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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 24 February 2022.

1. **General information**

Thai Rubber Latex Group Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in July 1991. The Company’s registered office as follows:

|  |  |  |
| --- | --- | --- |
| Head office | : | No. 99/1-3 Moo 13, Bangna-Trad Road, K.M. 7, Tambol Bangkaew, Amphur Bangplee, Samutprakarn |
| Branches at followings: | | |
|  | : | No. 29 Moo 2, Tambol Nong Yai, Amphur Nong Yai, Chonburi |
|  | : | No. 35 Moo 4, Tambol Krasom, Amphur Takuatung, Phangnga |
|  | : | No. 198 Moo 7, Tambol Chomsawan, Amphur Maechan, Chiangrai |
|  | : | No. 124 Mooban Klongpom Moo 11, Tambol Banphru, Amphur Hatyai,  Songkhla |
|  | : | No. 293/2 Moo 1, Surat-Nasarn Road, Tambol Khunthale, Amphur  Mueang, Suratthani |
|  | : | No. 44/5 Moo 8, Kachet-Hatyai Road, Tambol Kachet, Amphur  Mueang, Rayong |
|  | : | No. 680 Moo 2, Tambol Nong Yai, Amphur Nong Yai, Chonburi |
|  | : | No. 19/52 Moo 7, Tambol Bang Chalong, Amphur Bangplee, Samutprakan |

The Company’s major shareholders during the financial year were Wongsasuthikul Group (22.42% shareholding) and Woraprateep Group (16.00% shareholding).

The principal activities of the Company and its subsidiaries (“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, latex foam mattress and rubber gloves. Details of the Company’s associates and subsidiaries as at 31 December 2021 and 2020 are given in notes 10 and 11.

1. **Basis of preparation of the financial statements**

The financial statements are prepared in accordance with Thai Financial Reporting Standards (“TFRS”), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission. The financial statements are presented in Thai Baht, which is the Company’s functional currency. The accounting policies are described in each notes have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Group’s/Company’s accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions that described in each note are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

1. **Changes in accounting policy**

*Definition of a business and concentration test*

From 1 January 2021, the Group/Company has adopted the amendment to TFRS 3 Definition of a Business which clarifies the definition of a business and provide further guidance on how to determine whether a transaction represents a business combination. In addition, the amendments introduce an optional “concentration test” that permits a simplified assessment of whether an acquired set of activities and assets is an asset rather than a business acquisition, when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The Group/Company has applied the amendments prospectively to the transactions for which the acquisition date is on or after 1 January 2021.

In April 2021, the Company acquired Phoenix Rubber Products Company Limited at a cash consideration of Baht 40 million. The principle activity of such company is production and distribution of rubber gloves, and its identifiable assets are mainly buildings and machineries. The transaction was accounted as an acquisition of assets rather than a business combination, given that substantially all of the fair value of the gross assets is concentrated in a group of similar identifiable assets.

1. **Significant accounting policies**

## ***Basis of consolidation***

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

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

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

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

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated on consolidation. Unrealised gains arising from transactions with associates 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.

*Business combinations*

The Group applies the acquisition method when the Group assess that the acquired set of activities and assets include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. The acquisition date is the date on which control is transferred to the Group, other than business combinations with entities under common control. Expenses in connection with a business combination are recognised as incurred.

The Group elect to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is an assets rather than a business acquisition when substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

Goodwill is measured as the fair value of the consideration transferred, less net fair value of the identifiable assets acquired and liabilities assumed. Any gain on bargain purchase is recognised in profit or loss immediately.

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

## ***Investments in subsidiaries and associates***

Investments in subsidiaries and associates in the separate financial statements are measured at cost less allowance for impairment losses.

1. ***Foreign currencies***

Transactions in foreign currencies including non-monetary assets and liabilities denominated in foreign currencies are translated to the respective functional currencies at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate at the reporting date. Non-monetary assets and liabilities measured at fair value in foreign currencies are translated at the exchange rates at the dates that fair value was determined.

Foreign currency differences are generally recognised in profit or loss.

*Foreign operations*

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

Foreign exchange differences are recognised in other comprehensive income and accumulated in the translation reserve until disposal of the investment, except to the extent that the translation difference is allocated to non-controlling interests.

When a foreign operation is disposed of in its entirety or partially such that control lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

1. ***Financial instruments***

*(d.1) Classification and measurement*

Financial assets and financial liabilities (except trade accounts receivable (*see note 4(f))*) are initially recognised when the Group/Company becomes a party to the contractual provisions of the instrument, and measured at fair value, taking into account for transaction costs that are directly attributable to its acquisition, except for financial assets and financial liabilities measured at FVTPL, which are initially and subsequently measured at fair value, and any transaction costs that are directly attributable to its acquisition are recognised in profit or loss.

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI); or fair value through profit or loss (FVTPL). Financial assets are not reclassified subsequent to their initial recognition unless the Group/Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified prospectively from the reclassification date.

On initial recognition, financial liabilities are classified as measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses and any gain or loss on derecognition are recognised in profit or loss.

Financial assets measured at amortised costs are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by expected credit losses. Interest income, foreign exchange gains and losses, expected credit loss and any gain or loss on derecognition are recognised in profit or loss.

*(d.2) Derecognition**and offset*

The Group/Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group/Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group/Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group/Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

The difference between the carrying amount extinguished and the consideration received or paid is recognised in profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group/Company currently has a legally enforceable right to set off the amounts and the Group/Company intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*(d.3) Derivatives*

Derivative are recognised at fair value and remeasured at fair value at each reporting date. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

*(d.4) Impairment of financial assets other than trade accounts receivables*

The Group/Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost.

The Group/Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

The Group/Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, significant deterioration in credit rating, significant deterioration in the operating results of the debtor and existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor’s ability to meet its obligation to the Group/Company.

The Group/Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group/Company in full, without recourse by the Group/Company to actions such as realising security (if any is held); or

- the financial asset is more than 90 days past due.

*(d.5) Write offs*

The gross carrying amount of a financial asset is written off when the Group/Company has no reasonable expectations of recovering. Subsequent recoveries of an asset that was previously written off, are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

*(d.6) Interest*

Interest income and expense is recognised in profit or loss using the effective interest method. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

1. ***Cash and cash equivalents***

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

1. ***Trade accounts receivable***

A trade receivable is recognised when the Group has an unconditional right to receive consideration. A trade receivable is measured at transaction price less allowance for expected credit loss. Bad debts are written off when incurred.

The Group/Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the debtors based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

1. ***Inventories***

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the weighted average cost principle. Cost includes direct costs incurred in acquiring the inventories. 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.

1. ***Non-current asset classified as held for sale***

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

Once classified as held for sale, intangible assets, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity accounted.

1. ***Investment properties***

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

Differences between the proceeds from disposal and the carrying amount of investment property are recognised in profit or loss. When investment property that was previously classified as property, plant and equipment measured at revalued amounts is sold *(see note 4(j))*, the amounts included in the revaluation reserve are transferred to retained earnings.

1. ***Property, plant and equipment***

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses except for land and buildings which are measured 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 capitalised borrowing costs, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of property, plant and equipment are recognised in profit or loss. When there is a disposal of revalued assets, the amount recognised in revaluation reserve is reclassified to retained earnings.

Revaluations of assets 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 other components of equity unless it offsets a previous decrease in value recognised in profit or loss in respect of the same asset, the increase is recognised in profit or loss. A decrease in value is recognised in profit or loss to the extent it exceeds the revaluation reserve previously recognised in other comprehensive income in respect of the same asset. The revaluation reserve 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 reserve is transferred directly to retained earnings and is not taken into account in calculating the gain or loss on disposal.

When the use of a property changes from owner-occupied to investment property that is measured at fair value, the Group/Company shall remeasure the property to fair value and reclassified it as investment property. 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 other components of equity. Any loss is recognised in other comprehensive income and presented in the “revaluation reserve” in other components of 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.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item when 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 is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land and assets under construction.

The estimated useful lives are as follows:

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

1. ***Goodwill***

Goodwill is measured at cost less accumulated impairment losses. In respect of equity-accounted investee, the carrying amount of goodwill is included in the carrying amount of the investment.

1. ***Other intangible assets***

Other intangible assets that have indefinite useful lives are measured at cost less impairment losses. Other intangible assets are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Software licences 5 years

1. ***Lease***

At inception of a contract, the Group/Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

*As a lessee*

At commencement or on modification of a contract, the Group/Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices of each component.

The Group/Company recognises a right-of-use asset and a lease liability at the lease commencement date , except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Group/Company uses the Group’s/Company’s incremental borrowing rate to discount the lease payments to the present value. The Group/Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

*As a lessor*

At inception or on modification of a contract, the Group/Company allocates the consideration in the contract to each component on the basis of their relative standalone selling prices.

At lease inception, the Group/Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease.

When the Group/Company is an intermediate lessor, the Group/Company classifies the sub-lease either as a finance lease or an operating lease with reference to the right-of-use asset arising from the head lease. In case of a head lease is a short-term lease, the sub-lease is classified as an operating lease. Those right-of-use assets are presented as investment properties.

The Group/Company recognises finance lease receivables at the net investment of the leases, which includes the present value of the lease payments, and any unguaranteed residual value, discounted using the interest rate implicit in the lease. Finance lease income reflects a constant periodic rate of return on the Group’s/Company’s net investment outstanding in respect of the leases.

The Group/Company recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the accounting period in which they are earned.

The Group/Company estimates lifetime expected credit losses (ECLs), using a provision matrix to find ECLs rate. This method groups the lease receivables based on shared credit risk characteristics and past due status, taking into account historical credit loss data, adjusted for factors that are specific to the debtors and an assessment of both current economic conditions and forward-looking general economic conditions at the reporting date.

1. ***Impairment of non-financial assets***

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. For goodwill and intangible assets that have indefinite useful lives or are not yet available for use, the recoverable amount is estimated each year at the same time.

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

The recoverable amount is the greater of the asset’s 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.

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed. 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.

1. ***Rubber plantation development costs***

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

1. ***Land possessory rights***

Land possessory rights are stated at cost less accumulated amortisation. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives 50 years. The amortisation is recognised in profit or loss.

1. ***Deferred costs***

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

1. ***Employee benefits***

*Defined contribution plans*

Obligations for contributions to the Group’s/Company’s provident funds are expensed as the related service is provided.

*Defined benefit plans*

The Group’s net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations is discounted to the present value, which performed annually by a qualified actuary using the projected unit credit method.

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

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

The Group’s net obligation in respect of long-term employee benefits is 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. Remeasurements are recognised in profit or loss in the period in which they arise.

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

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group/Company 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.

1. ***Share-based payments***

The grant-date fair value of equity-settled share-based payment awards granted to employees is generally recognised as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognised as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognised is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1. ***Provisions***

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

1. ***Fair values measurement***

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group/Company has access at that date. The fair value of a liability reflects its non-performance risk.

When measuring the fair value of an asset or a liability, the Group/Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

- Level 3: inputs for the asset or liability that are based on unobservable input.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group/Company measures assets and asset positions at a bid price and liabilities and liability positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price - i.e. the fair value of the consideration given or received.

1. ***Revenue from contracts with customers***

*Revenue recognition*

Revenue is recognised when a customer obtains control of the goods in an amount that reflects the consideration to which the Group/Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Revenue from sales of goods is recognised on the date on which the goods are delivered to the customers.

1. ***Income tax***

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in other comprehensive income.

Current tax is recognised in respect of 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 temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and joint ventures 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, using tax rates enacted or substantively enacted at the reporting date. Current deferred tax assets and liabilities are offset in the separate financial statements.

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.

1. ***Earnings per share***

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.

1. **Changes in non-controlling interests**
2. ***Share-based payment to employees and directors of a subsidiary***

On 13 January 2021, World Flex Public Company Limited (“WFX”), a subsidiary, registered to increase its share capital by 14.2 million shares at par value of Baht 1 per shares with the Ministry of Commerce for allocation of shares to the directors, employees of the subsidiary (“ESOP”), and board of directors of the Company, totaling to Baht 14.2 million. The share-based expense was recorded under equity for the years ended 31 December 2021 and 2020 of Baht 17.4 million. The carrying amount of the subsidiary’s net assets in the Group’s financial statements was Baht 827.9 million. The Group recognised an increase in non-controlling interests of Baht 35.7 million, a decrease in surplus on changes in non-controlling interest of Baht 3.4 million, a decrease in legal reserve of Baht 0.6 million and a decrease in revaluation reserves of Baht 17.6 million.

1. ***Disposal of*** ***investments in a subsidiary***

On 29 March 2021, the Group disposed 38.2% of its interest in Latex Systems Public Company Limited, a subsidiary, in amounted of Baht 1.2 million in cash. The carrying amount of subsidiary’s net liabilities in the Group’s financial statements on the date of the disposal was Baht 121.0 million. The Group recognised a decrease in non-controlling interests of Baht 47.0 million, an increase in surplus on changes in non-controlling interests of Baht 74.6 million, a decrease in legal reserve of Baht 5.2 million and a decrease in revaluation reserves of Baht 22.4 million.

