

Part 3

Financial Status and Operational Results

13. Significant financial information

13.1 Summary of the financial statements

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)

Statement of financial position

| Assets | Note | Consolidated | | Separate | |
|---|-------|----------------------|---------------|----------------------|---------------|
| | | financial statements | | financial statements | |
| | | 31 December | 31 December | 31 December | 31 December |
| | | 2019 | 2018 | 2019 | 2018 |
| (in Baht) | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 6 | 91,126,266 | 157,594,536 | 34,102,081 | 43,078,846 |
| Trade accounts receivable | 5, 7 | 827,137,333 | 987,070,731 | 743,490,484 | 849,776,290 |
| Other receivables | 5, 8 | 125,696,754 | 127,679,923 | 68,479,151 | 71,950,711 |
| Short-term loans to related parties | 5 | - | - | 992,932,600 | 1,030,932,600 |
| Inventories | 9 | 1,103,766,615 | 1,250,962,210 | 680,677,726 | 798,401,749 |
| Other current assets | | 55,262,356 | 64,948,814 | 48,767,582 | 54,066,220 |
| Total current assets | | 2,202,989,324 | 2,588,256,214 | 2,568,449,624 | 2,848,206,416 |
| Non-current assets | | | | | |
| Restricted deposit at financial institution | | 6,596,737 | 16,621,011 | 6,596,737 | 6,531,911 |
| Investments in associates | 10 | 29,664,174 | 30,981,598 | - | - |
| Investments in subsidiaries | 11 | - | - | 1,873,274,123 | 1,873,274,123 |
| Other long-term investments | 13 | 81,200,000 | 81,200,000 | 81,200,000 | 81,200,000 |
| Investment properties | 14 | 547,690,000 | 561,070,000 | 108,610,000 | 120,590,000 |
| Property, plant and equipment | 15 | 3,437,538,071 | 3,501,213,899 | 1,060,898,051 | 1,078,323,515 |
| Goodwill | 4, 16 | 6,875,748 | 12,302,815 | - | - |
| Other intangible assets | 17 | 2,434,240 | 4,040,441 | 191,207 | 357,687 |
| Land possessory rights | 18 | 192,191,716 | 193,157,504 | 6,238,650 | 6,270,000 |
| Rubber plantation development costs | 20 | 891,575,091 | 885,902,465 | - | - |
| Withholding tax deducted at source | | 168,199,869 | 163,765,430 | 159,725,661 | 157,296,158 |
| Advance payment for land possessory rights | 19 | 34,830,416 | 34,830,416 | - | - |
| Deferred tax assets | 32 | - | 14,732,332 | - | - |
| Other non-current assets | | 9,791,631 | 9,773,231 | 2,310,569 | 2,454,078 |
| Total non-current assets | | 5,408,587,693 | 5,509,591,142 | 3,299,044,998 | 3,326,297,472 |
| Total assets | | 7,611,577,017 | 8,097,847,356 | 5,867,494,622 | 6,174,503,888 |

