

## PART 3

### Financial Status and Operational Results

#### 13. Significant financial information

##### Thai Rubber Latex Group Public Company Limited and its Subsidiaries

##### Statement of financial position

Assets	Note	Consolidated financial statements		Separate financial statements	
		31 December		31 December	
		2020	2019	2020	2019
(in Baht)					
<b>Current assets</b>					
Cash and cash equivalents	7	85,549,199	91,126,266	1,744,789	34,102,081
Trade and other current receivables	6, 28	1,183,555,839	952,834,087	1,049,180,037	811,969,635
Short-term loans to related parties	6	-	-	166,000,000	992,932,600
Inventories	8	1,052,320,110	1,103,766,615	728,836,004	680,677,726
Other current assets		83,540,941	55,262,356	73,269,408	48,767,582
<b>Total current assets</b>		<b>2,404,966,089</b>	<b>2,202,989,324</b>	<b>2,019,030,238</b>	<b>2,568,449,624</b>
<b>Non-current assets</b>					
Restricted deposit at financial institution		6,654,116	6,596,737	6,654,116	6,596,737
Investments in associates	9	28,444,160	29,664,174	-	-
Investments in subsidiaries	10	-	-	2,822,474,123	1,873,274,123
Non-current investments in financial assets	28	70,000,000	81,200,000	70,000,000	81,200,000
Investment properties	12	804,725,883	547,690,000	292,155,883	108,610,000
Property, plant and equipment	13	3,669,944,123	3,437,538,071	963,781,138	1,060,898,051
Goodwill	14	-	6,875,748	-	-
Intangible assets other than goodwill		4,440,635	2,434,240	20,462	191,207
Land possessory rights	15	188,328,566	192,191,716	6,113,250	6,238,650
Rubber plantation development costs	17	890,302,792	891,575,091	-	-
Withholding tax deducted at source		152,845,112	168,199,869	142,497,170	159,725,661
Advance payment for land possessory rights	16	34,830,416	34,830,416	-	-
Other non-current assets		9,256,769	9,791,631	2,302,567	2,310,569
<b>Total non-current assets</b>		<b>5,859,772,572</b>	<b>5,408,587,693</b>	<b>4,305,998,709</b>	<b>3,299,044,998</b>
<b>Total assets</b>		<b>8,264,738,661</b>	<b>7,611,577,017</b>	<b>6,325,028,947</b>	<b>5,867,494,622</b>