1. ***Initial Public Offering***

In December 2021, World Flex Public Company Limited, a subsidiary offered 142 million ordinary shares to the initial public offering (from issuance of new 142 million ordinary shares). The new shares were sold at a price of Baht 7.2 per share (par value at Baht 1 and premium on ordinary share at Baht 6.2). WFX received cash from selling of new ordinary shares of Baht 1,022.4 million. WFX registered the increase of paid-up share capital with the Ministry of Commerce on 20 December 2021 and the shares of WFX begin trading in the Stock Exchange of Thailand on 23 December 2021. Expenses directly attributable to the IPO of Baht 24.8 million (net of income tax) was deducted from the IPO’s share premium, resulted in net share premium of Baht 855.6 million. The Group recognised an increase in non-controlling interests of Baht 670.0 million, an increase in surplus on changes in non-controlling interest of Baht 443.8 million, a decrease in legal reserve of Baht 8.0 million and a decrease in revaluation reserves of Baht 108.2 million.

The following summaries the effect of changes in the Group’s ownership interest in World Flex Public Company Limited:

|  |  |  |
| --- | --- | --- |
|  |  | *(in million Baht)* |
| Consideration received from non-controlling interests |  | 997 |
| *Less* Carrying amount of non-controlling interests transferred |  | (670) |
| **Increase in equity attributable to owners of the Group from  reduction of investments in WFX** |  | **327** |

1. **Related parties**

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Group/Company; a person or entity that are under common control or under the same significant influence as the Group/Company; or the Group/Company has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

Relationships with associates and subsidiaries are described in notes 10 and 11. Other related parties that the Group/Company had significant transactions with during the year were as follows:

|  |  |  |
| --- | --- | --- |
| **Name of entities** | **Country of incorporation/ nationality** | **Nature of relationships** |
| Other related parties | Thailand | Directors of related parties |
| Key management personnel | Thailand | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group/Company |
| Soydao Rubber Estate Co., Ltd. | Thailand | Common directors |

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

| ***Significant transactions with related parties*** | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| **Subsidiaries** |  |  |  |  |  |  |  |
| Sales of goods/raw materials | - |  | - |  | 1,705,043 |  | 1,172,372 |
| Purchases of goods/raw materials | - |  | - |  | 62,251 |  | 55,896 |
| Interest income | - |  | - |  | 6,640 |  | 4,963 |
| Sales of land and buildings | - |  | - |  | 124,000 |  | - |
| Interest expense | - |  | - |  | 1,833 |  | 1,838 |
| Rental income | - |  | - |  | 2,100 |  | 1,214 |
| Dividend income | - |  | - |  | 106,260 |  | - |
|  |  |  |  |  |  |  |  |
| **Associates** |  |  |  |  |  |  |  |
| Purchases of raw materials | 4,687 |  | 3,044 |  | 4,687 |  | 3,044 |
| Interest expense | 34 |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Key management personnel** |  |  |  |  |  |  |  |
| Key management personnel compensation | 68,144 |  | 28,445 |  | 68,144 |  | 28,445 |
| Share-based payments | - |  | 11,419 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| **Other related parties** |  |  |  |  |  |  |  |
| Sales of goods | 103 |  | 22,732 |  | - |  | 22,729 |
| Purchases of goods/raw materials | 15,367 |  | 9,509 |  | 15,367 |  | 9,634 |
|  |  |  |  |  |  |  |  |

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

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | **Consolidated financial statements** | | | | |  | | **Separate financial statements** | | | | | |
|  | | | | 2021 |  | | 2020 | |  | | 2021 | |  | | | 2020 |
|  | | | | *(in thousand Baht)* | | | | | | | | | | | | |
| ***Trade accounts receivable*** | | | |  |  | |  | |  | |  | |  | | |  |
| Subsidiaries | | | | - |  | | - | |  | | 223,843 | |  | | | 140,209 |
| Other related parties | | | | - |  | | 6,305 | |  | | - | |  | | | 6,305 |
| **Total** | | | | **-** |  | | **6,305** | |  | | **223,843** | |  | | | **146,514** |
|  | | | |  |  | |  | |  | |  | |  | | |  |
| ***Other current receivables*** | | | |  |  | |  | |  | |  | |  | | |  |
| Subsidiaries | | | | - |  | | - | |  | | 104,058 | |  | | | 31,793 |
| Associates | | | | 1 |  | | 1 | |  | | 1 | |  | | | 1 |
| Other related parties | | | | 1 |  | | - | |  | | 1 | |  | | | - |
| **Total** | | | | **2** |  | | **1** | |  | | **104,060** | |  | | | **31,794** |
|  | | | |  |  | |  | |  | |  | |  | | |  |
|  | **Interest rate** | | | **Separate financial statements** | | | | | | | | | | | | |
|  | 31 December |  | 31  December | 31  December | |  | |  | |  | |  | |  | 31  December | |
| ***Loans to*** | 2020 |  | 2021 | 2020 | |  | | Increase | |  | | Decrease | |  | 2021 | |
|  | *(% per annum)* | | | *(in thousand Baht)* | | | | | | | | | | | | |
| Subsidiary | 4.0 |  | 4.0 | 166,000 | |  | | - | |  | | - | |  | 166,000 | |
| **Total** |  |  |  | **166,000** | |  | | - | |  | | - | |  | **166,000** | |
| *Less* allowance for  expected credit loss |  |  |  | - | |  | | (25,246) | |  | | - | |  | (25,246) | |
| **Net** |  |  |  | **166,000** | |  | |  | |  | |  | |  | **140,754** | |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Expected credit loss*** |  | | |  | Separate  financial statements | | |
| ***For the year ended 31 December*** |  |  |  |  | 2021 |  | 2020 |
|  |  |  |  |  | *(in thousand Baht)* | | |
| Loans to |  |  |  |  | 25,246 |  | - |

As at 1 July 2021, the Company has extended the term of the loans to a subsidiary totaling Baht 166.0 million with maturity date within 1 year to long-term maturing in 2028. As at 31 December 2021, the Company set up allowance for expected credit loss for such loans amounted of Baht 25.2 million.

|  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| ***Trade accounts payable*** |  |  |  |  |  |  |  |
| Subsidiaries | - |  | - |  | 66 |  | 1,446 |
| Associates | 181 |  | 573 |  | 181 |  | 573 |
| Other related parties | 786 |  | 1,734 |  | 786 |  | 1,734 |
| **Total** | **967** |  | **2,307** |  | **1,033** |  | **3,753** |
|  |  |  |  |  |  |  |  |
| ***Other current payables*** |  |  |  |  |  |  |  |
| Subsidiaries | **-** |  | **-** |  | **372** |  | **610** |
|  |  |  |  |  |  |  |  |

|  | **Interest rate** | | |  | Consolidated financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Loans from*** | 31 December 2020 |  | 31  December  2021 |  | 31 December 2020 |  | Increase |  | Decrease |  | 31  December  2021 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| Associate | 4.0 |  | 4.0 |  | 1,600 |  | - |  | (1,600) |  | - |

|  | **Interest rate** | | |  | Separate financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Loans from*** | 31 December 2020 |  | 30  December  2021 |  | 31 December 2020 |  | Increase |  | Decrease |  | 30  December  2021 |
|  | *(% per annum)* | | |  | *(in thousand Baht)* | | | | | | |
| Subsidiary | 3.9 |  | 3.9 |  | 47,000 |  | - |  | - |  | 47,000 |

***Significant agreements with related parties***

The Group/Company had credit facilities granted by the banks to its guaranteed by assets of the Group/Company and its subsidiaries and directors.

A subsidiary of the Company has issued letter of financial guarantee to secure credit facilities granted by certain financial institution to the Company totaling of Baht 86.2 million, and the Company has issued letter of financial guarantee to secure credit facilities granted by financial institution to such subsidiary totaling of Baht 642.0 million. As at 10 January 2022, the Company fully released the guarantee.

1. **Cash and cash equivalents**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Cash on hand | 852 |  | 1,024 |  | 657 |  | 768 |
| Cash at banks | 889,877 |  | 84,525 |  | 46,597 |  | 977 |
| **Total** | **890,729** |  | **85,549** |  | **47,254** |  | **1,745** |

1. **Trade accounts receivable**

Aging analyses for trade accounts receivable are as follows;

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 31  December 2021 |  | 31 December 2020 |  | 31 December  2021 |  | 31 December 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Within credit terms | 873,622 |  | 802,227 |  | 771,909 |  | 732,169 |
| Overdue: |  |  |  |  |  |  |  |
| Less than 3 months | 209,901 |  | 261,328 |  | 187,266 |  | 232,886 |
| 3-6 months | 1,515 |  | 259 |  | 5,927 |  | 8 |
| 6-12 months | 2 |  | 3,554 |  | - |  | - |
| Over 12 months | 293,334 |  | 311,259 |  | 134,242 |  | 134,242 |
| **Total** | **1,378,374** |  | **1,378,627** |  | **1,099,344** |  | **1,099,305** |
| *Less* allowance for expected credit loss | (293,334) |  | (314,460) |  | (134,242) |  | (134,242) |
| **Net** | **1,085,040** |  | **1,064,167** |  | **965,102** |  | **965,063** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Expected credit loss*** | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| ***For the year ended 31 December*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Additions | 5,457 |  | 44,760 |  | - |  | 713 |
| Reversal | (26,583) |  | - |  | - |  | - |

Information of credit risk is disclosed in note 29.

1. **Inventories**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Finished goods | 817,768 |  | 820,875 |  | 687,810 |  | 675,721 |
| Work in process | - |  | 2,653 |  | - |  | - |
| Raw materials | 290,398 |  | 169,484 |  | 40,943 |  | 45,765 |
| Packing materials | 10,143 |  | 7,787 |  | 927 |  | 437 |
| Supplies | 43,078 |  | 26,083 |  | 7,514 |  | 6,913 |
| Goods in transit | 21,594 |  | 35,660 |  | - |  | - |
| **Total** | **1,182,981** |  | **1,062,542** |  | **737,194** |  | **728,836** |
| *Less* allowance for decline in value | (3,694) |  | (10,222) |  | - |  | - |
| **Net** | **1,179,287** |  | **1,052,320** |  | **737,194** |  | **728,836** |
| Inventories recognised in |  |  |  |  |  |  |  |
| ‘cost of sales of goods’: |  |  |  |  |  |  |  |
| - Cost | 7,710,630 |  | 6,263,374 |  | 5,528,743 |  | 4,558,883 |
| - Reversal of write-down | (15,807) |  | (64,633) |  | - |  | - |
| - Write-down to net realisable value | 9,279 |  | 9,926 |  | - |  | - |
| **Net** | **7,704,102** |  | **6,208,667** |  | **5,528,743** |  | **4,558,883** |

1. **Investments in associates**

Investments in associates as at 31 December 2021 and 2020 and dividend income for the years then ended were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Consolidated financial statements** | | | | | | | | | | | | | | | | | | |
|  | Nature of business | Country of operation | Effective  ownership interest | | |  | Paid-up capital | | |  | Cost | | |  | Carrying amount based on equity method | | |  | Dividend income  for the year | | |
|  |  |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  |  | *(%)* | | |  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| **Associates** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Wang Somboon Rubber Estate Co., Ltd. | Planting of rubber | Thailand | 48.4 |  | 48.4 |  | 55,300 |  | 55,300 |  | 30,101 |  | 30,101 |  | 27,675 |  | 28,444 |  | - |  | - |
| Rosener-Mautby Meditrade (Thailand) Ltd.(\*) | Production of latex examination gloves | Thailand | 31.5 |  | 31.5 |  | 120,000 |  | 120,000 |  | 37,849 |  | 37,849 |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  |  | **67,950** |  | **67,950** |  | **27,675** |  | **28,444** |  | **-** |  | **-** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Separate financial statements** | | | | | | | | | | | | | | | | | | | | | | |
|  | Country of | Effective | | |  |  | | |  |  | | |  |  | | |  |  | | |  | Dividend income | | |
|  | operation | ownership interest | | |  | Paid-up capital | | |  | Cost | | |  | Impairment | | |  | At cost-net | | |  | for the year | | |
|  |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(%)* | | |  | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| **Associate** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Rosener-Mautby Meditrade (Thailand) Ltd.(\*) | Thailand | 31.5 |  | 31.5 |  | 120,000 |  | 120,000 |  | 37,849 |  | 37,849 |  | (37,849) |  | (37,849) |  | - |  | - |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  | **37,849** |  | **37,849** |  | **(37,849)** |  | **(37,849)** |  | **-** |  | **-** |  | **-** |  | **-** |

None of the Group’/Company’s associates are publicly listed and consequently do not have published price quotations.