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

Statement of financial position

| Liabilities and equity | Note | Consolidated | | Separate | |
|--|-------|----------------------|----------------------|----------------------|----------------------|
| | | financial statements | | financial statements | |
| | | 31 December 2019 | 31 December 2018 | 31 December 2019 | 31 December 2018 |
| | | (in Baht) | | | |
| Current liabilities | | | | | |
| Bank overdrafts and short-term borrowings | | | | | |
| from financial institutions | 21 | 3,698,215,641 | 3,623,105,225 | 2,906,702,844 | 2,974,031,926 |
| Trade accounts payable | 5, 22 | 140,097,278 | 175,389,832 | 34,468,186 | 63,083,025 |
| Other payables | 5, 23 | 124,615,544 | 103,945,730 | 37,074,966 | 31,023,353 |
| Short-term borrowings from related parties | 5, 21 | 3,100,000 | 4,500,000 | 47,000,000 | 47,000,000 |
| Current portion of long-term borrowings | | | | | |
| from financial institutions | 21 | 238,600,000 | 132,500,000 | 105,000,000 | 82,500,000 |
| Current portion of finance lease liabilities | 21 | 22,126,975 | 40,677,651 | 20,885,472 | 39,312,538 |
| Accrued expenses | | 51,574,812 | 48,940,635 | 8,834,645 | 13,346,170 |
| Current income tax payable | | - | 1,383,845 | - | - |
| Other current liabilities | | 3,517,161 | 3,815,330 | 1,502,954 | 1,372,843 |
| Total current liabilities | | 4,281,847,411 | 4,134,258,248 | 3,161,469,067 | 3,251,669,855 |
| Non-current liabilities | | | | | |
| Long-term borrowings from financial institut | 21 | 942,687,175 | 1,166,287,175 | 726,250,000 | 816,250,000 |
| Finance lease liabilities | 21 | 32,063,046 | 54,480,947 | 30,216,158 | 51,403,291 |
| Non-current provisions for employee | 24 | 95,557,353 | 55,368,540 | 71,871,352 | 37,238,323 |
| Deferred tax liabilities | 32 | 270,629,851 | 246,580,213 | 57,698,365 | 53,601,256 |
| Other non-current liability | | 3,000,000 | 3,000,000 | - | - |
| Total non-current liabilities | | 1,343,937,425 | 1,525,716,875 | 886,035,875 | 958,492,870 |
| Total liabilities | | 5,625,784,836 | 5,659,975,123 | 4,047,504,942 | 4,210,162,725 |
| Equity | | | | | |
| Share capital: | | | | | |
| Authorised share capital | 25 | 681,479,688 | 681,479,688 | 681,479,688 | 681,479,688 |
| Issued and paid-up share capital | 25 | 681,479,688 | 681,479,688 | 681,479,688 | 681,479,688 |
| Share premium | | | | | |
| Share premium on ordinary shares | 25 | 342,170,431 | 342,170,431 | 342,170,431 | 342,170,431 |
| Retained earnings (deficit) | | | | | |
| Appropriated | | | | | |
| Legal reserve | 26 | 108,695,924 | 108,695,924 | 70,972,000 | 70,972,000 |
| Unappropriated (deficit) | | (482,680,504) | (164,845,405) | 208,633,196 | 357,930,077 |
| Other components of equity | 26 | 1,239,966,302 | 1,251,504,648 | 516,734,365 | 511,788,967 |
| Equity attributable to owners | | | | | |
| of the parent | | 1,889,631,841 | 2,219,005,286 | 1,819,989,680 | 1,964,341,163 |
| Non-controlling interests | 12 | 96,160,340 | 218,866,947 | - | - |
| Total equity | | 1,985,792,181 | 2,437,872,233 | 1,819,989,680 | 1,964,341,163 |
| Total liabilities and equity | | 7,611,577,017 | 8,097,847,356 | 5,867,494,622 | 6,174,503,888 |

Thai Rubber Latex Group Public Company Limited and its Subsidiaries

(Formerly "Thai Rubber Latex Corporation (Thailand) Public Company Limited")