# Thai Rubber Latex Group Public Company Limited and its Subsidiaries

## Statement of financial position

Liabilities and equity	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December		31 December	
		2020	2019	2020	2019
		(in Baht)			
<b>Current liabilities</b>					
Bank overdrafts and short-term borrowings					
from financial institutions	18	3,882,011,709	3,698,215,641	3,200,210,989	2,906,702,844
Trade and other current payables	6	387,069,635	264,712,822	105,995,571	71,543,152
Short-term borrowings from related parties	6, 18	1,600,000	3,100,000	47,000,000	47,000,000
Current portion of long-term borrowings	18	773,000,000	238,600,000	720,000,000	105,000,000
Current portion of lease liabilities					
(2019: Current portion of finance lease liabilities, 18		31,850,290	22,126,975	21,136,457	20,885,472
Accrued expenses		55,108,025	51,574,812	33,957,700	8,834,645
Other current liabilities		10,868,093	3,517,161	1,696,030	1,502,954
<b>Total current liabilities</b>		<b>5,141,507,752</b>	<b>4,281,847,411</b>	<b>4,129,996,747</b>	<b>3,161,469,067</b>
<b>Non-current liabilities</b>					
Long-term borrowings	18	303,429,335	942,687,175	6,250,000	726,250,000
Lease liabilities (2019: Finance lease liabilities)	18	25,018,897	32,063,046	11,535,672	30,216,158
Non-current provisions for employee benefits	19	93,322,866	95,557,353	67,652,930	71,871,352
Deferred tax liabilities	25	390,866,732	270,629,851	73,355,220	57,698,365
Other non-current liability		5,625,664	3,000,000	-	-
<b>Total non-current liabilities</b>		<b>818,263,494</b>	<b>1,343,937,425</b>	<b>158,793,822</b>	<b>886,035,875</b>
<b>Total liabilities</b>		<b>5,959,771,246</b>	<b>5,625,784,836</b>	<b>4,288,790,569</b>	<b>4,047,504,942</b>
<b>Equity</b>					
Share capital:					
Authorised share capital					
(681,479,688 ordinary shares, par value at Baht 1.00 per share)		681,479,688	681,479,688	681,479,688	681,479,688
Issued and paid-up share capital					
Baht					
1.00 per share)		681,479,688	681,479,688	681,479,688	681,479,688
Advance received from share subscription	10	14,200,000	-	-	-
Surplus on share-based payment	23	17,395,000	-	-	-
Share premium					
Share premium on ordinary shares	20	342,170,431	342,170,431	342,170,431	342,170,431
Retained earnings (deficit)					
Appropriated					
Legal reserve	20	108,695,924	108,695,924	70,972,000	70,972,000
Unappropriated (deficit)		(413,287,182)	(482,680,504)	351,386,702	208,633,196
Other components of equity	20	1,580,193,052	1,239,966,302	590,229,557	516,734,365
<b>Equity attributable to owners</b>					
of the parent		<b>2,330,846,913</b>	<b>1,889,631,841</b>	<b>2,036,238,378</b>	<b>1,819,989,680</b>
Non-controlling interests	11	(25,879,498)	96,160,340	-	-
<b>Total equity</b>		<b>2,304,967,415</b>	<b>1,985,792,181</b>	<b>2,036,238,378</b>	<b>1,819,989,680</b>
<b>Total liabilities and equity</b>		<b>8,264,738,661</b>	<b>7,611,577,017</b>	<b>6,325,028,947</b>	<b>5,867,494,622</b>

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**  
**Statement of comprehensive income**