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

|  |  |  |  |
| --- | --- | --- | --- |
| The following table summarised the financial information of the associate as included in its own financial statements and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Group’s interest in this company. | | | |
|  | **Wang Somboon Rubber**  **Estate Co., Ltd.** | | |
|  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | |
| Revenue | 12,650 |  | 9,705 |
| Loss from continuing operations | (1,303) |  | (2,325) |
| Other comprehensive expense | (286) |  | (195) |
| Total comprehensive income (100%) | (1,589) |  | (2,520) |
| Total comprehensive income of the Group’s interest | (769) |  | (1,220) |
|  |  |  |  |
| Current assets | 17,703 |  | 16,673 |
| Non-current assets | 41,922 |  | 44,437 |
| Current liabilities | (300) |  | (246) |
| Non-current liabilities | (1,966) |  | (1,915) |
| Net assets (100%) | 57,359 |  | 58,949 |
| Group’s share of net assets | 27,779 |  | 30,505 |
| **Carrying amount of interest in associate** | **27,675** |  | **28,444** |

1. **Investments in subsidiaries**

Investments in subsidiaries as at 31 December 2021 and 2020 and dividend income for the years then ended were as follows:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Separate financial statements** | | | | | | | | | | | | | | | | | | | | | |
|  | Nature of business | Country of operation | Ownership interest | | | Paid-up capital | | |  | Cost | | |  | Impairment | | |  | At cost-net | | |  | Dividend income  for the year | | |
|  |  |  | 2021 |  | 2020 | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  |  | *(%)* | | | *(in thousand Baht)* | | | | | | | | | | | | | | | | | | |
| ***Direct subsidiaries*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| World Flex Public Company  Limited | Production and  distribution of  rubber thread | Thailand | 66.4 |  | 100.0 | 464,200 |  | 308,000 |  | 448,400 |  | 448,400 |  | - |  | - |  | 448,400 |  | 448,400 |  | 106,260 |  | - |
| Thai Rubber Land and Plantation Co., Ltd. | Planting of   rubber | Thailand | 100.0 |  | 100.0 | 1,800,000 |  | 1,800,000 |  | 1,800,000 |  | 1,800,000 |  | - |  | - |  | 1,800,000 |  | 1,800,000 |  | - |  | - |
| Thai Rubber  H P N R  Co., Ltd. | Trading of  products from  natural rubber | Thailand | 100.0 |  | 100.0 | 500,000 |  | 500,000 |  | 500,000 |  | 500,000 |  | - |  | - |  | 500,000 |  | 500,000 |  | - |  | - |
| Latex Systems Public Company Limited | Production and  distribution of  foam latex  mattresses and  pillows | Thailand | 18.0 |  | 56.2 | 158,784 |  | 158,784 |  | 17,405 |  | 54,310 |  | (16,833) |  | (41,000) |  | 572 |  | 13,310 |  | - |  | - |
| Thai Rubber Gloves Co., Ltd. | Production and distribution of rubber gloves | Thailand | 100.0 |  | - | 150,006 |  | - |  | 150,006 |  | - |  | - |  | - |  | 150,006 |  | - |  | - |  | - |
| Myanmar Thai Rubber Joint Corporation Limited | Production and  distribution of  products from  natural rubber | Republic of   the Union  Of  Myanmar | 64.0 |  | 64.0 | 107,672 |  | 107,672 |  | 68,910 |  | 68,910 |  | (51,319) |  | (48,980) |  | 17,591 |  | 19,930 |  | - |  | - |
| Shanghai Runmao International Trading Co., Ltd. | Trading of  products from  natural rubber | Republic of   China | 100.0 |  | 100.0 | 35,399 |  | 35,399 |  | 40,834 |  | 40,834 |  | - |  | - |  | 40,834 |  | 40,834 |  | - |  | - |
| **Total** |  |  |  |  |  |  |  |  |  | **3,025,555** |  | **2,912,454** |  | **(68,152)** |  | **(89,980)** |  | **2,957,403** |  | **2,822,474** |  | **106,260** |  | **-** |

| ***Material movement for the year*** |  |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- |
| ***ended 31 December*** |  |  | 2021 |  | 2020 |
|  |  |  | *(in thousand Baht)* | | |
| Acquire investment in company |  |  | 150,006 |  | - |
| Disposal of investment in company |  |  | (36,905) |  | - |
| Impairment losses |  |  | (19,172) |  | (89,980) |
| Reversal impairment losses |  |  | 41,000 |  | - |

*Thai Rubber Gloves Co., Ltd.*

On 8 January 2021, Thai Rubber Gloves o., Ltd., a subsidiary, was established to engage in production and distribution of rubber gloves business with registered capital of Baht 1.0 million (ordinary shares of 10,000 shares at Baht 100 per share). The Company paid up the total interest of 100% of the issued share capital, amounting to Baht 1.0 million.

At the extraordinary meeting of the shareholder of Thai Rubber Gloves Co., Ltd. held on 15 March 2021, the shareholders approved an increase in the registered share capital from Baht 1.0 million to Baht 60.0 million by issuing 590,000 ordinary shares at Baht 100 per share. The Company additionally invested in such subsidiary totaling Baht 59.0 million and paid up the total interest of 100% of the issued share capital. The subsidiary registered the increase in share capital with the Ministry of Commerce on 26 March 2021.

At the extraordinary meeting of the shareholder of Thai Rubber Gloves Co., Ltd. held on 23 August 2021, the shareholders approved an increase in the registered share capital from Baht 60.0 million to Baht 200.0 million by issuing 1,400,000 ordinary shares at Baht 100 per share. The Company additionally invested in such subsidiary totaling Baht 90.0 million (paid up Baht 64.3 per share totaling to Baht 90.0 million). The subsidiary registered the increase in share capital with the Ministry of Commerce on 20 September 2021.  
The Company has investments in such subsidiary totaling Baht 150.0 million as at 31 December 2021.

*World Flex Public Company Limited*

On 13 January 2021, World Flex Public Company Limited (“WFX”), a subsidiary, registered to increase its share capital by 14.2 million shares at par value of Baht 1 per share with the Ministry of Commerce for allocation of shares to the directors, employees of the subsidiary (“ESOP”), and board of directors of the Company for Baht 14.2 million, resulting to the decrease of its ownership interest from 100% to 95.6%, whilst retaining control over the subsidiary *(see note 5(a)).*

In December 2021, WFX offered 142 million ordinary shares to the initial public offering (from issuance of new 142 million ordinary shares). WFX registered the increase of paid-up share capital with the Ministry of Commerce on 20 December 2021 and the shares of WFX begin trading in the Stock Exchange of Thailand on 23 December 2021, resulting to the decrease of its ownership interest from 95.6% to 66.4%, whilst retaining control over the subsidiary *(see note 5(c)).*

*Latex Systems Public Company Limited*

On 29 March 2021, the Company sold 38.2% of its interest in Latex Systems Public Company Limited, a subsidiary in amounting of Baht 1.2 million in cash, resulting to the decrease of its ownership interest from 56.2% to 18.0%. The management has determined that the control over the subsidiary has not changed   
*(see note 5(b)).*

***Testing for CGUs containing investments***

During 2020, the investment in Latex Systems Public Company Limited was impaired totaling Baht 41.0 million. Subsequently, in 2021, the Company partially sold non-controlling interest of such subsidiary and reversal of impairment loss as at 31 December 2021. The Company considered the impairment from recoverable amount of this CGU and recognised loss from impairment of investment in such subsidiary amounting to Baht 16.8 million in the statement of comprehensive income of the separate financial statements for the year ended 31 December 2021.

During 2020, the spread of Covid-19 affected the operation of subsidiaries significantly.  The management of the Company believed that the investments in Myanmar Thai Rubber Joint Corporation Limited might be impaired and estimated the discounted cash flows to determine the recoverable of the cash generating units of investments. As a result, the Company recognised impairment loss on the investment in such subsidiary amounting to Baht 48.9 million in the separate statement of financial position. Subsequently, in 2021, the Company assessed the impairment loss on the investment in such subsidiary and additional recorded impairment loss on investment amounting to Baht 2.3 million in the separate statement of comprehensive income for the year ended 31 December 2021.

The recoverable amount of this CGU was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations. The key assumptions used in the estimation of the recoverable amount in DCF related to discount rate and estimated EBITDA. The discount rate is estimated based on the historical industry average weighted-average cost of capital. Estimated EBITDA is based on management’s expectation considering of historical experience. Based on the result of the assessment and management judgment.

All subsidiaries were incorporated in Thailand, except Myanmar Thai Rubber Joint Corporation Limited and Shanghai Runmao International Trading Co., Ltd., which were incorporated in the Republic of the Union of Myanmar and People’s Republic of China, respectively.

None of subsidiaries are publicly listed, except World Flex Public Company Limited and consequently do not have published price quotation.

1. **Non-controlling interests**

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

|  | World Flex Public Company Limited | | |  | Latex Systems Public Company Limited | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Non-controlling interest percentage | 33.65% |  | - |  | 82.00% |  | 43.84% |
|  |  |  |  |  |  |  |  |
| Current assets | 1,311,738 |  | 487,136 |  | 108,910 |  | 150,338 |
| Non-current assets | 1,640,990 |  | 1,200,794 |  | 639,119 |  | 711,459 |
| Current liabilities | (700,991) |  | (716,663) |  | (582,079) |  | (615,247) |
| Non-current liabilities | (209,603) |  | (143,405) |  | (383,571) |  | (329,382) |
| **Net assets** | 2,042,134 |  | 827,862 |  | (217,621) |  | (82,832) |
| Carrying amount of non-controlling interest | 687,178 |  | 4 |  | (178,449) |  | (36,308) |
| Dividend paid to non-controlling interest | (36,139) |  | - |  | - |  | - |
|  |  |  |  |  |  |  |  |
| Revenue | 3,776,576 |  | 2,408,659 |  | 258,700 |  | 247,496 |
| Profit (loss) | 359,103 |  | 57,812 |  | (134,788) |  | (325,939) |
| Other comprehensive income | - |  | 191,110 |  | - |  | 53,306 |
| **Total comprehensive income** | 359,103 |  | 248,922 |  | **(134,788)** |  | **(272,633)** |
| Profit (loss) allocated to non-controlling interest | 15,836 |  | - |  | (110,527) |  | (142,868) |
| Dilution of investment | - |  | - |  | 14,570 |  | - |
| **Net** | 15,836 |  | - |  | **(95,957)** |  | **(142,868)** |
| Other comprehensive income allocated to non-  controlling interest | - |  | - |  | - |  | (119,503) |
|  |  |  |  |  |  |  |  |
| Cash flows from operating activities | 480,563 |  | 245,651 |  | 10,191 |  | (30,342) |
| Cash flows from investing activities | (532,926) |  | (147,990) |  | (3,663) |  | (6,061) |
| Cash flows from financing activities | 633,667 |  | (82,567) |  | (4,113) |  | 36,995 |

1. **Investment properties**

|  |  |  | Consolidated  **financial statements** | | | | |  | Separate  financial statements | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | *Notes* |  | Land |  | Building |  | Total |  | Land |  | Building |  | Total |
|  | *(in thousand Baht)* | | | | | | | | | | | | |
| **At 1 January 2020** |  |  | 438,467 |  | 109,223 |  | 547,690 |  | 68,143 |  | 40,467 |  | 108,610 |
| Transfer from property, plant and  equipment | *14* |  | 167,223 |  | 63,723 |  | 230,946 |  | 118,923 |  | 63,723 |  | 182,646 |
| Gain (loss) on fair value adjustments |  |  | 20,372 |  | 5,718 |  | 26,090 |  | 7,572 |  | (6,672) |  | 900 |
| **At 31 December 2020 and 1 January  2021** |  |  | **626,062** |  | **178,664** |  | **804,726** |  | **194,638** |  | **97,518** |  | **292,156** |
| Transfer from property, plant and  equipment | *14* |  | 67,737 |  | 27,017 |  | 94,754 |  | - |  | 17,730 |  | 17,730 |
| Transfer to property, plant and   equipment | *14* |  | (174,218) |  | (57,130) |  | (231,348) |  | - |  | - |  | - |
| Gain (loss) on fair value adjustments |  |  | 6,091 |  | (1,981) |  | 4,110 |  | - |  | 3,902 |  | 3,902 |
| Disposals |  |  | - |  | - |  | - |  | (98,503) |  | (23,335) |  | (121,838) |
| **At 31 December 2021** |  |  | **525,672** |  | **146,570** |  | **672,242** |  | **96,135** |  | **95,815** |  | **191,950** |

|  |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| ***Year ended 31 December*** |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(in thousand Baht)* | | | | | | |
| ***Amounts recognised in profit or loss*** |  |  |  |  |  |  |  |  |
| Rental income |  | 13,274 |  | 15,648 |  | 4,394 |  | 5,778 |

Investment properties comprise a number of commercial properties that are leased to third parties.  
Each of the lease contains an initial non-cancellable period of 1 to 10 years for land and building. Renewals are negotiated with the lessee. No contingent rents are charged.