Statement of comprehensive income

| | | Consolidated | | Separate | |
|---|----|------------------------|----------------------|------------------------|----------------------|
| | | financial statements | | financial statements | |
| | | Year ended 31 December | | Year ended 31 December | |
| Note | | 2019 | 2018 | 2019 | 2018 |
| | | (in Baht) | | | |
| Income | | | | | |
| Revenue from sales of goods | 33 | 6,827,452,425 | 7,513,341,602 | 5,294,223,395 | 5,699,585,876 |
| Other income | 28 | 43,671,108 | 62,908,284 | 12,577,451 | 123,952,446 |
| Total income | | 6,871,123,533 | 7,576,249,886 | 5,306,800,846 | 5,823,538,322 |
| Expenses | | | | | |
| Cost of sales of goods | 9 | 6,320,997,602 | 6,645,123,582 | 4,921,464,301 | 5,168,128,880 |
| Distribution costs | | 309,143,717 | 310,329,370 | 243,395,553 | 252,574,469 |
| Administrative expenses | | 478,541,420 | 358,190,547 | 158,995,705 | 217,728,554 |
| Finance costs | 31 | 204,756,214 | 190,614,698 | 159,609,092 | 158,437,594 |
| Total expenses | | 7,313,438,953 | 7,504,258,197 | 5,483,464,651 | 5,796,869,497 |
| Share of loss of investments in associates | 10 | (1,222,990) | (712,667) | - | - |
| Total | | (1,222,990) | (712,667) | - | - |
| Profit (loss) before income tax expense | | (443,538,410) | 71,279,022 | (176,663,805) | 26,668,825 |
| Tax (income) expense | 32 | 30,137,166 | 8,968,710 | (4,547,695) | (11,975,441) |
| Profit (loss) for the year | | (473,675,576) | 62,310,312 | (172,116,110) | 38,644,266 |
| Other comprehensive income | | | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | | | |
| Exchange differences on translating foreign operations | | (6,074,669) | (4,779,318) | - | - |
| Share of other comprehensive expense of associates | 10 | (94,434) | (74,334) | - | - |
| Total items that will be reclassified subsequently to profit or loss | | (6,169,103) | (4,853,652) | - | - |
| <i>Items that will not be reclassified to profit or loss</i> | | | | | |
| Gains on revaluation of assets | 26 | 57,347,926 | - | 57,347,926 | - |
| Gains (losses) on remeasurements of defined benefit plans | 24 | (14,123,905) | 13,490,850 | (14,123,905) | 12,993,937 |
| Income tax relating to items that will not be reclassified | 32 | (8,644,804) | (2,698,170) | (8,644,804) | (2,598,787) |
| Total items that will not be reclassified to profit or loss | | 34,579,217 | 10,792,680 | 34,579,217 | 10,395,150 |
| Other comprehensive income for the year, net of income tax | | 28,410,114 | 5,939,028 | 34,579,217 | 10,395,150 |
| Total comprehensive income (expense) for the year | | (445,265,462) | 68,249,340 | (137,536,893) | 49,039,416 |
| Profit (loss) attributable to: | | | | | |
| Owners of the parent | | (351,722,621) | 18,224,798 | (172,116,110) | 38,644,266 |
| Non-controlling interests | 12 | (121,952,955) | 44,085,514 | - | - |
| Profit (loss) for the year | | (473,675,576) | 62,310,312 | (172,116,110) | 38,644,266 |
| Total comprehensive income (expense) attributable to: | | | | | |
| Owners of the parent | | (322,558,855) | 25,275,051 | (137,536,893) | 49,039,416 |
| Non-controlling interests | 12 | (122,706,607) | 42,974,289 | - | - |
| Total comprehensive income (expense) for the year | | (445,265,462) | 68,249,340 | (137,536,893) | 49,039,416 |
| Earnings (loss) per share | | | | | |
| Earnings (loss) per share (in Baht) | 34 | (0.52) | 0.03 | (0.25) | 0.06 |

Thai Rubber Latex Group Public Company Limited

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

Statement of changes in equity

| Consolidated financial statements | | | | | | | | | | | | | |
|--|----------------------------------|-----------------|---|---------------|--------------------------|--------------------------------|-------------------------------|---|---|----------------------------------|---|---------------------------|-----------------|
| | Retained earnings/(Deficit) | | | | | Other components of equity | | | | | | | |
| | Issued and paid-up share capital | Share premium | Difference from business combination under common control | Legal reserve | Unappropriated (Deficit) | Translating foreign operations | Revaluation surplus (in Baht) | Changes in ownership interest in subsidiaries | Share of other comprehensive income/(expenses) of investments in associates | Total other components of equity | Total equity attributable to owners of the parent | Non-controlling interests | Total equity |
| Note | | | | | | | | | | | | | |
| For the year ended 31 December 2018 | | | | | | | | | | | | | |
| Balance at 1 January 2018 | 1,685,079,688 | 342,170,431 | (1,003,600,000) | 135,555,246 | (242,494,785) | (5,247,096) | 1,315,514,082 | (11,412,912) | 1,881,123 | 1,300,735,197 | 2,217,445,777 | 221,631,622 | 2,439,077,399 |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | | |
| Distributions to owners of the parent | | | | | | | | | | | | | |
| Reduction of ordinary shares | 25 | (1,003,600,000) | - | - | - | - | - | - | - | - | (1,003,600,000) | - | (1,003,600,000) |
| Dividends paid in subsidiaries | | - | - | - | - | - | - | - | - | - | - | (16,287,192) | (16,287,192) |
| Dividends paid to owners of the Company | 35 | - | - | - | (27,256,360) | - | - | - | - | - | (27,256,360) | - | (27,256,360) |
| Total distributions to owners of the parent | | (1,003,600,000) | - | - | (27,256,360) | - | - | - | - | - | (1,030,856,360) | (16,287,192) | (1,047,143,552) |
| Changes in ownership interests in subsidiaries | | | | | | | | | | | | | |
| Acquisition of non-controlling interests without a change in | 4 | - | - | - | 7,971,047 | (11,990,050) | 434,092 | 3,585,746 | 3,539,983 | - | 7,559,821 | 3,540,818 | (29,451,772) |
| Total changes in ownership interests in subsidiaries | | - | - | - | 7,971,047 | (11,990,050) | 434,092 | 3,585,746 | 3,539,983 | - | 7,559,821 | 3,540,818 | (29,451,772) |
| Comprehensive income for the year | | | | | | | | | | | | | |
| Profit | | - | - | - | - | 18,224,798 | - | - | - | - | 18,224,798 | 44,085,514 | 62,310,312 |
| Other comprehensive income | | - | - | - | - | 11,153,257 | (4,028,670) | - | - | (74,334) | 7,050,253 | (1,111,225) | 5,939,028 |
| Total comprehensive income for the year | | - | - | - | - | 29,378,055 | (4,028,670) | - | - | (74,334) | 25,275,051 | 42,974,289 | 68,249,340 |
| Transfer to legal reserve | | - | - | - | 12,322,000 | (12,322,000) | - | - | - | - | - | - | - |
| Transfer to legal reserve in subsidiary | | - | - | - | 3,227,631 | (3,227,631) | - | - | - | - | - | - | - |
| Transfer to retained earnings | | - | - | - | - | 52,687,366 | (52,687,366) | - | - | (52,687,366) | - | - | - |
| Effect of business restructuring | 25 | - | - | 1,003,600,000 | (50,380,000) | 50,380,000 | - | - | - | - | 1,003,600,000 | - | 1,003,600,000 |
| Balance at 31 December 2018 | | 681,479,688 | 342,170,431 | - | 108,695,924 | (164,845,405) | (8,841,674) | 1,266,412,462 | (7,872,929) | 1,806,789 | 1,251,504,648 | 218,866,947 | 2,437,872,233 |