		Consolidated		Separate	
		financial statements		financial statements	
		Year ended 31 December		Year ended 31 December	
Note		2020	2019	2020	2019
		(in Baht)			
<b>Revenues</b>					
Revenues from sales of goods	21	6,848,180,706	6,827,452,425	5,109,177,035	5,294,223,395
Other income	22	118,109,374	43,671,108	65,455,191	12,577,451
<b>Total revenue</b>		<b>6,966,290,080</b>	<b>6,871,123,533</b>	<b>5,174,632,226</b>	<b>5,306,800,846</b>
<b>Expenses</b>					
Costs of sales of goods	8	6,208,666,753	6,320,997,602	4,558,882,912	4,921,464,301
Distribution costs		239,600,027	309,143,717	194,544,719	243,395,553
Administrative expenses		433,128,887	478,541,420	182,379,547	158,995,705
<b>Total expenses</b>		<b>6,881,395,667</b>	<b>7,108,682,739</b>	<b>4,935,807,178</b>	<b>5,323,855,559</b>
<b>Profit (loss) from operating activities</b>		<b>84,894,413</b>	<b>(237,559,206)</b>	<b>238,825,048</b>	<b>(17,054,713)</b>
Finance costs		185,341,112	204,756,214	141,095,140	159,609,092
Share of profit (loss) of associates	9	(1,125,988)	(1,222,990)	-	-
<b>Profit (loss) before income tax expense</b>		<b>(101,572,687)</b>	<b>(443,538,410)</b>	<b>97,729,908</b>	<b>(176,663,805)</b>
Tax (benefit) expense	25	18,956,894	30,137,166	(11,178,274)	(4,547,695)
<b>Profit (loss) for the year</b>		<b>(120,529,581)</b>	<b>(473,675,576)</b>	<b>108,908,182</b>	<b>(172,116,110)</b>
<b>Other comprehensive income</b>					
<b>Items that will be reclassified subsequently to profit or loss</b>					
Exchange differences on translating financial statements		3,189,367	(6,074,669)	-	-
Share of other comprehensive income (loss) of associates accounted for using equity method	9	(94,026)	(94,434)	-	-
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>3,095,341</b>	<b>(6,169,103)</b>	<b>-</b>	<b>-</b>
<b>Items that will not be reclassified to profit or loss</b>					
Gains on revaluation of assets	13	472,125,933	57,347,926	111,852,416	57,347,926
Revaluation of assets transferred to investment properties	13	42,166,667	-	31,274,479	-
Losses on remeasurements of defined benefit plans	19	(8,024,508)	(14,123,905)	(8,951,251)	(14,123,905)
Income tax relating to items that will not be reclassified	25	(101,253,618)	(8,644,804)	(26,835,128)	(8,644,804)
<b>Total items that will not be reclassified to profit or loss</b>		<b>405,014,474</b>	<b>34,579,217</b>	<b>107,340,516</b>	<b>34,579,217</b>
<b>Other comprehensive income for the year, net of income tax</b>		<b>408,109,815</b>	<b>28,410,114</b>	<b>107,340,516</b>	<b>34,579,217</b>
<b>Total comprehensive income (expense) for the year</b>		<b>287,580,234</b>	<b>(445,265,462)</b>	<b>216,248,698</b>	<b>(137,536,893)</b>
<b>Profit (loss) attributable to:</b>					
Owners of the parent		24,161,891	(351,722,621)	108,908,182	(172,116,110)
Non-controlling interests	11	(144,691,472)	(121,952,955)	-	-
<b>Profit (loss) for the year</b>		<b>(120,529,581)</b>	<b>(473,675,576)</b>	<b>108,908,182</b>	<b>(172,116,110)</b>
<b>Total comprehensive income (expense) attributable to:</b>					
Owners of the parent		409,620,072	(322,558,855)	216,248,698	(137,536,893)
Non-controlling interests	11	(122,039,838)	(122,706,607)	-	-
<b>Total comprehensive income (expense) for the year</b>		<b>287,580,234</b>	<b>(445,265,462)</b>	<b>216,248,698</b>	<b>(137,536,893)</b>
<b>Earnings (loss) per share</b>					
Earnings (loss) per share (in Baht)	26	0.04	(0.52)	0.16	(0.25)

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**
**Statement of changes in equity**

Consolidated financial statements												
		Retained earnings/(Deficit)				Other components of equity						
	Issued and			Unappro-		Changes in	Share of other			Total equity		
	paid-up			riated	Translation	ownership	income (loss) of		Total other	attributable to	Non-	
	share	Share	Legal	priated	reserve	interest in	associates using	Revaluation	components of	owners	controlling	Total
Note	capital	premium	reserve	(Deficit)		subsidiary	equity method	reserves	equity	of the parent	interests	equity
(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)	(7,872,929)	1,806,789	1,266,412,462	1,251,504,648	2,219,005,286	218,866,947	2,437,872,233
Transactions with owners, recorded directly in equity												
Distributions to owners of the parent												
Dividends to owners of the Company	27	-	-	-	(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)	-	(94,434)	45,878,341	40,462,890	29,163,766	28,410,114
Total comprehensive income for the year		-	-	-	(363,021,745)	(5,321,017)	-	(94,434)	45,878,341	40,462,890	(322,558,855)	(445,265,462)
Transfer to retained earnings		-	-	-	52,001,236	-	-	-	(52,001,236)	(52,001,236)	-	-
Balance as at 31 December 2019		681,479,688	342,170,431	108,695,924	(482,680,504)	(14,162,691)	(7,872,929)	1,712,355	1,260,289,567	1,239,966,302	1,889,631,841	1,985,792,181

