012	
	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Losses before income tax expense		(44,342)		(29,607)
Income tax benefit using the Thai corporation tax rate	20	(8,868)	23	(6,810)
Expenses not deductible for tax purposes		827		(1,799)
Total	20	(9,695)	23	(5,011)

Income tax reduction

Royal Decree No. 530 B.E. 2554 dated 21 December 2011 grants a reduction in the corporate income tax rate for the three accounting periods 2012, 2013 and 2014; from 30% to 23% for the accounting period 2012 which begins on or after 1 January 2012 and to 20% for the following two accounting periods 2013 and 2014 which begin on or after 1 January 2013 and 2014, respectively.

It is understood that the Government will proceed to amend the law in order to maintain the corporate income tax rate at not higher than 20% for the accounting period 2015 which begins on or after 1 January 2015 and onwards in order to give full effect to the Cabinet resolution dated 11 October 2011 to increase Thailand's tax competitiveness.

35 Promotional privileges

By virtue of the provisions of the Industrial Investment Promotion Act of B.E. 2520, the Group/Company 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:

- Exemption from payment of import duty on machinery approved by the Board;
- Exemption from payment of income tax for certain operations for a period of five years from the date on which the income is first derived from such operations;
- 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
- 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.

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- e) An allowance of five percent of the increment in export income over that of the preceding year deductible from taxable income for a period of ten years commencing as from the date of first earning operating income. However, export income in that year may not be less than the average export income for the previous three years, with the exception of the first two years of operation (only for the Company and certain subsidiaries).
- f) Permission to double-deduct transportation, electricity and water expenses for tax purposes, for a period of ten years commencing as from the date of first earning operating income.

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

Summary of revenue from promoted and non-promoted businesses:

	Consolidated financial statements					
	2013			2012		
	Promoted businesses	Non- promoted businesses	Total	Promoted businesses	Non- promoted businesses	Total
			(in million Baht)			
Export sales	1,770	6,056	7,826	2,163	7,660	9,823
Local sales	67	5,561	5,628	884	5,739	6,623
Total Revenue	1,837	11,617	13,454	3,047	13,399	16,446

	Separate financial statements					
	2013			2012		
	Promoted businesses	Non-promoted businesses	Total	Promoted businesses	Non-promoted businesses	Total
			(in million Baht)			
Export sales	-	801	801	-	2,071	2,071
Local sales	-	3,390	3,390	-	5,457	5,457
Total Revenue	-	4,191	4,191	-	7,528	7,528

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36 Loss per share

Basic loss per share

The calculation of basic loss per share for the year ended 31 December 2013 and 2012 were based on the loss for the periods 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	
	2013	2012	2013	2012
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company (basic)	<u>(155,003)</u>	<u>(197,441)</u>	<u>(34,647)</u>	<u>(24,596)</u>
Number of issued shares at 1 January	681,454	545,169	681,454	545,169
Effect from shares sold	-	91,229	-	91,229
Weighted average number of ordinary shares outstanding (basic)	<u>681,454</u>	<u>636,398</u>	<u>681,454</u>	<u>636,398</u>
Loss per share (basic) (in Baht)	<u>(0.23)</u>	<u>(0.31)</u>	<u>(0.05)</u>	<u>(0.04)</u>

Diluted loss per share

The calculations of diluted loss per share for the year ended 31 December 2013 and 2012 were based on the loss for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
	<i>(in thousand Baht / thousand shares)</i>			
Loss attributable to ordinary shareholders of the Company (basic)	<u>(155,003)</u>	<u>(197,441)</u>	<u>(34,647)</u>	<u>(24,596)</u>
Loss attributable to ordinary shareholders of the Company (diluted)	<u>(155,003)</u>	<u>(197,441)</u>	<u>(34,647)</u>	<u>(24,596)</u>
Weighted average number of ordinary shares outstanding (basic)	681,454	636,398	681,454	636,398
Effect of exercise of warrants	-	4,481	-	4,481
Weighted average number of ordinary shares outstanding (diluted)	<u>681,454</u>	<u>640,879</u>	<u>681,454</u>	<u>640,879</u>
Loss per share (diluted) (in Baht)	<u>(0.23)</u>	<u>(0.31)</u>	<u>(0.05)</u>	<u>(0.04)</u>

The Company did not calculate the effect of warrants for the year ended 31 December 2013 because the exercise price of the Company's warrants was higher than the average market price of the ordinary shares.

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37 Dividends

On 27 April 2012, the Annual General Meeting of the Company's shareholders No. 1/2012 approved the following resolutions. To approve a dividend payment for the year 2011 of Baht 0.27777778 per share, in the forms of both cash dividends and stock dividends totalling not more than Baht 151,435,971, as follows:

- a) Cash dividends of Baht 0.02777778 per share to cover payment of withholding tax on the stock dividends.
- b) Stock dividends at a rate of 1 stock dividend for every 4 existing ordinary shares, for not more than 136,292,372 shares of Baht 1 per share, or equivalent to dividend payment of Baht 0.25 per share. In the case where there is a fraction of shares with less than 4 shares, the Company will instead pay a cash dividend of Baht 0.25 per share.