Thai Rubber Latex Group Public Company Limited

Thai Rubber Latex Group Public Company Limited and its Subsidiaries

(Formerly "Thai Rubber Latex Corporation (Thailand) Public Company Limited")

Statement of changes in equity

| Consolidated financial statements | | | | | | | | | | | | | | |
|---|----------------------------------|-----------------------------|---------------|----------------------------|--------------------------------|---------------------|---|---|----------------------------------|---|----------------------------|---------------|--|--|
| | | Retained earnings/(Deficit) | | | Other components of equity | | | | | | | | | |
| | Issued and paid-up share capital | Share premium | Legal reserve | Unappro- priated (Deficit) | Translating foreign operations | Revaluation surplus | Changes in ownership interest in subsidiaries | Share of other comprehensive income/(expenses) of investments in associates | Total other components of equity | Total equity attributable to owners of the parent | Non- controlling interests | Total equity | | |
| Note | | | | | | | | | | | | | | |
| (in Baht) | | | | | | | | | | | | | | |
| For the year ended 31 December 2019 | | | | | | | | | | | | | | |
| Balance at 1 January 2019 | 681,479,688 | 342,170,431 | 108,695,924 | (164,845,405) | (8,841,674) | 1,266,412,462 | (7,872,929) | 1,806,789 | 1,251,504,648 | 2,219,005,286 | 218,866,947 | 2,437,872,233 | | |
| Transactions with owners, recorded directly in equity | | | | | | | | | | | | | | |
| <i>Distributions to owners of the parent</i> | | | | | | | | | | | | | | |
| Dividends paid to owners of the Company | 35 | - | - | (6,814,590) | - | - | - | - | - | (6,814,590) | - | (6,814,590) | | |
| Total distributions to owners of the parent | | - | - | (6,814,590) | - | - | - | - | - | (6,814,590) | - | (6,814,590) | | |
| Comprehensive income for the year | | | | | | | | | | | | | | |
| Loss | - | - | - | (351,722,621) | - | - | - | - | - | (351,722,621) | (121,952,955) | (473,675,576) | | |
| Other comprehensive income | - | - | - | (11,299,124) | (5,321,017) | 45,878,341 | - | (94,434) | 40,462,890 | 29,163,766 | (753,652) | 28,410,114 | | |
| Total comprehensive income for the year | - | - | - | (363,021,745) | (5,321,017) | 45,878,341 | - | (94,434) | 40,462,890 | (322,558,855) | (122,706,607) | (445,265,462) | | |
| Transfer to retained earnings | - | - | - | 52,001,236 | - | (52,001,236) | - | - | (52,001,236) | - | - | - | | |
| Balance at 31 December 2019 | 681,479,688 | 342,170,431 | 108,695,924 | (482,680,504) | (14,162,691) | 1,260,289,567 | (7,872,929) | 1,712,355 | 1,239,966,302 | 1,889,631,841 | 96,160,340 | 1,985,792,181 | | |