Consolidated financial statements														
Note	Retained earnings/(Deficit)							Other components of equity						
	Issued and paid-up share capital	Advance received from share subscription	Surplus on share-based payment	Share premium	Legal reserve	Unappropriated (Deficit)	Translation reserve	Changes in ownership interest in subsidiary	Share of other comprehensive income (loss) of associates using equity method	Revaluation reserves	Total other components of equity	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
(in Baht)														
For the year ended 31 December 2020														
Balance at 1 January 2020	681,479,688	-	-	342,170,431	108,695,924	(482,680,504)	(14,162,691)	(7,872,929)	1,712,355	1,260,289,567	1,239,966,302	1,889,631,841	96,160,340	1,985,792,181
Transactions with owners, recorded directly in equity														
Contributions by owners of the parent														
Share-based payment	23	-	-	17,395,000	-	-	-	-	-	-	-	17,395,000	-	17,395,000
Advance received from share subscription	10	-	14,200,000	-	-	-	-	-	-	-	-	14,200,000	-	14,200,000
Total contributions by owners of the parent		-	14,200,000	17,395,000	-	-	-	-	-	-	-	31,595,000	-	31,595,000
Comprehensive income for the year														
Profit or loss		-	-	-	-	24,161,891	-	-	-	-	-	24,161,891	(144,691,472)	(120,529,581)
Other comprehensive income		-	-	-	-	(7,111,358)	3,109,956	-	(94,026)	389,553,609	392,569,539	385,458,181	22,651,634	408,109,815
Total comprehensive income for the year		-	-	-	-	17,050,533	3,109,956	-	(94,026)	389,553,609	392,569,539	409,620,072	(122,039,838)	287,580,234
Transfer to retained earnings														
		-	-	-	-	52,342,789	-	-	-	(52,342,789)	(52,342,789)	-	-	-
Balance as at 31 December 2020		681,479,688	14,200,000	17,395,000	342,170,431	(413,287,182)	(11,052,735)	(7,872,929)	1,618,329	1,597,500,387	1,580,193,052	2,330,846,913	(25,879,498)	2,304,967,415

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**
**Statement of changes in equity**

		Separate financial statements					
				Retained earnings		Other components of equity	
	Note	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Revaluation reserves	Total equity
(in Baht)							
<b>For the year ended 31 December 2019</b>							
<b>Balance at 1 January 2019</b>		<b>681,479,688</b>	<b>342,170,431</b>	<b>70,972,000</b>	<b>357,930,077</b>	<b>511,788,967</b>	<b>1,964,341,163</b>
<b>Transactions with owners, recorded directly in equity</b>							
<i>Distributions to owners of the parent</i>							
Dividends paid to owners at the Company	27	-	-	-	(6,814,590)	-	(6,814,590)
<b>Total distributions to owners of the parent</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,814,590)</b>	<b>-</b>	<b>(6,814,590)</b>
<b>Comprehensive income for the year</b>							
Loss		-	-	-	(172,116,110)	-	(172,116,110)
Other comprehensive income		-	-	-	(11,299,124)	45,878,341	34,579,217
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>(183,415,234)</b>	<b>45,878,341</b>	<b>(137,536,893)</b>
Transfer to retained earnings		-	-	-	40,932,943	(40,932,943)	-
<b>Balance at 31 December 2019</b>		<b>681,479,688</b>	<b>342,170,431</b>	<b>70,972,000</b>	<b>208,633,196</b>	<b>516,734,365</b>	<b>1,819,989,680</b>

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**
**Statement of changes in equity**

	Separate financial statements				Other components of	
	Issued and paid-up share capital	Share premium	Retained earnings		Revaluation reserves	Total equity
			Legal reserve	Unappropriated		
			(in Baht)			
<b>For the year ended 31 December 2020</b>						
<b>Balance at 1 January 2020</b>	<b>681,479,688</b>	<b>342,170,431</b>	<b>70,972,000</b>	<b>208,633,196</b>	<b>516,734,365</b>	<b>1,819,989,680</b>
<b>Comprehensive income for the year</b>						
Profit	-	-	-	108,908,182	-	108,908,182
Other comprehensive income	-	-	-	(7,161,000)	114,501,516	107,340,516
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>101,747,182</b>	<b>114,501,516</b>	<b>216,248,698</b>
Transfer to retained earnings	-	-	-	41,006,324	(41,006,324)	-
<b>Balance at 31 December 2020</b>	<b>681,479,688</b>	<b>342,170,431</b>	<b>70,972,000</b>	<b>351,386,702</b>	<b>590,229,557</b>	<b>2,036,238,378</b>