The Group and the Company have pledged investment properties amounting to approximately Baht 650.3 million and Baht 192.0 million, respectively *(2020: Baht 673.9 million and Baht 292.2 million, respectively)* as collateral against credit facilities from a financial institution *(see note 19).*

The fair value of investment properties as of 31 December 2021 was determined by independent professional valuers, at market approach and depreciated replacement cost approach. The fair value of investment property has been categorised as a Level 3 fair value*.*

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

During 2021, the Company sold the investment properties to a subsidiary for use in operation amounting of Baht 124.0 million. The Company recognised gains from sales of investment properties amounting of Baht 2.1 million in the separate statement of comprehensive income for the year ended   
31 December 2021.

1. **Property, plant and equipment**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | |
|  | Land  and land |  | Building  and building |  |  |  | Office and |  |  |  | Other |  | Assets under  construction and |  |  |
|  | improvement |  | improvements |  | Machinery |  | other equipment |  | Vehicles |  | fixed assets |  | installation |  | Total |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| ***Cost/Revaluation*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | 1,560,004 |  | 1,204,270 |  | 814,331 |  | 536,830 |  | 140,241 |  | 184,215 |  | 132,813 |  | 4,572,704 |
| Additions | 1,082 |  | 1,619 |  | 199 |  | 17,597 |  | 11,957 |  | - |  | 138,309 |  | 170,763 |
| Surplus on revaluation | 168,293 |  | 191,301 |  | 112,559 |  | - |  | - |  | - |  | - |  | 472,153 |
| Transfers | - |  | 2,987 |  | 31,980 |  | 7,395 |  | - |  | 10,723 |  | (53,085) |  | - |
| Revaluation of land and building  transferred to investment properties | 20,097 |  | 22,070 |  | - |  | - |  | - |  | - |  | - |  | 42,167 |
| Transfer to investment properties  *(see note 13)* | (167,223) |  | (73,503) |  | - |  | - |  | - |  | - |  | - |  | (240,726) |
| Write-off | - |  | (4,331) |  | (6,024) |  | (3,943) |  | (1,840) |  | (56) |  | (338) |  | (16,532) |
| Disposals | - |  | - |  | (1,330) |  | (51,706) |  | (9,470) |  | - |  | - |  | (62,506) |
| Reversal of assets revaluation | - |  | (233,639) |  | (278,090) |  | - |  | - |  | - |  | - |  | (511,729) |
| **At 31 December 2020 and** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **1 January 2021** | **1,582,253** |  | **1,110,774** |  | **673,625** |  | **506,173** |  | **140,888** |  | **194,882** |  | **217,699** |  | **4,426,294** |
| Additions | 5,000 |  | 3,516 |  | 3,072 |  | 46,328 |  | 8,871 |  | 63 |  | 526,187 |  | 593,037 |
| Transfer | 106,117 |  | 101,314 |  | 163,239 |  | 79,496 |  | 10,586 |  | 6,469 |  | (467,221) |  | - |
| Transfer from investment properties  *(see note 13)* | 174,218 |  | 57,130 |  | - |  | - |  | - |  | - |  | - |  | 231,348 |
| Transfer to investment properties  *(see note 13)* | (67,737) |  | (29,018) |  | - |  | - |  | - |  | - |  | - |  | (96,755) |
| Write-off | (1,730) |  | (35,076) |  | (2,693) |  | (15,070) |  | - |  | - |  | (12,924) |  | (67,493) |
| Disposals | (3,623) |  | (1,115) |  | (549) |  | (2,641) |  | (8,008) |  | - |  | - |  | (15,936) |
| **At 31 December 2021** | **1,794,498** |  | **1,207,525** |  | **836,694** |  | **614,286** |  | **152,337** |  | **201,414** |  | **263,741** |  | **5,070,495** |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | |
|  | Land  and land |  | Building  and building |  |  |  | Office and |  |  |  | Other |  | Assets under  construction and |  |  |
|  | improvement |  | improvements |  | Machinery |  | other equipment |  | Vehicles |  | fixed assets |  | installation |  | Total |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| ***Depreciation and impairment losses*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2020 | 15,447 |  | 194,594 |  | 259,512 |  | 395,053 |  | 120,744 |  | 115,213 |  | - |  | 1,100,563 |
| Depreciation charge for the year | - |  | 74,013 |  | 115,770 |  | 37,576 |  | 7,180 |  | 12,092 |  | - |  | 246,631 |
| (Reversal of) Impairment losses | (2,907) |  | 2,959 |  | 2,377 |  | - |  | - |  | - |  | - |  | 2,429 |
| Offset of accumulated depreciation on  buildings transferred to investment  properties *(see note 13)* | - |  | (9,780) |  | - |  | - |  | - |  | - |  | - |  | (9,780) |
| Write-off | - |  | (800) |  | (4,739) |  | (2,930) |  | (1,145) |  | (43) |  | - |  | (9,657) |
| Disposals | - |  | - |  | (1,330) |  | (51,403) |  | (9,374) |  | - |  | - |  | (62,107) |
| Reversal of accumulated depreciation  on assets revaluation | - |  | (233,639) |  | (278,090) |  | - |  | - |  | - |  | - |  | (511,729) |
| **At 31 December 2020 and** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **1 January 2021** | **12,540** |  | **27,347** |  | **93,500** |  | **378,296** |  | **117,405** |  | **127,262** |  | **-** |  | **756,350** |
| Depreciation charge for the year | - |  | 57,255 |  | 100,433 |  | 43,804 |  | 9,031 |  | 12,243 |  | - |  | 222,766 |
| Offset of accumulated depreciation on  buildings transferred to investment  properties *(see note 13)* | - |  | (2,001) |  | - |  | - |  | - |  | - |  | - |  | (2,001) |
| Write-off | (1,730) |  | (3,974) |  | - |  | (13,047) |  | - |  | - |  | - |  | (18,751) |
| Disposals | - |  | (7) |  | (549) |  | (2,623) |  | (7,767) |  | - |  | - |  | (10,946) |
| **At 31 December 2021** | **10,810** |  | **78,620** |  | **193,384** |  | **406,430** |  | **118,669** |  | **139,505** |  | **-** |  | **947,418** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Net book value*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Owned assets | 1,563,723 |  | 987,229 |  | 580,125 |  | 127,585 |  | 14,123 |  | 67,620 |  | 217,699 |  | 3,558,104 |
| Right-of-use assets | 5,990 |  | 96,198 |  | - |  | 292 |  | 9,360 |  | - |  | - |  | 111,840 |
|  | **1,569,713** |  | **1,083,427** |  | **580,125** |  | **127,877** |  | **23,483** |  | **67,620** |  | **217,699** |  | **3,669,944** |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2021** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Owned assets | 1,783,688 |  | 1,050,837 |  | 643,310 |  | 207,449 |  | 25,707 |  | 61,909 |  | 263,741 |  | 4,036,641 |
| Right-of-use assets | - |  | 78,068 |  | - |  | 407 |  | 7,961 |  | - |  | - |  | 86,436 |
|  | **1,783,688** |  | **1,128,905** |  | **643,310** |  | **207,856** |  | **33,668** |  | **61,909** |  | **263,741** |  | **4,123,077** |

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|  |  | **Separate financial statements** | | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | Assets under |  |  |
|  |  | Land |  | Building |  |  |  | Office |  |  |  |  |  | construction |  |  |
|  |  | and land |  | and building |  |  |  | and other |  |  |  | Other |  | and |  |  |
|  |  | improvement |  | improvements |  | Machinery |  | equipment |  | Vehicles |  | fixed assets |  | installation |  | Total |
|  |  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| ***Cost/Revaluation*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| At 1 January 2020 |  | 464,702 |  | 443,838 |  | 239,626 |  | 157,280 |  | 91,506 |  | 146,297 |  | 2,208 |  | 1,545,457 |
| Additions |  | - |  | 57 |  | 13 |  | 1,206 |  | - |  | - |  | 6,033 |  | 7,309 |
| Surplus on revaluation |  | 35,708 |  | 76,145 |  | - |  | - |  | - |  | - |  | - |  | 111,853 |
| Transfers |  | - |  | 1,527 |  | 407 |  | - |  | - |  | 618 |  | (2,552) |  | - |
| Revaluation of land and building  transferred to investment properties |  | 9,204 |  | 22,070 |  | - |  | - |  | - |  | - |  | - |  | 31,274 |
| Transfer to investment properties  *(see note 13)* |  | (118,923) |  | (73,503) |  | - |  | - |  | - |  | - |  | - |  | (192,426) |
| Write-off |  | - |  | - |  | (1,999) |  | - |  | - |  | - |  | - |  | (1,999) |
| Disposals |  | - |  | - |  | - |  | (69) |  | (7,004) |  | - |  | - |  | (7,073) |
| Reversal of assets revaluation |  | - |  | (72,487) |  | - |  | - |  | - |  | - |  | - |  | (72,487) |
| **At 31 December 2020 and   1 January 2021** |  | **390,691** |  | **397,647** |  | **238,047** |  | **158,417** |  | **84,502** |  | **146,915** |  | **5,689** |  | **1,421,908** |
| Additions |  | - |  | 662 |  | 1,845 |  | 1,912 |  | 3,350 |  | 63 |  | 81,650 |  | 89,482 |
| Transfers |  | - |  | 21,458 |  | 22,270 |  | - |  | - |  | 3,510 |  | (47,238) |  | - |
| Transfer to investment properties  *(see note 13)* |  | - |  | (17,730) |  | - |  | - |  | - |  | - |  | - |  | (17,730) |
| Disposals |  | - |  | - |  | - |  | - |  | (2,288) |  | - |  | - |  | (2,288) |
| **At 31 December 2021** |  | **390,691** |  | **402,037** |  | **262,162** |  | **160,329** |  | **85,564** |  | **150,488** |  | **40,101** |  | **1,491,372** |

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|  |  | **Separate financial statements** | | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  | Assets under |  |  | |
|  |  | Land |  | Building |  |  |  | Office |  |  |  |  |  | construction |  |  | |
|  |  | and land |  | and building |  |  |  | and other |  |  |  | Other |  | and |  |  | |
|  |  | improvement |  | improvements |  | Machinery |  | equipment |  | Vehicles |  | fixed assets |  | installation |  | Total | |
|  |  | *(in thousand Baht)* | | | | | | | | | | | | | | |
| ***Depreciation and impairment losses*** |  |  | | | | | | | | | | | | | | |
| At 1 January 2020 |  | 12,540 |  | 87,254 |  | 60,525 |  | 146,138 |  | 83,760 |  | 91,705 |  | - |  | 481,922 | |
| Depreciation charge for the year |  | - |  | 24,526 |  | 34,425 |  | 3,917 |  | 2,713 |  | 7,342 |  | - |  | 72,923 | |
| Reversal of impairment losses |  | - |  | (5,454) |  | - |  | - |  | - |  | - |  | - |  | (5,454) | |
| Offset of accumulated depreciation on  building transferred to investment  properties *(see note 13)* |  | - |  | (9,780) |  | - |  | - |  | - |  | - |  | - |  | (9,780) | |
| Write-off |  | - |  | - |  | (1,926) |  | - |  | - |  | - |  | - |  | (1,926) | |
| Disposals |  | - |  | - |  | - |  | (69) |  | (7,002) |  | - |  | - |  | (7,071) | |
| Reversal of accumulated depreciation |  | - |  | (72,487) |  | - |  | - |  | - |  | - |  | - |  | (72,487) | |
| **At 31 December 2020** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |
| **and 1 January 2021** |  | **12,540** |  | **24,059** |  | **93,024** |  | **149,986** |  | **79,471** |  | **99,047** |  | **-** |  | **458,127** | |
| Depreciation charge for the year |  | - |  | 16,361 |  | 36,655 |  | 3,653 |  | 2,815 |  | 7,487 |  | - |  | 66,971 | |
| Disposals |  | - |  | - |  | - |  | - |  | (2,288) |  | - |  | - |  | (2,288) | |
| **At 31 December 2021** |  | **12,540** |  | **40,420** |  | **129,679** |  | **153,639** |  | **79,998** |  | **106,534** |  | **-** |  | **522,810** | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | |

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|  | **Separate financial statements** | | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  | Assets under |  |  |
|  | Land |  | Building |  |  |  | Office |  |  |  |  |  | construction |  |  |
|  | and land |  | and building |  |  |  | and other |  |  |  | Other |  | and |  |  |
|  | improvement |  | improvements |  | Machinery |  | equipment |  | Vehicles |  | fixed assets |  | installation |  | Total |
|  | *(in thousand Baht)* | | | | | | | | | | | | | | |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Net book value*** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **At 31 December 2020** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Owned assets | 378,151 |  | 294,087 |  | 145,023 |  | 8,375 |  | 2,250 |  | 47,868 |  | 5,689 |  | 881,443 |
| Right-of-use assets | - |  | 79,501 |  | - |  | 56 |  | 2,781 |  | - |  | - |  | 82,338 |
|  | **378,151** |  | **373,588** |  | **145,023** |  | **8,431** |  | **5,031** |  | **47,868** |  | **5,689** |  | **963,781** |
| **At 31 December 2021** |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Owned assets | 378,151 |  | 287,477 |  | 132,483 |  | 6,450 |  | 637 |  | 43,954 |  | 40,101 |  | 889,253 |
| Right-of-use assets | - |  | 74,140 |  | - |  | 240 |  | 4,929 |  | - |  | - |  | 79,309 |
|  | **378,151** |  | **361,617** |  | **132,483** |  | **6,690** |  | **5,566** |  | **43,954** |  | **40,101** |  | **968,562** |

The Group has borrowing costs related to the acquisition of buildings and machineries as part of the cost of assets amounting to Baht 0.9 million *(2020: Baht 1.3 million)* with interest rate at 3.9% p.a. *(2020:4.0% p.a.)*.