Thai Rubber Latex Group Public Company Limited

Thai Rubber Latex Group Public Company Limited and its Subsidiaries

(Formerly "Thai Rubber Latex Corporation (Thailand) Public Company Limited")

Statement of changes in equity

| Separate financial statements | | | | | | | | Other components of |
|---|--|--------------------|---|-------------------------------|---------------------|------------------------|------------------------|---------------------|
| | | | | Retained earnings | | equity | | |
| Note | Issued and paid-up share capital | Share premium | Difference from business combination under common control | Legal reserve (in Baht) | Unappropriated | Revaluation surplus | Total equity | |
| For the year ended 31 December 2018 | | | | | | | | |
| Balance at 1 January 2018 | 1,685,079,688 | 342,170,431 | (397,599,771) | 58,650,000 | 307,559,235 | 552,698,753 | 2,548,558,336 | |
| Transactions with owners, recorded directly in equity | | | | | | | | |
| <i>Distributions to owners of the parent</i> | | | | | | | | |
| Reduction of ordinary shares | 25 (1,003,600,000) | - | - | - | - | - | (1,003,600,000) | |
| Dividends paid to owners at the Company | 35 - | - | - | - | (27,256,360) | - | (27,256,360) | |
| Total distributions to owners of the parent | (1,003,600,000) | - | - | - | (27,256,360) | - | (1,030,856,360) | |
| Comprehensive income for the year | | | | | | | | |
| Profit | - | - | - | - | 38,644,266 | - | 38,644,266 | |
| Other comprehensive income | - | - | - | - | 10,395,150 | - | 10,395,150 | |
| Total comprehensive income for the year | - | - | - | - | 49,039,416 | - | 49,039,416 | |
| Transfer to legal reserve | - | - | - | 12,322,000 | (12,322,000) | - | - | |
| Transfer to retained earnings | - | - | - | - | 40,909,786 | (40,909,786) | - | |
| Effect of business restructuring | - | - | 397,599,771 | - | - | - | 397,599,771 | |
| Balance at 31 December 2018 | 681,479,688 | 342,170,431 | - | 70,972,000 | 357,930,077 | 511,788,967 | 1,964,341,163 | |

Thai Rubber Latex Group Public Company Limited

Thai Rubber Latex Group Public Company Limited and its Subsidiaries

(Formerly "Thai Rubber Latex Corporation (Thailand) Public Company Limited")

Statement of changes in equity

| Separate financial statements | | | | | | |
|---|--|--------------------|-------------------|--------------------|------------------------|----------------------|
| Note | Issued and paid-up share capital | Share premium | Retained earnings | | Other components of | Total equity |
| | | | Legal reserve | Unappropriated | equity | |
| | | | (in Baht) | | Revaluation surplus | |
| For the year ended 31 December 2019 | | | | | | |
| Balance at 1 January 2019 | 681,479,688 | 342,170,431 | 70,972,000 | 357,930,077 | 511,788,967 | 1,964,341,163 |
| Transactions with owners, recorded directly in equity | | | | | | |
| <i>Distributions to owners of the parent</i> | | | | | | |
| Dividends paid to owners at the Company | 35 | - | - | (6,814,590) | - | (6,814,590) |
| <i>Total distributions to owners of the parent</i> | | - | - | (6,814,590) | - | (6,814,590) |
| Comprehensive income for the year | | | | | | |
| Loss | | - | - | (172,116,110) | - | (172,116,110) |
| Other comprehensive income | | - | - | (11,299,124) | 45,878,341 | 34,579,217 |
| Total comprehensive income for the year | | - | - | (183,415,234) | 45,878,341 | (137,536,893) |
| Transfer to retained earnings | | - | - | 40,932,943 | (40,932,943) | - |
| Balance at 31 December 2019 | 681,479,688 | 342,170,431 | 70,972,000 | 208,633,196 | 516,734,365 | 1,819,989,680 |