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**
**Statement of cash flows**

	<b>Consolidated</b>		<b>Separate</b>	
	<b>financial statements</b>		<b>financial statements</b>	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit (loss) for the year	(120,529,581)	(473,675,576)	108,908,182	(172,116,110)
<b><i>Adjustments to reconcile profit to cash receipts (payments)</i></b>				
Tax expense (benefit)	18,956,894	30,137,166	(11,178,274)	(4,547,695)
Finance costs	185,341,112	204,756,214	141,095,140	159,609,092
Depreciation and amortisation	250,448,799	231,421,498	73,093,579	78,480,093
Amortisation of rubber plantation development costs	4,202,999	2,169,655	-	-
Amortisation of land processory rights	3,863,150	965,788	125,400	31,350
(Reversal of) allowance for bad and doubtful debts expenses	44,225,276	136,704,029	712,500	(2,000)
(Reversal of) loss on inventories devaluation	(54,706,664)	64,929,210	-	-
Impairment loss recognised in profit or loss	11,200,000	-	62,000,000	-
Loss on written-off of tax	26,734,171	-	-	-
Unrealised (gain) loss on foreign exchange	(14,927,899)	1,676,400	(11,484,842)	758,063
Loss on impairment of goodwill	6,875,748	5,427,068	-	-
(Gain) loss on fair value adjustment of investment properties	(26,090,000)	13,380,000	(900,000)	11,980,000
(Reversal of) loss on impairment of property, plant and equipment	2,428,449	-	(5,453,206)	-
Gain on disposal of property, plant and equipment	(1,277,651)	(887,416)	(704,645)	(354,540)
Loss on written-off of property, plant and equipment	6,876,016	4,241,473	73,063	2,251,822
Provision for employee benefits	8,891,200	29,652,194	4,444,145	21,554,531
Share-based payment	17,395,000	-	-	-
Share of loss of associates accounted for using equity method, net of ta	1,125,988	1,222,990	-	-
Interest income	(1,219,169)	(1,561,191)	(5,055,576)	(348,418)
	369,813,838	250,559,502	355,675,466	97,296,188
<b><i>Changes in operating assets and liabilities</i></b>				
Trade and other current receivables	(292,555,091)	26,568,344	(398,435,394)	109,990,993
Inventories	110,773,850	82,266,385	(48,158,278)	117,724,023
Other current assets	(32,899,092)	10,076,517	(24,501,826)	5,377,848
Other non-current assets	534,832	(18,400)	8,003	143,509
Trade and other current payables	132,806,294	(16,863,409)	36,984,957	(25,507,812)
Accrued expenses	3,533,213	2,634,187	25,123,055	(4,511,515)
Other current liabilities	5,884,693	(298,171)	193,077	130,110
Other non-current liabilities	2,625,664	-	-	-
Non-current provision for employee benefits	(19,150,194)	(3,587,286)	(17,613,818)	(1,045,407)
Cash generated from (used in) operating activities	281,368,007	351,337,669	(70,724,758)	299,597,937
Tax received	43,149,022	24,123,544	43,149,022	24,123,544
Tax paid	(27,767,894)	(29,941,828)	(25,920,530)	(26,553,046)
<b>Net cash from (used in) operating activities</b>	<b>296,749,135</b>	<b>345,519,385</b>	<b>(53,496,266)</b>	<b>297,168,435</b>