The Group and the Company have pledged their property, plant and equipment which had a net book value of Baht 2,468.5 million and Baht 701.3 million, respectively *(2020: Baht 2,476.6 million and Baht 719.4 million, respectively)*, as collateral to secure the Group’s and the Company’s bank overdrafts, trusted receipts, short and long term loans *(see note 19).*

In December 2020, land, building and machinery of the Group/Company were remeasured by independent professional valuers at market approach and depreciated replacement cost approach. The fair value has been categorised as a Level 3 fair value. The Group/Company recognised revaluation reserves amounting to Baht 472.2 million and Baht 111.9 million, respectively, in other comprehensive income. At 31 December 2021, the net book value of land, building, and machinery of the Group/Company would have been amounting to Baht 1,655.7 millions and Baht 278.1 million, respectively, if they were measured at cost *(2020: Baht 1,378.1 million and Baht 280.7 million, respectively).*

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

1. **Goodwill**

|  |  |  | **Consolidated**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- |
|  |  |  | 2021 |  | 2020 |
|  |  |  | *(in thousand Baht)* | | |
| ***Cost*** |  |  |  |  |  |
| At 1 January |  |  | 12,303 |  | 12,303 |
|  |  |  |  |  |  |
| ***Impairment losses*** |  |  |  |  |  |
| At 1 January |  |  | (12,303) |  | (5,427) |
| Impairment loss |  |  | - |  | (6,876) |
| **At 31 December** |  |  | **(12,303)** |  | **(12,303)** |
|  |  |  |  |  |  |
| ***Net book value*** |  |  |  |  |  |
| **At 31 December** |  |  | **-** |  | **-** |
|  |  |  |  |  |  |

***Impairment testing for the cash generating unit containing goodwill***

The recoverable amount of this CGU was based on its value in use, measured by discounting the future cash flows to be generated from the continuing operations. The key assumptions used in the estimation of the recoverable amount in DCF related to discount rate and estimated EBITDA. The discount rate is estimated based on the historical industry average weighted-average cost of capital. Estimated EBITDA is based on management’s expectation considering of historical experience. Based on the result of the assessment and management judgment. The carrying amount of the CGU was determined to be higher than its recoverable amount, hence, an impairment loss of Baht 6.9 million was recognised and included in administrative expense during 2020.

1. **Land possessory rights**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | |  | **Separate financial statements** | | |
|  |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(in thousand Baht)* | | | | | | |
| At 1 January |  | 188,329 |  | 192,192 |  | 6,113 |  | 6,239 |
| Amortisation |  | (3,864) |  | (3,863) |  | (125) |  | (126) |
| **At 31 December** |  | **184,465** |  | **188,329** |  | **5,988** |  | **6,113** |

As at 31 December 2021, the Group and the Company have land possessory rights of approximately 13,558 rais and 49 rais, respectively *(2020: 13,558 rais and 49 rais, respectively)*. The Group and the Company are currently in the process of obtaining legal ownership acquisition.

1. **Advance payment for land possessory rights**

The Group entered into a Shareholders Agreement with Vantage Co., Ltd. (“Vantage”) to join and invest in the business in the Republic of the Union of Myanmar through the incorporation of Myanmar Thai Rubber Joint Corporation Limited (“MTRJC”) which is or shall be a limited company under the law in the Republic of the Union of Myanmar. MTRJC has registered capital of Baht 107.7 million in order to develop and produce of rubber plantation, rubber smoked sheet and concentrated natural latex factory in Myeik, Dawei. Under the terms of the above agreement, MTRJC would purchase land possessory rights at the amount of Baht 145.0 million. As at 31 December 2020, MTRJC has advance payment for land possessory right at Baht 34.8 million, which was in the ongoing process. During the year 2020, such subsidiary made an addendum to the above agreement with Vantage which the management determined that the recoverable of the advance for land processor rights will decrease to Baht 24.8 million. The Group recognised loss from recoverable amount of Baht 10.0 million to administrative expenses during 2021.

1. **Rubber plantation development costs**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | |
|  |  | 2021 |  | 2020 |
|  |  | *(in thousand Baht)* | | |
| At 1 January |  | 890,303 |  | 891,575 |
| Additions |  | 604 |  | 2,931 |
| Amortisation |  | (4,502) |  | (4,203) |
| **At 31 December** |  | **886,405** |  | **890,303** |

1. **Interest-bearing liabilities**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated financial statements** | | | | | | | | | | | |
|  | 2021 | | | | |  | 2020 | | | | | |
|  | *Note* | Secured |  | Unsecured |  | Total |  | Secured |  | Unsecured |  | Total |
|  |  | *(in thousand Baht)* | | | | | | | | | | | |
| Bank overdrafts |  | 11,136 |  | - |  | 11,136 |  | 36,888 |  | - |  | 36,888 |
| Short-term borrowings from financial institutions |  | 3,085,150 |  | - |  | 3,085,150 |  | 3,845,124 |  | - |  | 3,845,124 |
| Short-term borrowings from related party | *6* | - |  | - |  | - |  | - |  | 1,600 |  | 1,600 |
| Long-term borrowings  from financial institutions |  | 995,240 |  | - |  | 995,240 |  | 1,076,429 |  | - |  | 1,076,429 |
| Lease liabilities |  | 22,771 |  | - |  | 22,771 |  | 56,869 |  | - |  | 56,869 |
| **Total interest-bearing liabilities** |  | **4,114,297** |  | **-** |  | **4,114,297** |  | **5,015,310** |  | **1,600** |  | **5,016,910** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Separate financial statements** | | | | | | | | | | | |
|  | 2021 | | | | |  | 2020 | | | | | |
|  | *Note* | Secured |  | Unsecured |  | Total |  | Secured |  | Unsecured |  | Total |
|  |  | *(in thousand Baht)* | | | | | | | | | | | |
| Bank overdrafts |  | 7,479 |  | - |  | 7,479 |  | 36,888 |  | - |  | 36,888 |
| Short-term borrowings from financial institutions |  | 2,759,680 |  | - |  | 2,759,680 |  | 3,163,323 |  | - |  | 3,163,323 |
| Short-term borrowings from related party | *6* | - |  | 47,000 |  | 47,000 |  | - |  | 47,000 |  | 47,000 |
| Long-term borrowings from financial institutions |  | 555,090 |  | - |  | 555,090 |  | 726,250 |  | - |  | 726,250 |
| Lease liabilities |  | 14,318 |  | - |  | 14,318 |  | 32,672 |  | - |  | 32,672 |
| **Total interest-bearing liabilities** |  | **3,336,567** |  | **47,000** |  | **3,383,567** |  | **3,959,133** |  | **47,000** |  | **4,006,133** |

As at 31 December 2021, the Group has unutilised credit facilities at the total of Baht 2,115 million and USD 106 million *(2020: Baht 1,356 million and USD 83 million)*, utilised credit facilities at the total of Baht 4,314 million and USD 24 million *(2020: Baht 4,986 million and USD 31 million)*, and the Company has issued letter of guarantee to banks to secure credit facilities granted by the banks to its subsidiaries totaling Baht 742 million *(2020: Baht 945 million and USD 10 million).*The Company had unutilised credit facilities totalling Baht 760 million *(2020: Baht 397 million).*

The Company sold their buildings and machineries to a local company and leased them back under finance lease agreements. The finance lease liabilities were repayable in monthly installments commencing from January 2015 to March 2023. Under the lease agreements, the Company must comply with conditions covering the lease assets.

Long-term borrowings from financial institutions of the Group/Company are secured by the mortgage by land and premises thereon, plants and machinery, and also guaranteed by the Group/Company.

***Compliance of loan covenant***

The Group/Company must be in compliance with the debt covenantsas and maintain the required financial ratios and other terms as stated in the agreements such as maintaining the debt to equity ratio. During 2021, the Group failed to comply with maintaining the level of financial ratios as defined in the loan agreements. Breach of the terms of these agreements cause the bank to recall all outstanding payables under such agreements. However, the Group received the relief letter related to the level of financial ratios from the financial institutions and had already completed for the reschedule the repayment of loan principal.

The details of long-term borrowings from financial institutions as at 31 December are summarised as follows:

|  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| **Long-term borrowings of the Company** |  |  |  |  |  |  |  |
| 1. Long-term borrowings of Baht 270 million subject to interest at Minimum Loan Rate (“MLR”) minus 2% per annum and repayable in 20 installments. The repayments are to be made for every  3-month period, commencing December 2016. Later, the Company made a memorandum to extend the repayment term with interest at MLR minus 1.25%  per annum and repayable in 20 installments (Baht 6 million for installment 1-2, Baht 10 million for installment 3-19 and the remain principle for installment 20).  The repayments are to be made for every  3-month period, commencing September 2021. | 117,340 |  | 204,000 |  | 117,340 |  | 204,000 |
| 1. Long-term borrowings of Baht 645 million subject to interest at MLR minus 2% per annum and repayable in 20 installments. The repayments are to be made for every  3-month period, commencing December 2016. Later, the Company made a memorandum to extend the repayment term with interest at MLR minus 1.25%  per annum and repayable in 20 installments (Baht 15.75 million for installment 1-4, Baht 25.0 million for installment 5-19 and the remain principle for installment 20). The repayments are to be made for every  3-month period, commencing September 2021. | 431,500 |  | 491,000 |  | 431,500 |  | 491,000 |
|  |  |  |  |  |  |  |  |
| 1. Long-term borrowings of Baht 92.5 million subject to interest at MLR minus 2% per annum and repayable in 17 installments (Baht 2.5 million for first installment, Baht 3.8 million for installment 2-5, Baht 6.3 million for installment 6-16 and the remain principle for installment 17). The repayments are to be made for every 3-month period, commencing March 2018. | 6,250 |  | 31,250 |  | 6,250 |  | 31,250 |
|  |  |  |  |  |  |  |  |
| **Long-term borrowings of subsidiary** |  |  |  |  |  |  |  |
| *Latex Systems Public Company Limited* |  |  |  |  |  |  |  |
| 1. Long-term borrowings of Baht 300 million subject to interest at MLR minus 2% per annum and repayable in 24 installments for Baht 12.5 million per installment. The repayments are to be made for every 3-month period, commencing September 2017. Later, such subsidiary made a memorandum to extend the repayment term with interest at MLR minus 2.5%  per annum and the repayments are to be made for every month, commencing  June 2023. | 170,300 |  | 170,300 |  | - |  | - |
| 1. Long-term borrowings of Baht 100 million subject to interest at MLR minus 2% per annum and repayable in 24 installments for Baht 4.2 million each. The repayments are to be made for every 3-month period, commencing from January 2020. Later, such subsidiary made a memorandum to extend the repayment term with interest at MLR minus 2.5% per annum and the repayments are to be made for every  month, commencing June 2023. | 93,100 |  | 93,100 |  | - |  | - |
| 1. Long-term borrowings of Baht 400 million subject to interest at MLR minus 2% per annum and repayable in 24 installments for Baht 16.7 million each. The repayments are to be made for every 3-month period, commencing from February 2020. Later, such subsidiary made a memorandum to extend the repayment term with interest at MLR minus 2.5% per annum and the repayments are to be made for every  month, commencing June 2023. | 86,779 |  | 86,779 |  | - |  | - |
|  |  |  |  |  |  |  |  |
| World Flex Public Company Limited |  |  |  |  |  |  |  |
| 1. Long-term borrowings of Baht 400 million subject to interest at Minimum Loan Rate minus 2% per annum and repayable in 48 installments for Baht 8.4 million each. The repayments are to be made for every month, commencing from October 2022. (At 31 December 2021 - drawdown the loans amounting to Baht 90 million) | 89,971 |  | - |  | - |  | - |
| **Total** | **995,240** |  | **1,076,429** |  | **555,090** |  | **726,250** |
| *Less*: Current portion of long term borrowings | (152,950) |  | (773,000) |  | (127,750) |  | (720,000) |
| **Net** | **842,290** |  | **303,429** |  | **427,340** |  | **6,250** |