Thai Rubber Latex Group Public Company Limited and its Subsidiaries
(Formerly “Thai Rubber Latex Corporation (Thailand) Public Company Limited”)

Statement of cash flows

| | Consolidated | | Separate | |
|--|------------------------|--------------------|------------------------|--------------------|
| | financial statements | | financial statements | |
| | Year ended 31 December | | Year ended 31 December | |
| | 2019 | 2018 | 2019 | 2018 |
| | (in Baht) | | | |
| <i>Cash flows from operating activities</i> | | | | |
| Profit (loss) for the year | (473,675,576) | 62,310,312 | (172,116,110) | 38,644,266 |
| <i>Adjustments to reconcile profit to cash receipts (payments)</i> | | | | |
| Tax expense (income) | 30,137,166 | 8,968,710 | (4,547,695) | (11,975,441) |
| Finance costs | 204,756,214 | 190,614,698 | 159,609,092 | 158,437,594 |
| Depreciation and amortisation | 231,421,498 | 236,773,126 | 78,480,093 | 101,604,404 |
| Amortisation of rubber plantation development costs | 2,169,655 | 8,824,312 | - | - |
| Amortisation of land processory rights | 965,788 | - | 31,350 | - |
| Allowance for (reversal of) bad and doubtful debts expenses | 136,704,029 | (3,000) | (2,000) | (3,000) |
| Allowance for (reversal of) losses on inventories devaluation | 64,929,210 | (4,473,236) | - | - |
| Unrealised loss on exchange | 1,676,400 | 7,004,141 | 758,063 | 4,190,769 |
| Loss on impairment of investments in subsidiary | - | - | - | 39,180,000 |
| Loss on impairment of other long-term investment | - | 18,800,000 | - | 18,800,000 |
| Loss on impairment of goodwill | 5,427,068 | - | - | - |
| Gain on capital return of subsidiary | - | - | - | (62,000,283) |
| (Gain) loss on fair value adjustment of investment properties | 13,380,000 | (3,120,000) | 11,980,000 | (140,000) |
| (Gain) loss on disposal of property, plant and equipment | (887,416) | 664,918 | (354,540) | - |
| Loss on written-off of property, plant and equipment | 4,241,473 | 9,941,913 | 2,251,822 | - |
| Provision for employee benefits | 29,652,194 | 5,883,182 | 21,554,531 | 3,990,836 |
| Share of loss of investments in associates, net of income tax | 1,222,990 | 712,667 | - | - |
| Written-off of withholding tax deducted at source | - | 739,809 | - | 739,809 |
| Dividends income | - | - | - | (20,623,947) |
| Interest income | (1,561,191) | (539,508) | (348,418) | (27,962,733) |
| | 250,559,502 | 543,102,044 | 97,296,188 | 242,882,274 |
| <i>Changes in operating assets and liabilities</i> | | | | |
| Trade and other accounts receivables | 26,568,344 | (42,055,215) | 109,990,993 | (34,036,790) |
| Inventories | 82,266,385 | 59,847,123 | 117,724,023 | 109,003,956 |
| Other current assets | 10,076,517 | 18,165,586 | 5,377,848 | 7,581,156 |
| Other non-current assets | (18,400) | 581,718 | 143,509 | (783,715) |
| Trade and other accounts payables | (16,863,409) | (84,070,409) | (25,507,812) | (3,050,498) |
| Accrued expenses | 2,634,187 | (27,114,803) | (4,511,515) | (16,394,819) |
| Other current liabilities | (298,171) | (1,508,947) | 130,110 | (1,798,099) |
| Non-current provision for employee benefits | (3,587,286) | (4,192,960) | (1,045,407) | (2,827,170) |
| Cash generated from (used in) operating activities | 351,337,669 | 462,754,137 | 299,597,937 | 300,576,295 |
| Tax received | 24,123,544 | 28,468,485 | 24,123,544 | 28,225,931 |
| Tax paid | (29,941,828) | (35,501,070) | (26,553,046) | (26,869,949) |
| Net cash from operating activities | 345,519,385 | 455,721,552 | 297,168,435 | 301,932,277 |