The dividend payment (both cash dividends amounting to Baht 15,143,502 and stock dividends amounting to Baht 136,284,330) was made as at 23 May 2012.

38 Financial instruments

Financial risk management policies

The Group 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 does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Group. The Group 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 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 operations and its cash flows because loan interest rates are mainly fixed. The Group is primarily exposed to interest rate risk from its borrowings (Note 21). The Group mitigates this risk by ensuring that the majority of its borrowings are at fixed interest rates.

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The effective interest rates of debt securities and loans receivable as at 31 December and the periods in which the loans receivable and debt securities mature or re-price were as follows:

		Consolidated financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2013					
Current					
Loans to other parties	12	2,256	-	-	2,256
Total		2,256	-	-	2,256
2012					
Current					
Loans to other parties	12	31,789	-	-	31,789
Total		31,789	-	-	31,789
		Separate financial statements			
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years	After 5 years	Total
		(in thousand Baht)			
2013					
Current					
Loans to related parties	4.7-4.97	1,218,083	-	-	1,218,083
Loans to other parties	12	69	-	-	69
Total		1,218,152	-	-	1,218,152
2012					
Current					
Loans to related parties	4.58-5	1,003,113	-	-	1,003,113
Loans to other parties	12	30,323	-	-	30,323
Total		1,033,436	-	-	1,033,436

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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:

Consolidated financial statements					
	Effective interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2013					
Current					
Overdrafts and short term loans from financial institutions	MOR, MLR	4,817,709	-	-	4,817,709
Loans from other party	4	19,000	-	-	19,000
Non-current					
Loans from financial institutions	MLR-1 to -3	86,400	165,700	-	252,100
Loans from other parties	5.81 - 6.48	9,516	21,699	-	31,215
Total		4,932,625	187,399	-	5,120,024

2012					
Current					
Overdrafts and short term loans from financial institutions	MOR, 3.85 - 5.30	5,129,548	-	-	5,129,548
Non-current					
Loans from financial institutions	MLR-1 and -3	135,050	258,100	-	393,150
Loans from other party	5.81 - 6.48	5,988	11,086	-	11,074
Total		5,270,586	269,186	-	5,539,772

Separate financial statements					
	Effective Interest rate (% per annum)	Within 1 year	After 1 year but within 5 years (in thousand Baht)	After 5 years	Total
2013					
Current					
Overdrafts and short term loans from financial institutions	7.42-7.94	1,385,815	-	-	1,385,815
Loans from related parties	4.60-4.86	1,030,000	-	-	1,030,000
Loans from other parties	5.81	1,898	-	-	1,898
Total		2,417,713	-	-	2,417,713

2012					
Current					
Overdrafts and short term loans from financial institutions	MOR, 3.85 -5.30	1,889,774	-	-	1,889,774
Loans from related parties	THBFIX+1.75	35,750	-	-	35,750
Loans from other party	5.81	3,476	1,738	-	5,214
Total		1,929,000	1,738	-	1,930,738

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Foreign currency risk

The Group is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group primarily utilizes 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	
	2013	2012	2013	2012
	<i>(in million Baht)</i>			
Assets (classify by currencies)				
Renminbi (RMB)	139	167	-	-
Malaysian Ringgit (RM)	133	128	-	-
US dollar (USD)	552	445	55	151
Yen (JPY)	692	13	665	13
Euro (EUR)	-	2	-	-
Total	1,516	755	720	164
Liabilities (classify by currencies)				
Renminbi (RMB)	(58)	(38)	-	-
US dollar (USD)	(3)	(16)	-	(4)
Swiss Franc (CHF)	-	(2)	-	-
Total	(61)	(56)	-	(4)
Gross balance sheet exposure	1,455	699	720	160

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

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Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. The fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The fair value of trade and other short-term receivables is taken to approximate the carrying value.

As at 31 December 2013, the Company and its subsidiaries entered into the following forward exchange contracts with the commercial banks to hedge exchange rate risk in the future of accounts receivable and accounts payable denominated in foreign currencies.

- a) The Group has entered into forward exchange contracts to sell USD 15.23 million and 0.68 million respectively at the forward rate of 31.30-32.70 Baht per USD. These contracts are due between 13 January 2014 and 24 December 2014.
- b) The Group has entered into forward exchange contracts to buy USD 2.58 million at the forward rate of 31.11-32.36 Baht per USD. The contracts are due between 5 February 2014 and 4 June 2014 (for the Company: USD 1.71 million at the forward rate of 31.11-32.36 Baht per USD, due between 12 March 2014 to 4 June 2014).