1. **Non-current provision for employee benefits**

| ***At 31 December*** | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Post - employment benefits | 99,832 |  | 93,323 |  | 65,378 |  | 67,653 |
| **Total** | **99,832** |  | **93,323** |  | **65,378** |  | **67,653** |

***Defined benefit plan***

The Group and the Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E. 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Group and the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

| ***Present value of the defined benefit obligations*** |  | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(in thousand Baht)* | | | | | | |
| At 1 January |  | 93,323 |  | 95,557 |  | 67,653 |  | 71,871 |
| **Recognised in profit or loss:** |  |  |  |  |  |  |  |  |
| Current service cost |  | 12,210 |  | 6,893 |  | 2,676 |  | 3,156 |
| Interest on obligation |  | 1,008 |  | 1,998 |  | 552 |  | 1,288 |
|  |  | **13,218** |  | **8,891** |  | **3,228** |  | **4,444** |
| **Recognised in other comprehensive income** |  |  |  |  |  |  |  |  |
| Actuarial (gain) loss |  |  |  |  |  |  |  |  |
| * + - Demographic assumptions |  | - |  | (1,496) |  | - |  | 1,849 |
| * + - Financial assumptions |  | - |  | 3,440 |  | - |  | 3,008 |
| * + - Experience adjustment |  | - |  | 6,081 |  | - |  | 4,095 |
|  |  | **-** |  | **8,025** |  | **-** |  | **8,952** |
| Benefit paid |  | (6,709) |  | (19,150) |  | (5,503) |  | (17,614) |
| **At 31 December** |  | **99,832** |  | **93,323** |  | **65,378** |  | **67,653** |

| ***Principal actuarial assumptions*** | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(%)* | | | | | | |
| Discount rate | 1.3 - 1.8 |  | 1.3 - 1.8 |  | 1.4 |  | 1.4 |
| Future salary growth | 3.0 - 4.0 |  | 3.0 - 4.0 |  | 4.0 |  | 4.0 |

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

At 31 December 2021, the weighted-average duration of the defined benefit obligation was 9 years *(2020:10 years).*

***Sensitivity analysis***

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

| ***Effect to the defined benefit obligation*** | Consolidated financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***At 31 December*** | Increase | | |  | Decrease | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Discount rate (1%) | (7,443) |  | (6,616) |  | 8,645 |  | 7,707 |
| Future salary growth (1%) | 8,797 |  | 7,173 |  | (7,702) |  | (6,301) |
| Employee turnover rate (20%) | (6,593) |  | (5,436) |  | 7,787 |  | 6,382 |
|  |  |  |  |  |  |  |  |
| ***Effect to the defined benefit obligation*** | **Separate financial statements** | | | | | | |
| ***At 31 December*** | Increase | | |  | Decrease | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Discount rate (1%) | (3,869) |  | (3,879) |  | 4,464 |  | 4,491 |
| Future salary growth (1%) | 4,578 |  | 4,166 |  | (4,034) |  | (3,682) |
| Employee turnover rate (20%) | (3,010) |  | (2,703) |  | 3,475 |  | 3,092 |

1. **Share capital**

|  |  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Par value | 2021 | | |  | 2020 | | |
|  | per share | Number |  | Baht |  | Number |  | Baht |
|  | *(in Baht)* | *(thousand shares /in thousand Baht)* | | | | | | |
| ***Authorised shares*** |  |  |  |  |  |  |  |  |
| At 1 January |  |  |  |  |  |  |  |  |
| - ordinary shares | 1 | 681,480 |  | 681,480 |  | 681,480 |  | 681,480 |
| Increase of new shares | 1 | 340,740 |  | 340,740 |  | - |  | - |
| **At 31 December** |  |  |  |  |  |  |  |  |
| **- Authorised shares** | 1 | **1,022,220** |  | **1,022,220** |  | **681,480** |  | **681,480** |
|  |  |  |  |  |  |  |  |  |
| ***Issued and paid-up shares*** |  |  |  |  |  |  |  |  |
| At 1 January |  |  |  |  |  |  |  |  |
| - ordinary shares | 1 | 681,480 |  | 681,480 |  | 681,480 |  | 681,480 |
| Increase of new shares | 1 | 136,296 |  | 136,296 |  | - |  | - |
| **At 31 December** |  |  |  |  |  |  |  |  |
| **- ordinary shares** | 1 | **817,776** |  | **817,776** |  | **681,480** |  | **681,480** |

***Increase of registered capital, Issuance and offering of newly issued ordinary shares, and Issuance 1of warrants to purchase ordinary shares***

At the Extraordinary General Meeting of Shareholders No. 1/2021 held on 30 July 2021, the Company’s shareholders approved the increase of the Company's registered capital by the amount of Baht 340.7 million with a par value of Baht 1.0 per share from the original registered capital of Baht 681.5 million to Baht 1,022.2 million and also approved the issuance and offering of newly issued ordinary shares, and issuance of the warrants to purchase ordinary shares according to the following details:

1. Ordinary shares are allocated not exceeding 136.3 million shares for issuance and offering of newly issued ordinary shares to the existing shareholders in proportion to their respective shareholding (Right Offering) in the amount not exceeding 136.3 million shares. The exercise ratio is 5 existing ordinary shares to 1 newly issued ordinary share with an offering price of Baht 2.2 per share. The total of 136.3 million shares were exercised and the Company received capital payment at the total of Baht 299.1 million. The Company registered the increase in capital issue and paid-up with the Ministry of Commerce in September 2021.
2. Ordinary shares are allocated not exceeding 136.3 million units for issuance of the warrants to purchase ordinary shares of the Company (“TRUBB-W2”) allocated to the existing shareholders of the Company who subscribe and pay for the newly issued ordinary shares in proportion to their respective shareholding (Right Offering) in the amount not exceeding 136.3 million unit at no cost, at the allocation of 1 existing ordinary shares to 1 unit of TRUBB-W2 Warrants. The exercise ratio is 1 unit of TRUBB-W2 Warrants to purchase 1 ordinary share with the exercise price of Baht 6.0 per share. The warrants will be expired within 3 years after issuance of TRUBB-W2 Warrants. There are 136.3 million units of TRUBB-W2 Warrants and can be exercised on specified date which the first warrant exercise date is in December 2021.
3. Ordinary shares are allocated not exceeding 68.2 million units for allocation of the newly issued ordinary shares to a specific investor (Private Placement) with unidentified offering price and the offer period is within the date of the next annual meeting of shareholders or the next annual general meeting of shareholders under the law regulation, whichever is earlier.
4. **Reserves and share premium**

Reserves comprise:

***Appropriations of profit and/or retained earnings***

**Legal reserve**

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

**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.

***Other components of equity***

**Translation reserve**

The translation reserves comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as the effective portion of any foreign currency differences arising from hedges of a net investment in a foreign operation.

**Revaluation reserves**

The revaluation reserve comprises the cumulative net change in the valuation of land, building and machinery included in the financial statements at valuation until such land, building and machinery is sold or otherwise disposed of.

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Revaluation reserves | | | | | | |
|  |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(in thousand Baht)* | | | | | | |
| At 1 January |  | 1,597,500 |  | 1,260,289 |  | 590,230 |  | 516,734 |
| Revaluation of land, building and  machinery, net of tax |  | - |  | 355,821 |  | - |  | 89,482 |
| Revaluation of land and building  transferred to investment properties,  net of tax |  | - |  | 33,733 |  | - |  | 25,020 |
| Disposals of non-controlling interests |  | (148,219) |  | - |  | - |  | - |
| Amortisation / disposals |  | (64,553) |  | (52,343) |  | (104,918) |  | (41,006) |
| **At 31 December** |  | **1,384,728** |  | **1,597,500** |  | **485,312** |  | **590,230** |

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

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

Management determined that the Group’s has three reportable segments, which are the Group’s strategic divisions. The strategic divisions offer different products and services, and are managed separately because they require different technology and marketing strategies. The following summary describes the operations in each of the Group’s principal reportable segments.

* Segment 1 Concentrated and prevulcanized latex
* Segment 2 Latex products
* Segment 3 Rubber plantation

Each segment’s performance is measured based on segment profit before tax, as included in the internal management reports that are reviewed by the Group’s CODM. Segment profit (loss) before tax is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm’s length basis.

Revenue from sales of products of the Group came from concentrated and prevulcanized latex, latex products and rubber plantation and recognised at a point in time.

|  | Consolidated financial statements | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Concentrated and prevulcanized latex | | |  | Latex products | | | | |  | Rubber plantation | | |  | Total | | |
| ***For the year ended 31 December*** | 2021 |  | 2020 |  | 2021 | |  | | 2020 |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in million Baht)* | | | | | | | | | | | | | | | | |
| ***Information about reportable segments*** |  | | | | | | | | | | | | | | | | |
| External revenue | 5,006 |  | 4,199 |  | 4,322 |  | | 2,644 | |  | 5 |  | 5 |  | 9,333 |  | 6,848 |
| Inter-segment revenue | 1,705 |  | 1,172 |  | 1 |  | | 1 | |  | 62 |  | 55 |  | 1,768 |  | 1,228 |
| **Total revenue** | **6,711** |  | **5,371** |  | **4,323** |  | | **2,645** | |  | **67** |  | **60** |  | **11,101** |  | **8,076** |
|  |  |  |  |  |  |  | |  | |  |  |  |  |  |  |  |  |
| ***Disaggregation of revenue*** |  |  |  |  |  |  | |  | |  |  |  |  |  |  |  |  |
| **Primary geographical markets** |  |  |  |  |  |  | |  | |  |  |  |  |  |  |  |  |
| Thailand | 2,774 |  | 2,547 |  | 453 |  | | 126 | |  | 5 |  | 5 |  | 3,232 |  | 2,678 |
| PRC | 670 |  | 354 |  | 3,020 |  | | 1,837 | |  | - |  | - |  | 3,690 |  | 2,191 |
| Malaysia | 638 |  | 601 |  | 12 |  | | 2 | |  | - |  | - |  | 650 |  | 603 |
| Hong Kong Special Administrative Region of the  People's Republic of China | 106 |  | 244 |  | 4 |  | | 2 | |  | - |  | - |  | 110 |  | 246 |
| Islamic Republic of Pakistan | 101 |  | 60 |  | 51 |  | | 54 | |  | - |  | - |  | 152 |  | 114 |
| Republic of Korea | 56 |  | 52 |  | 23 |  | | 26 | |  | - |  | - |  | 79 |  | 78 |
| Others countries | 661 |  | 341 |  | 759 |  | | 597 | |  | - |  | - |  | 1,420 |  | 938 |
| **Total revenue** | **5,006** |  | **4,199** |  | **4,322** |  | | **2,644** | |  | **5** |  | **5** |  | **9,333** |  | **6,848** |
|  |  |  |  |  |  |  | |  | |  |  |  |  |  |  |  |  |
| **Timing of revenue recognition** |  |  |  |  |  |  | |  | |  |  |  |  |  |  |  |  |
| At a point in time | 5,006 |  | 4,199 |  | 4,322 |  | | 2,644 | |  | 5 |  | 5 |  | 9,333 |  | 6,848 |
| Segment profit (loss) before income tax | 363 |  | 163 |  | 351 |  | | (266) | |  | (18) |  | 1 |  | 696 |  | (102) |
|  |  |  |  |  |  |  | |  | |  |  |  |  |  |  |  |  |
| Interest income | 1 |  | 1 |  | - |  | | - | |  | - |  | - |  | 1 |  | 1 |
| Interest expense | (136) |  | (134) |  | (47) |  | | (51) | |  | - |  | - |  | (183) |  | (185) |
| Depreciation and amortisation | (74) |  | (78) |  | (141) |  | | (166) | |  | (9) |  | (6) |  | (224) |  | (250) |
| Selling-related expenses | (205) |  | (195) |  | (70) |  | | (45) | |  | - |  | - |  | (275) |  | (240) |
| Personnel-related expenses | (252) |  | (206) |  | (423) |  | | (285) | |  | (22) |  | (19) |  | (697) |  | (510) |
|  |  |  |  |  |  |  | |  | |  |  |  |  |  |  |  |  |
|  | **Consolidated financial statements** | | | | | | | | | | | | | | | | |
|  | **Concentrated and prevulcanized latex** | | |  | **Latex products** | | | | |  | **Rubber plantation** | | |  | **Total** | | |
|  | 2021 |  | 2020 |  | 2021 |  | | 2020 | |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in million Baht)* | | | | | | | | | | | | | | | | |
| Other material non-cash items |  | | | | | | | | | | | | | | | | |
| - Impairment (reversal) losses of trade accounts receivable | - |  | 1 |  | (21) |  | | 44 | |  | - |  | - |  | (21) |  | 45 |
| Segment assets | 3,324 |  | 3,535 |  | 3,991 |  | | 2,549 | |  | 2,166 |  | 2,181 |  | 9,481 |  | 8,265 |
| Segment liabilities | 3,626 |  | 4,302 |  | 1,599 |  | | 1,498 | |  | 164 |  | 160 |  | 5,389 |  | 5,960 |