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

Statement of cash flows

| | Consolidated financial statements | | Separate financial statements | |
|--|--------------------------------------|----------------------|----------------------------------|----------------------|
| | Year ended 31 December | | Year ended 31 December | |
| | 2019 | 2018 | 2019 | 2018 |
| | (in Baht) | | | |
| <i>Cash flows from investing activities</i> | | | | |
| Repayment of short-term loans to related parties | - | - | - | (63,500,000) |
| Proceeds from short-term loans to related parties | - | - | 38,000,000 | 479,770,400 |
| Decrease in short-term loans to other parties | (6,000,000) | - | (6,000,000) | - |
| Proceeds from short-term loans to other parties | 6,000,000 | - | 6,000,000 | - |
| Acquisition of non-controlling interest | - | (26,164,444) | - | (526,493,989) |
| (Increase) decrease in restricted deposit at financial institution | 10,024,274 | (6,621,011) | (64,826) | (6,531,911) |
| Acquisition of business | - | (102,323,430) | - | - |
| Acquisition of property, plant and equipment | (110,698,620) | (307,742,559) | (5,792,645) | (28,223,700) |
| Acquisition of other intangible assets | (604,031) | (999,665) | - | (29,827) |
| Proceeds from disposal of property, plant and equipment | 1,431,431 | 3,078,598 | 355,140 | - |
| Increase in rubber plantation development costs | (7,842,281) | (10,603,392) | - | - |
| Interest received | 1,561,191 | 539,508 | 348,418 | 60,528,849 |
| Dividends received | - | 535,600 | - | 20,623,947 |
| Net cash from (used in) investing activities | (106,128,036) | (450,300,795) | 32,846,087 | (63,856,231) |
| <i>Cash flows from financing activities</i> | | | | |
| Increase (decrease) in bank overdrafts and short-term borrowings | | | | |
| from financial institutions | 75,110,416 | 220,344,425 | (67,329,082) | 66,706,874 |
| Payment by a lessee for reduction of the outstanding liability | | | | |
| relating to a finance lease | (40,968,577) | (76,465,240) | (39,614,199) | (74,830,137) |
| Proceeds from short-term borrowings from related parties | - | - | - | 15,000,000 |
| Repayment of short-term borrowings from related parties | (1,400,000) | (3,500,000) | - | - |
| Proceeds from long-term borrowings | - | 175,037,175 | - | - |
| Repayment of long-term borrowings | (117,500,000) | (108,750,000) | (67,500,000) | (58,750,000) |
| Dividends paid to owners of the Company | (6,814,590) | (27,256,360) | (6,814,590) | (27,256,360) |
| Proceeds from change in non-controlling interests | | | | |
| without a change in control | - | 253,490 | - | - |
| Dividends paid of subsidiaries to non-controlling interest | - | (16,287,192) | - | - |
| Interest paid | (200,827,342) | (188,364,603) | (155,021,740) | (156,357,996) |
| Other finance costs paid | (7,384,858) | (8,225,204) | (2,711,676) | (3,060,840) |
| Net cash used in financing activities | (299,784,951) | (33,213,509) | (338,991,287) | (238,548,459) |
| Net decrease in cash and cash equivalents, | | | | |
| before effect of exchange rates | (60,393,602) | (27,792,752) | (8,976,765) | (472,413) |
| Effect of exchange rate changes on cash and cash equivalents | (6,074,668) | (4,779,318) | - | - |
| Net decrease in cash and cash equivalents | (66,468,270) | (32,572,070) | (8,976,765) | (472,413) |
| Cash and cash equivalents at 1 January | 157,594,536 | 190,166,606 | 43,078,846 | 43,551,259 |
| Cash and cash equivalents at 31 December | 91,126,266 | 157,594,536 | 34,102,081 | 43,078,846 |
| <i>Supplemental disclosures of cash flow information</i> | | | | |
| <i>Non-cash transactions</i> | | | | |
| Assets acquired under financial lease and hire purchase agreer | - | 6,176,519 | - | 5,559,069 |
| Advance payment for land possessory rights | - | 1,718,232 | - | - |
| Capital return from business restructuring | - | - | - | 62,000,283 |
| Payables for purchase of assets | 19,801,291 | 10,871,332 | - | - |

14. Management Discussion and Analysis (MD&A)

14.1 Overall Performance

The company and its subsidiaries (“the Group Company”) reported that for the financial statements for fiscal year 2019, the Group Company’s loss before tax was Baht 443.54 million and corporate tax expenses was Baht 30.14 million. As a result, the net loss was Baht 473.68 million. It was because of the effect from ongoing US-China trade war causing economic depression, and the unstable rubber market, affecting the fluctuation of field latex price. Comparing the average price of field latex of 2018 and 2019, the price was Baht 42.74 per kilogram in 2018 and went up slightly to Baht 43.69 per kilogram in 2019, the increase of 2.22% (Source: Rubber Research Institute of Thailand). The price was still at low level. Moreover, Thai Baht’s strength had continually risen since 2018.