In addition, the Company entered into an interest rate swap agreement with a local bank for the period from 31 January 2008 to 31 January 2014. The Company agreed to swap the interest rate of Baht 130 million loan from a floating interest rate, THBFIX plus 1.75% per annum as stipulated in the loan agreement, to a fixed interest rate of 7.50% per annum

Fair values of financial instruments

Fair values of derivatives as at 31 December 2013 are as follows:

	2556		2555	
	Notional amount	Fair value (in million Baht)	Notional amount	Fair value
Derivatives				
Forward exchange contracts	569.63	575.59	1,702	1,679
Interest rate swap agreements	13.75	13.70	67	66

39 Commitments with non-related parties

As at 31 December 2013, the Group and the Company had the following commitments:

- Commitments in respect of uncalled portion of investments in subsidiaries of Baht 467.3 million (2012: 467.3 million Baht).
- A subsidiary had outstanding commitments of approximately Baht 0.71 million (2012: Baht 0.09 million) in respect of the rental of space for storage of latex.

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- Four subsidiaries had outstanding commitments of approximately Baht 47.22 million (2012: Baht 24.8 million), in respect of construction and installation contract of machinery and tools.
- Three subsidiaries had outstanding commitments of approximately Baht 0.5 million (2012: 0.6 million), in respect of the 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.
- Two subsidiaries entered into consulting agreements, from which the subsidiaries will receive consulting services in respect of their business operations, and shall pay consulting fee at Baht 633,000 per month (2012: Baht 494,670 per month).
- 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.
- The Company entered into purchase agreements with three local companies 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 5,000 rais. The subsidiary is committed to pay commission to the operator at Baht 5,650 per rai.
- A subsidiary has outstanding commitment under the land procurement contract for para rubber plantation in Amphur Maechan, Chiangrai, with a total area of 1,800 rais at Baht 12,000 per rai.
- A subsidiary has outstanding commitment in respect of service agreement with individuals for rubber tree plantation, with a total value of Baht 7.0 million (2012: Baht 6.4 million).

Bank guarantees

As at 31 December 2013, there were outstanding bank guarantees of approximately Baht 10.68 million and Baht 2.53 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.

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40 Other matters

40.1 Debentures issuance

At the annual general meeting of the shareholders of the Company held on 26 April 2013, the shareholders approved the debenture issuance in the amount of Baht 2,000 million and authorised the Company's Board of Directors and/or other persons authorised by the Board of Directors to determine details of each debenture issuance. As at 31 December 2013, the debentures was not issued.

40.2 Investment in Myanmar

On 26 July 2013, the Board of Director's meeting of the Company has resolved to invest in a new subsidiary in the Republic of Union of Myanmar, in the amount of Baht 51.20 million, for managing rubber plantation, manufacturing and distribution of rubber products. As at 31 December 2013, this company is in the registered process of establishment.

41 Thai Financial Reporting Standards (TFRS) not yet adopted

The Group has not adopted the new and revised TFRS that have been issued as of the reporting date but are not yet effective. Those new and revised TFRS that are applicable to the Group's operations, which become effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, are as follows:

TFRS	Topic	Year effective
TAS 1 (revised 2012)	Presentation of financial statements	2014
TAS 7 (revised 2012)	Statement of Cash Flows	2014
TAS 12 (revised 2012)	Income Taxes	2014
TAS 17 (revised 2012)	Leases	2014
TAS 18 (revised 2012)	Revenue Recognition	2014
TAS 19 (revised 2012)	Employee Benefits	2014
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates	2014
TAS 24 (revised 2012)	Related Party Disclosures	2014
TAS 28 (revised 2012)	Investments in Associates	2014
TAS 34 (revised 2012)	Interim Financial Reports	2014
TAS 36 (revised 2012)	Impairment of Assets	2014
TAS 38 (revised 2012)	Intangible Assets	2014
TFRS 2 (revised 2012)	Share-based Payment	2014
TFRS 5 (revised 2012)	Non-current Assets held for Sale and Discontinued Operations	2014
TFRS 8 (revised 2012)	Operating Segments	2014
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	2014
TFRIC 4	Determining whether an Arrangement contains a Lease	2014
TFRIC 10	Interim Financial Reporting and Impairment	2014
TFRIC 13	Customer Loyalty Programmes	2014
TFRIC 17	Distributions of Non-cash Assets to Owners	2014
TFRIC 18	Transfers of Assets from Customers	2014
TIC 15	Operating Leases-Incentives	2014
TIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	2014
TIC 32	Intangible Assets-Web Site Costs	2014

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Management expects to adopt and apply these new and revised TFRS in accordance with the FAP's announcement and 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.

42 Reclassification of accounts

Certain accounts in the 2012 financial statements have been reclassified to conform to the presentation in the 2013 financial statements as follows:

	2012					
	Consolidated financial statements			Separate financial statements		
	Before reclass.	Reclass.	After reclass. (in thousand Baht)	Before reclass.	Reclass.	After reclass.
<i>Statement of financial position</i>						
Advance payments for goods	73,370	(73,370)	-	43,923	(43,923)	-
Other current assets	27,400	73,370	100,770	5,270	43,923	49,193
		<u>-</u>			<u>-</u>	

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