**Thai Rubber Latex Group Public Company Limited and its Subsidiaries**
**Statement of cash flows**

	Consolidated		Separate	
	financial statements		financial statements	
	Year ended 31 December		Year ended 31 December	
	2020	2019	2020	2019
	(in Baht)			
<b>Cash flows from investing activities</b>				
Proceeds from short-term loans to related parties	-	-	998,300,210	38,000,000
Decrease in short-term loans to other party	-	(6,000,000)	-	(6,000,000)
Proceeds from short-term loans to other party	-	6,000,000	-	6,000,000
Acquisition of investment in subsidiary	-	-	(1,000,000,000)	-
(Increase) decrease in restricted deposit at financial institution	(57,379)	10,024,274	(57,379)	(64,826)
Acquisition of property, plant and equipment	(167,336,449)	(110,698,620)	(7,149,595)	(5,792,645)
Acquisition of other intangible assets	(4,039,473)	(604,031)	-	-
Proceeds from disposal of property, plant and equipment	1,676,165	1,431,431	706,729	355,140
Increase in rubber plantation development costs	(2,930,700)	(7,842,281)	-	-
Interest received	1,219,169	1,561,191	5,055,576	348,418
<b>Net cash from (used in) investing activities</b>	<b>(171,468,667)</b>	<b>(106,128,036)</b>	<b>(3,144,459)</b>	<b>32,846,087</b>
<b>Cash flows from financing activities</b>				
Increase (decrease) in bank overdrafts and short-term borrowings from financial institutions	183,796,069	75,110,416	293,508,145	(67,329,082)
Payment of lease liabilities (2019: Payment by a lessee for reduction of the outstanding liability relating to a finance lease)	(36,745,100)	(40,968,577)	(21,066,772)	(39,614,199)
Repayment of short-term borrowings from related party	(1,500,000)	(1,400,000)	-	-
Repayment of long-term borrowings	(104,857,840)	(117,500,000)	(105,000,000)	(67,500,000)
Dividends paid to owners of the Company	-	(6,814,590)	-	(6,814,590)
Advance received from share subscription	14,200,000	-	-	-
Interest paid	(181,202,371)	(200,827,342)	(140,938,458)	(155,021,740)
Other finance costs paid	(7,737,660)	(7,384,858)	(2,219,482)	(2,711,676)
<b>Net cash from (used in) financing activities</b>	<b>(134,046,902)</b>	<b>(299,784,951)</b>	<b>24,283,433</b>	<b>(338,991,287)</b>
Net decrease in cash and cash equivalents, before effect of exchange rates	(8,766,434)	(60,393,602)	(32,357,292)	(8,976,765)
Effect of exchange rate changes on cash and cash equivalents	3,189,367	(6,074,668)	-	-
<b>Net decrease in cash and cash equivalents</b>	<b>(5,577,067)</b>	<b>(66,468,270)</b>	<b>(32,357,292)</b>	<b>(8,976,765)</b>
Cash and cash equivalents at 1 January	91,126,266	157,594,536	34,102,081	43,078,846
<b>Cash and cash equivalents at 31 December</b>	<b>85,549,199</b>	<b>91,126,266</b>	<b>1,744,789</b>	<b>34,102,081</b>

**Supplemental disclosures of cash flow information**
**Non-cash transactions**

Assets acquired under financial lease and hire purchase agreements	34,602,512	-	2,637,271	-
Issuance of promissory note from a subsidiary to parent company as a settlement of account receivables from the subsidiary	-	-	171,367,610	-
Payables for purchase of assets	18,955,005	21,487,031	361,762	201,778

## 14. Management Explanation and Analysis of Operating Results

### 14.1 Operation overview

The company and its subsidiaries (“the Group Company”) reported that for the financial statements for fiscal year 2020, the Group Company’s loss before tax was Baht 101.57 million and corporate tax expenses was Baht 18.96 million. As a result, the net loss was Baht 120.53 million. The comprehensive income only the part of the parent company had net profit after tax baht 24.16 million. It was because of the global economic depression due to the COVID-19 outbreaks and US-China Trade War. Comparing the average price of field latex of 2019 and 2020, the price was Baht 43.69 per kilogram in 2019 and went up slightly to Baht 44.74 per kilogram in 2020, the increase of 2.40% (Source: Rubber Authority of Thailand). The price was still at low level.