1. *Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other*

*material items*

|  | Consolidated financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Revenues | | |  | Profit or loss | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in million Baht)* | | | | | | |
| Reportable segments | 11,101 |  | 8,076 |  | 595 |  | (168) |
| Other segments | 207 |  | 127 |  | - |  | - |
| Elimination of inter-segment transactions | (1,890) |  | (1,237) |  | (68) |  | 47 |
| **Total** | **9,418** |  | **6,966** |  | **527** |  | **(121)** |

|  | Consolidated financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Assets | | |  | Liabilities | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in million Baht)* | | | | | | |
| Reportable segments | 12,986 |  | 11,501 |  | 5,938 |  | 6,352 |
| Elimination of inter-segment transactions | (3,505) |  | (3,236) |  | (549) |  | (392) |
| **Total** | **9,481** |  | **8,265** |  | **5,389** |  | **5,960** |

|  | **Consolidated financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 | | | | |  | 2020 | | | | |
| ***Other material items*** | Reportable segment totals |  | Adjustments |  | Total |  | Reportable segment totals |  | Adjustments |  | Total |
|  | *(in million Baht)* | | | | | | | | | | |
| Interest income | 10 |  | (9) |  | 1 |  | 8 |  | (7) |  | 1 |
| Interest expense | 192 |  | (9) |  | 183 |  | 192 |  | (7) |  | 185 |
| Depreciation and  amortisation | 222 |  | 2 |  | 224 |  | 251 |  | (1) |  | 250 |
| (Reversal of)  impairment losses  of trade accounts  receivable | 4 |  | (25) |  | (21) |  | 45 |  | - |  | 45 |

1. *Geographical segments*

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

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Consolidated financial statements | | | | | | |
| ***Geographical information*** | Revenues | | |  | Non-current assets | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in million Baht)* | | | | | | |
| Thailand | 3,232 |  | 2,678 |  | 5,945 |  | 5,668 |
| PRC | 3,690 |  | 2,191 |  | - |  | - |
| Malaysia | 650 |  | 603 |  | - |  | - |
| Hong Kong Special Administrative  Region of the People's Republic of  China | 110 |  | 246 |  | - |  | - |
| Islamic Republic of Pakistan | 152 |  | 114 |  | - |  | - |
| Republic of Korea | 79 |  | 78 |  | - |  | - |
| Other countries | 1,420 |  | 938 |  | 80 |  | 94 |
| Investments in equity - accounted  investees | - |  | - |  | 78 |  | 98 |
| **Total** | **9,333** |  | **6,848** |  | **6,103** |  | **5,860** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Separate financial statements | | | | | | |
| ***Geographical information*** | Revenues | | |  | Non-current assets | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in million Baht)* | | | | | | |
| Thailand | 4,202 |  | 3,462 |  | 4,431 |  | 4,306 |
| PRC | 659 |  | 349 |  | - |  | - |
| Malaysia | 638 |  | 601 |  | - |  | - |
| Hong Kong Special Administrative  Region of the People's Republic of  China | 106 |  | 244 |  | - |  | - |
| Islamic Republic of Pakistan | 101 |  | 60 |  | - |  | - |
| Republic of Korea | 56 |  | 52 |  | - |  | - |
| Other countries | 661 |  | 341 |  | - |  | - |
| **Total** | **6,423** |  | **5,109** |  | **4,431** |  | **4,306** |

1. ***Promotional privileges***

The Group has been granted promotional certificates by the Office of the Board of Investment for rubber products. The Group has been granted several privileges including exemption and/or reduction from payment of income tax on the net profit derived from promoted operations with certained terms and conditions prescribed in the promotional certificates.

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

|  | **Consolidated financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 | | | | |  | 2020 | | | | |
| ***Year ended 31 December*** | Promoted businesses |  | Non-promoted businesses |  | Total |  | Promoted businesses |  | Non-promoted businesses |  | Total |
|  | *(in million Baht)* | | | | | | | | | | |
| Export sales | 779 |  | 5,344 |  | 6,123 |  | 865 |  | 3,335 |  | 4,200 |
| Local sales | 101 |  | 4,877 |  | 4,978 |  | 95 |  | 3,781 |  | 3,876 |
| Eliminations | - |  | (1,768) |  | (1,768) |  | - |  | (1,228) |  | (1,228) |
| **Total** | **880** |  | **8,453** |  | **9,333** |  | **960** |  | **5,888** |  | **6,848** |

1. **Other income**

|  |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | *Note* | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(in thousand Baht)* | | | | | | |
| Sales of scrap |  | 23,151 |  | 22,141 |  | 23,151 |  | 18,927 |
| Reverse of impairment loss | *8* | 21,126 |  | - |  | - |  | - |
| Rental income |  | 14,767 |  | 17,383 |  | 5,717 |  | 8,637 |
| Gain on of fair value adjustment in  investment properties | *13* | 4,110 |  | 26,090 |  | 3,902 |  | 900 |
| Interest income |  |  |  |  |  |  |  |  |
| - Related parties | *6* | - |  | - |  | 6,640 |  | 4,963 |
| - Other parties |  | 1,460 |  | 1,219 |  | 39 |  | 93 |
| Dividend income | *6* | - |  | - |  | 106,260 |  | - |
| Gain on foreign exchange |  | - |  | 18,692 |  | - |  | 13,726 |
| Interest compensation |  | - |  | 11,866 |  | - |  | 11,866 |
| Others |  | 19,855 |  | 20,718 |  | 2,980 |  | 6,343 |
| **Total** |  | **84,469** |  | **118,109** |  | **148,689** |  | **65,455** |

1. **Employee benefit expenses**

|  |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(in thousand Baht)* | | | | | | |
| Wages and salaries |  | 435,495 |  | 373,989 |  | 161,756 |  | 157,893 |
| Bonus |  | 194,523 |  | 49,582 |  | 64,409 |  | 21,564 |
| Defined benefit plans |  | 13,218 |  | 8,891 |  | 3,228 |  | 4,444 |
| Defined contribution plans |  | 7,709 |  | 7,682 |  | 3,538 |  | 3,389 |
| Termination benefits |  | - |  | 11,750 |  | - |  | - |
| Equity-settled share-based payments |  | - |  | 17,395 |  | - |  | - |
| Others |  | 46,546 |  | 40,638 |  | 14,546 |  | 14,730 |
| **Total** |  | **697,491** |  | **509,927** |  | **247,477** |  | **202,020** |

At the extraordinary meeting of the shareholders of the Company held on 30 December 2020, the shareholders approved the resolution to allocating the newly issue common stock of World Flex Public Company Limited, a subsidiary, to its directors and employees (ESOP) and the Company’s directors amounting to 14.2 million shares at Baht 1 per share, which equals to Baht 14.2 million. Such transaction accounted as share-based payments in the equity as at 31 December 2021 and 2020 of Baht 17.4 million.

Such subsidiary has measured share-based payments by fair value of external advisor service fee referenced with the estimated fair value of equity securities as at granted date calculated by a financial advisor under (Discounted Cash Flow Approach : DCF) equal to Return on Equity or Cost of Equity (Ke). Value is calculated by performance and profitability in the future by model theory in Capital Asset Pricing Model (CAPM) which has significant assumption as risk free return and market return referenced by retroactive return of stock market. Beta is the average beta of the subsidiary comparing to the industry.

*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 3 to 5% of their basic salaries and by the Group at rates ranging from 3 to 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.

1. **Expenses by nature**

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

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Change in finished goods and work in process | 5,760 |  | (140,695) |  | (12,089) |  | (28,355) |
| Raw materials and supplies used | 7,001,636 |  | 5,506,019 |  | 4,251,713 |  | 3,667,994 |
| Purchase of finished goods | 1,309,358 |  | 905,299 |  | 1,032,976 |  | 650,038 |
| Depreciation and amortisation | 181,748 |  | 164,975 |  | 61,055 |  | 64,757 |
| Employee benefit expenses | 681,884 |  | 481,107 |  | 244,247 |  | 195,250 |
| Allowance for impairment of account  receivables | - |  | 44,225 |  | - |  | 713 |
| Allowance for impairment of borrowings | - |  | - |  | 25,246 |  | - |
| Idle costs | 71,656 |  | 124,882 |  | 12,030 |  | 17,307 |

1. **Income tax**

| ***Income tax recognised in profit or loss*** |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(in thousand Baht)* | | | | | | |
| **Current tax expense** |  |  |  |  |  |  |  |  |
| Current year |  | 160,918 |  | - |  | 87,109 |  | - |
| Income tax directly relate to equity |  | 6,208 |  | - |  | - |  | - |
|  |  | **167,126** |  | **-** |  | **87,109** |  | **-** |
| **Deferred tax expense** |  |  |  |  |  |  |  |  |
| Movements in temporary differences |  | 1,498 |  | 18,957 |  | (17,580) |  | (11,178) |
| **Total income tax expense** |  | **168,624** |  | **18,957** |  | **69,529** |  | **(11,178)** |

| ***Income tax*** | **Consolidated financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2021 | | | | |  | 2020 | | | | |
|  |  | Tax |  |  |  |  |  | Tax |  |  |
| Before |  | (expense) |  | Net of |  | Before |  | (expense) |  | Net of |
| tax |  | benefit |  | tax |  | tax |  | benefit |  | tax |
|  | *(in thousand Baht)* | | | | | | | | | | |
| ***Recognised in other comprehensive income*** |  |  |  |  |  |  |  |  |  |  |  |
| Revaluation of property,  plant and equipment | - |  | - |  | - |  | 514,293 |  | (102,859) |  | 411,434 |
| Defined benefit plan  actuarial gains (losses) | - |  | - |  | - |  | (8,025) |  | 1,605 |  | (6,420) |
| **Net** | **-** |  | **-** |  | **-** |  | **506,268** |  | **(101,254)** |  | **405,014** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| ***Recognised in equity*** |  |  |  |  |  |  |  |  |  |  |  |
| Expenses directly attributable to the IPO | (31,042) |  | 6,208 |  | (24,834) |  | - |  | - |  | - |

| ***Income tax*** | **Separated financial statements** | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2021 | | | | |  | 2020 | | | | |
|  |  | Tax |  |  |  |  |  | Tax |  |  |
| Before |  | (expense) |  | Net of |  | Before |  | (expense) |  | Net of |
| tax |  | benefit |  | tax |  | tax |  | benefit |  | tax |
|  | *(in thousand Baht)* | | | | | | | | | | |
| ***Recognised in other comprehensive income*** |  |  |  |  |  |  |  |  |  |  |  |
| Revaluation of property,  plant and equipment | - |  | - |  | - |  | 143,127 |  | (28,625) |  | 114,502 |
| Defined benefit plan  actuarial gains (losses) | - |  | - |  | - |  | (8,951) |  | 1,790 |  | (7,161) |
| **Net** | **-** |  | **-** |  | **-** |  | **134,176** |  | **(26,835)** |  | **107,341** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Reconciliation of effective tax rate*** | Consolidated financial statements | | | | | | |
|  | 2021 | | |  | 2020 | | |
|  | *Rate*  *(%)* |  | *(in thousand Baht)* |  | *Rate*  *(%)* |  | *(in thousand Baht)* |
| Profit (loss) before income tax expense |  |  | 695,616 |  |  |  | (101,573) |
| Income tax using the Thai corporation tax rate | 20 |  | 139,123 |  | (20) |  | (20,315) |
| Promotional privileges |  |  | (14,957) |  |  |  | (4,800) |
| Expenses not deductible for tax purposes |  |  | 10,931 |  |  |  | 19,161 |
| Income not subject to tax |  |  | (5,531) |  |  |  | - |
| Recognition of previously unrecognised tax losses |  |  | - |  |  |  | (36,601) |
| Current year losses for which no deferred tax  assets were recognised |  |  | 44,378 |  |  |  | 63,349 |
| Written-off unrecoverable deferred tax assets from  loss carry forward |  |  | - |  |  |  | 2,537 |
| Others |  |  | (5,320) |  |  |  | (4,374) |
| **Net** | 24 |  | **168,624** |  | 19 |  | **18,957** |

|  | Separate financial statements | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 | | |  | 2020 | | |
|  | *Rate*  *(%)* |  | *(in thousand Baht)* |  | *Rate*  *(%)* |  | *(in thousand Baht)* |
| Profit before income tax expense |  |  | 420,186 |  |  |  | 97,730 |
| Income tax using the Thai corporation tax rate | 20 |  | 84,037 |  | 20 |  | 19,546 |
| Expenses not deductible for tax purposes |  |  | 6,733 |  |  |  | 953 |
| Income not subject to tax |  |  | (21,252) |  |  |  | - |
| Recognition of previously unrecognised tax losses |  |  | - |  |  |  | (28,244) |
| Others |  |  | 11 |  |  |  | (3,433) |
| **Net** | 17 |  | **69,529** |  | (11) |  | **(11,178)** |