14.2 Performance and Profitability

The Group Company had sales and service income Baht 6,827.45 million comparing to the same period last year which was Baht 7,513.34 million, the decrease of 9.13% or Baht 685.89 million. The effect from trade war was causing the world demand for rubber lower and the fluctuation of field latex price resulting the company’s income lower. Cost of sales and service in 2019 comparing to 2018 was Baht 6,320.99 million and Baht 6,645.12 million, the decrease of 4.88% or Baht 324.13 million due to a drop in sales income. However, the Company still has improving of rubber production which caused greater output and higher quality of rubber products. However, the price of chemical materials increased, causing the higher cost of production.

The company had its subsidiary companies and associated company with financial results as follows:

Latex and pre-vulcanized latex group had loss before tax Baht 172 million due to the lowlevel of rubber price causing sale income of skim rubber lower, the effect from ongoing US-China trade war since 2018 and the appreciation of the Thai Baht, which was at Baht 32 to the US Dollar in the beginning of 2019 and reached Baht 30 to the US Dollar in the end of the year, the decrease of 6.25%. Moreover, the world rubber market has been more competitive. Because the Group Company invested in the new plants and tanks for producing and containing more products since the late 2016, it could contain more materials in order to produce more products for demand in the future.

Finished product group had loss before tax Baht 258 million due to the effect from trade war causing decrease in rubber product demand, which has the effect to customers in China directly. However, the group’s consumers were mainly from China and Europe and would

continue to expand more because of the group's products have good qualities to meet demand.

Rubber plantation group had Baht 14 million in loss before tax, the decrease in loss of Baht 27 million comparing to the same period of the last year. The group had the better result because it had improved its management. Although there were many factors affecting business such as the high volatility of field latex price and the latex price was at the low level, the group had fixed cost which was why the company had the net loss.

14.3 Asset Management

(1) Components of assets

- The value of the current assets was 2,203 million Baht, which is the decreased of 385 million Baht or 15%, due to the decrease of 160 million Baht in account receivable and the decrease of 147 million Baht in inventories. The Group has allowance for doubtful accounts and diminution in value of inventories.

- The value of the non-current assets was 5,409 million Baht, which decreased of 101 million Baht because of an decrease of 63 million in Land, buildings and equipment Baht and an decrease of 13 million in investment property. It is a decrease in the value of assets according to the useful of assets from normal operations and the fair value appraisal decreased as appraised by independent experts.

(2) Impairment of Assets

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

(3) Account Receivable

The value of trade account receivable was 1,097 million Baht. After deduction of allowance for doubtful accounts, the net value of trade account receivable was 827 million Baht. In 2019, the value of account receivable decreased by 160 million Baht by comparison with the previous year. This was because the Concentrated Latex and Rubber Product Group decreased their sales.

- Allowance for doubtful accounts was completely made at the value of 133 million Baht, amounting to 12% of the trade account receivable. In 2018, there was not any additional allowance for doubtful accounts.

(4) Inventories

The net value of inventories after deduction of allowance for diminution in value of inventories was 1,104 million Baht, Inventories decreased by 147 million baht in comparison with the previous year due to the diminution in value of inventories, 65 million Baht and rubber price dropped causing the decrease in value of inventories and materials.

14.4 Liquidity and capital sufficiency

(1) Sources and User of Capital

- There were changes in capital sources and user of capital. In 2019, the net cash received from operations was 346 million Baht.

- Appropriateness of the capital structure: The company uses the capital structure mainly from liabilities. The ratio of debt to equity shareholders in 2019 was 2.83 times, up from 2.32 times in the year 2018 due to the loss in net profit.

(2) Investment Expenditures

In terms of investment in 2019, net cash from investing activities of the company was 106 million Baht, mainly on purchasing the land, buildings and equipment, amount of 110 million Baht, to increase group's production capacity

(3) Liquidity Management

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

14.5 Factors affecting future operations

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

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

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

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