### 14.2 Performance and profitability

For the year of 2020, the Group Company had sales and service income Baht 6,848.18 million comparing to the same period last year which was Baht 6,827.45 million, the increase of 0.35% or Baht 20.73 million. It was mainly from economic recovery in many countries and higher demand from latex and prevulcanized latex product during the outbreak of COVID - 19 and the price of field latex was higher than the previous year. In addition, the group company recognized gain from foreign exchange rate due to the appreciation Thai Baht against US Dollar in 2020 compared to 2019. The year of 2020, the group company had Cost of sales and service for 2020 comparing to 2019 was Baht 6,208.67 million and Baht 6,321 million, the decrease of 1.81% or Baht 112.33 million due to a drop in sales income because it had improved management and cost control.

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

1. For the year, latex and pre-vulcanized latex group had net profit before tax 163 million Baht because Company’s marketing strategy for 2020 is increasing domestic sale and dropping export, affecting the lower distribution cost. In the year 2020, the Company has planned to increase sale proportion between domestic and abroad to 70:30.
2. For the year, finished product group had loss before tax 266 million Baht. The effect from decreasing in demand by COVID-19 outbreak. It has a direct impact to the major market in China. However, the group’s business were continue to expand new markets both domestic and overseas because of the group’s products have good qualities to meet demand.

3. For the year, rubber plantation group had net profit before tax 1 million Baht. Because of Expenses control and more effective in improvement, including the price of field latex was higher than the previous 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

- Current assets were 2,405 million Baht, which is the increase of 202 million Baht or 9.17%. Because account receivable and other current receivables increased by 231 million baht. Due to the Group's sales increases near the end of the year compared to the previous year and most of the accounts receivable are still in the payment credit term.
- Non-current assets were 5,860 million Baht, which is the increase 451 million Baht. This was due to an increase in property, plant and equipment of 232 million baht and investment property of 257 million baht from the revaluation of the group of companies. And from the measurement of the fair value of assets increased according to independent expert assessment.

#### (2) Impairment of Assets

Existing assets are presented intrinsic value and there is no indication of any impairment or non-recoverable assets. Which if there is an impairment. The company has already set aside or allowance for devaluation. To provide asset quality reflect the real value according to the market price and in accordance with generally accepted accounting principles.

#### (3) Account Receivable

- Account receivable was 1,379 million baht. After deduction of allowance for doubtful accounts, the net value of account receivable was 1,064 million baht. In 2020, Account receivable increased by 237 million Baht by comparison with the previous year. This was because the Concentrated Latex and Rubber Product Group increased their sales.
- Allowance for doubtful accounts was completely made at the value of 314 million Baht, amounting to 22.77 % of account receivable. In 2020, there was not any additional allowance for doubtful accounts.

#### (4) Inventory

The net value of inventories after deduction of allowance for diminution in value of inventories was 1,052 million Baht, Inventories decreased by 52 million baht compared to

the previous year. Due to the increase in product sales, this corresponds to the increased income.

#### 14.4 Liquidity and capital sufficiency

##### (1) Sources and User of Capital

- There were changes in capital sources and user of capital. In 2020, the net cash received from operations was 297 million Baht.
- Appropriateness of the capital structure: The Company uses the capital structure mainly from liabilities. The ratio of debt to equity shareholders in 2020 was 2.59 times, Decreased from 2.83 times the previous year due to increased appraisal of the group of companies

##### (2) Investment Expenditures

In terms of investment in 2020, net cash from investing activities of the company was 171 million Baht, mainly on purchasing the land, buildings and equipment, amount of 56 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.