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Deferred tax*** | **Assets** | | |  | **Liabilities** | | |
| ***At 31 December*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Total | 59,878 |  | 80,074 |  | (453,618) |  | (470,941) |
| Set off of tax | (58,503) |  | (80,074) |  | 59,878 |  | 80,074 |
| **Net deferred tax asset (liabilities)** | **1,375** |  | **-** |  | **(393,740)** |  | **(390,867)** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***Deferred tax*** | **Assets** | | |  | **Liabilities** | | |
| ***At 31 December*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| Total | 70,473 |  | 83,114 |  | (126,248) |  | (156,469) |
| Set off of tax | (70,473) |  | (83,114) |  | 70,473 |  | 83,114 |
| **Net deferred tax asset (liabilities)** | **-** |  | **-** |  | **(55,775)** |  | **(73,355)** |

Movements in total deferred tax assets and liabilities during the years ended 31 December 2021 and 2020 were as follows:

|  | **Consolidated financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / Credited to | | |  |  | |
|  | **At 1** |  |  |  | Other |  | **At 31** | |
|  | **January** |  | Profit |  | comprehensive |  | **December** | |
|  | **2021** |  | or loss |  | income |  | **2021** | |
|  | *(in thousand Baht)* | | | | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |  |  | |
| Trade accounts receivable *(impairment)* | 26,849 |  | - |  | - |  | 26,849 | |
| Property, plant and equipment  *(sales and leaseback)* | 4,658 |  | (4,658) |  | - |  | - | |
| Employee benefit obligations | 18,665 |  | 1,301 |  | - |  | 19,966 | |
| Financial assets at FVTPL | 6,000 |  | 4,000 |  | - |  | 10,000 | |
| Others | 617 |  | 2,446 |  | - |  | 3,063 | |
| Loss carry forward | 23,285 |  | (23,285) |  | - |  | - | |
| **Total** | **80,074** |  | **(20,196)** |  | **-** |  | **59,878** | |
|  |  |  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |  |  |
| Property, plant and equipment  *(revaluation)* | (379,624) |  | 29,743 |  | - |  | (349,881) |
| Investment properties *(revaluation)* | (69,591) |  | (2,851) |  | - |  | (72,442) |
| Amortisation of rubber plantation  development costs | (17,243) |  | (5,410) |  | - |  | (22,653) |
| Others | (4,483) |  | (2,784) |  | - |  | (7,267) |
| **Total** | **(470,941)** |  | **18,698** |  | **-** |  | **(452,243)** |
|  |  |  |  |  |  |  |  |
| **Net** | **(390,867)** |  | **(1,498)** |  | **-** |  | **(392,365)** |

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / Credited to | | |  |  |
|  | **At 1** |  |  |  | Other |  | **At 31** |
|  | **January** |  | Profit |  | comprehensive |  | **December** |
|  | **2020** |  | or loss |  | income |  | **2020** |
|  | *(in thousand Baht)* | | | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Trade accounts receivable *(impairment)* | 26,706 |  | 143 |  | - |  | 26,849 |
| Property, plant and equipment  *(sales and leaseback)* | 12,591 |  | (7,933) |  | - |  | 4,658 |
| Employee benefit obligations | 19,112 |  | (2,052) |  | 1,605 |  | 18,665 |
| Financial assets at FVTPL | 3,760 |  | 2,240 |  | - |  | 6,000 |
| Others | 2,218 |  | (1,601) |  | - |  | 617 |
| Loss carry forward | 34,568 |  | (11,283) |  | - |  | 23,285 |
| **Total** | **98,955** |  | **(20,486)** |  | **1,605** |  | **80,074** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |  |  |
| Property, plant and equipment  *(revaluation)* | (292,534) |  | 15,769 |  | (102,859) |  | (379,624) |
| Investment properties *(revaluation)* | (63,260) |  | (6,331) |  | - |  | (69,591) |
| Amortisation of rubber plantation development costs | (12,389) |  | (4,854) |  | - |  | (17,243) |
| Others | (1,402) |  | (3,081) |  | - |  | (4,483) |
| **Total** | **(369,585)** |  | **1,503** |  | **(102,859)** |  | **(470,941)** |
|  |  |  |  |  |  |  |  |
| **Net** | **(270,630)** |  | **(18,983)** |  | **(101,254)** |  | **(390,867)** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / Credited to | | |  |  |
|  | **At 1** |  |  |  | Other |  | **At 31** |
|  | **January** |  | Profit |  | comprehensive |  | **December** |
|  | **2021** |  | or loss |  | income |  | **2021** |
|  | *(in thousand Baht)* | | | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Trade accounts receivable *(impairment)* | 26,849 |  | - |  | - |  | 26,849 |
| Property, plant and equipment  *(sales and leaseback)* | 4,658 |  | (4,658) |  | - |  | - |
| Employee benefit obligations | 13,530 |  | (454) |  | - |  | 13,076 |
| Financial assets measured at  FVTPL | 24,016 |  | (366) |  | - |  | 23,650 |
| Long-term borrowings *(impairment)* | - |  | 5,049 |  | - |  | 5,049 |
| Others | 1,457 |  | 392 |  | - |  | 1,849 |
| Loss carry forward | 12,604 |  | (12,604) |  | - |  | - |
| **Total** | **83,114** |  | **(12,641)** |  | - |  | **70,473** |
|  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |  |  |
| Property, plant and equipment  *(revaluation)* | (136,717) |  | 31,712 |  | - |  | (105,005) |
| Investment properties  *(revaluation)* | (12,527) |  | (1,468) |  | - |  | (13,995) |
| Derivatives | (2,876) |  | 2,876 |  | - |  | - |
| Others | (4,349) |  | (2,899) |  | - |  | (7,248) |
| **Total** | **(156,469)** |  | **30,221** |  | **-** |  | **(126,248)** |
|  |  |  |  |  |  |  |  |
| **Net** | **(73,355)** |  | **17,580** |  | **-** |  | **(55,775)** |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  | (Charged) / Credited to | | |  |  |
|  | **At 1** |  |  |  | Other |  | **At 31** |
|  | **January** |  | Profit |  | comprehensive |  | **December** |
|  | **2020** |  | or loss |  | income |  | **2020** |
|  | *(in thousand Baht)* | | | | | | |
| ***Deferred tax assets*** |  |  |  |  |  |  |  |
| Trade accounts receivable *(impairment)* | 26,706 |  | 143 |  | - |  | 26,849 |
| Property, plant and equipment  *(sales and leaseback)* | 12,591 |  | (7,933) |  | - |  | 4,658 |
| Employee benefit obligations | 14,374 |  | (2,634) |  | 1,790 |  | 13,530 |
| Financial assets at FVTPL | 11,596 |  | 12,420 |  | - |  | 24,016 |
| Others | 1,404 |  | 53 |  | - |  | 1,457 |
| Loss carry forward | 15,172 |  | (2,568) |  | - |  | 12,604 |
| **Total** | **81,843** |  | **(519)** |  | **1,790** |  | **83,114** |
|  |  |  |  |  |  |  |  |
| ***Deferred tax liabilities*** |  |  |  |  |  |  |  |
| Property, plant and equipment  *(revaluation)* | (126,211) |  | 18,119 |  | (28,625) |  | (136,717) |
| Investment properties  *(revaluation)* | (11,770) |  | (757) |  | - |  | (12,527) |
| Derivatives | - |  | (2,876) |  | - |  | (2,876) |
| Others | (1,560) |  | (2,789) |  | - |  | (4,349) |
| **Total** | **(139,541)** |  | **11,697** |  | **(28,625)** |  | **(156,469)** |
| **Net** | **(57,698)** |  | **11,178** |  | **(26,835)** |  | **(73,355)** |

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | Consolidated  financial statements | | |  | Separate  financial statements | | |
|  |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(in thousand Baht)* | | | | | | |
| Loss carry forward |  | 167,165 |  | 122,787 |  | - |  | - |
| **Total** |  | **167,165** |  | **122,787** |  | **-** |  | **-** |

The tax losses expire in 2022 - 2026. 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 can utilise the benefits therefrom.

1. **Earnings per share**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated** | | |  | **Separate** | | |
|  | **financial statements** | | |  | **financial statements** | | |
|  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht/thousand shares)* | | | | | | |
| **Profit attributable to ordinary**  **shareholders of the Company (Basic)** | **607,114** |  | **24,162** |  | **350,657** |  | **108,908** |
| Number of issued shares at 31 December | 681,480 |  | 681,480 |  | 681,480 |  | 681,480 |
| Effect of shares issued | 40,328 |  | - |  | 40,328 |  | - |
| **Weighted average number of ordinary**  **shares outstanding** | **721,808** |  | **681,480** |  | **721,808** |  | **681,480** |
| **Basic earnings per share *(in Baht)*** | **0.84** |  | **0.04** |  | **0.49** |  | **0.16** |

At 31 December 2021, the option of 136.3 million warrant *(2020: nil)* were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

1. **Financial instruments**
2. ***Carrying amounts and fair values***

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

|  | **Consolidated financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount | |  | Fair value | | | | |
| ***At 31 December 2021*** | Financial instruments measured at FVTPL |  | | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | |
| ***Financial assets*** |  |  | |  |  |  |  |  |
| Other financial assets: |  |  | |  |  |  |  |  |
| Forward exchange contract | 3,071 |  | | 3,071 |  | - |  | 3,071 |
| Non-current investments  in financial assets | 50,000 |  | | - |  | 50,000 |  | 50,000 |
| **Total other financial assets** | **53,071** |  | |  |  |  |  |  |
|  |  |  | |  |  |  |  |  |
| ***Financial liabilities*** |  |  | |  |  |  |  |  |
| Other financial liabilities: |  |  | |  |  |  |  |  |
| Forward exchange contract | (3,514) |  | | (3,514) |  | - |  | (3,514) |
| **Total other financial**  **liabilities** | **(3,514)** |  | |  |  |  |  |  |

|  | **Separate financial statements** | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount | |  | Fair value | | | | |
| ***At 31 December 2021*** | Financial instruments measured at FVTPL |  | | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | | |
| ***Financial assets*** |  |  | |  |  |  |  |  |
| Other financial assets: |  |  | |  |  |  |  |  |
| Forward exchange contract | 63 |  | | 63 |  | - |  | 63 |
| Non-current investments  in financial assets | 50,000 |  | | - |  | 50,000 |  | 50,000 |
| **Total other financial assets** | **50,063** |  | |  |  |  |  |  |
|  |  |  | |  |  |  |  |  |
| ***Financial liabilities*** |  |  | |  |  |  |  |  |
| Other financial liabilities: |  |  | |  |  |  |  |  |
| Forward exchange contract | (2,361) |  | | (2,361) |  | - |  | (2,361) |
| **Total other financial**  **liabilities** | **(2,361)** |  | |  |  |  |  |  |

|  | **Consolidated financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount |  | Fair value | | | | |
|  | Financial instruments measured at FVTPL |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | |
| ***31 December 2020*** |  | | | | | | |
| ***Financial assets***  Other financial assets : |  |  |  |  |  |  |  |
| Forward exchange contract | 21,542 |  | 21,542 |  | - |  | 21,542 |
| Non-current investments in  financial assets | 70,000 |  | - |  | 70,000 |  | 70,000 |
| **Total other financial assets** | **91,542** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |
| Other financial liabilities: |  |  |  |  |  |  |  |
| Forward exchange contract | (1,882) |  | (1,882) |  | - |  | (1,882) |
| **Total other financial**  **liabilities** | **(1,882)** |  |  |  |  |  |  |

|  | **Separate financial statements** | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  | Carrying amount |  | Fair value | | | | |
|  | Financial instruments measured at FVTPL |  | Level 2 |  | Level 3 |  | Total |
|  | *(in thousand Baht)* | | | | | | |
| ***31 December 2021*** |  | | | | | | |
| ***Financial assets***  Other financial assets : |  |  |  |  |  |  |  |
| Forward exchange contract | 14,818 |  | 14,818 |  | - |  | 14,818 |
| Non-current investments in  financial assets | 70,000 |  | - |  | 70,000 |  | 70,000 |
| **Total other financial assets** | **84,818** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |
| ***Financial liabilities*** |  |  |  |  |  |  |  |
| Other financial liabilities: |  |  |  |  |  |  |  |
| Forward exchange contract | (413) |  | (413) |  | - |  | (413) |
| **Total other financial**  **liabilities** | **(413)** |  |  |  |  |  |  |

***Financial instruments measured at fair value***

| **Type** |  | **Valuation technique** |
| --- | --- | --- |
| Forward exchange contracts |  | *Forward pricing:* The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies. |
|  |  |  |
| Non-current investments in  financial assets measured  at FVTPL |  | The latest net asset value. |

***(b) Financial risk management policies***

*Risk management framework*

The Group’s/Company’s board of directors has overall responsibility for the establishment and oversight of the Group’s/Company’s risk management framework. The board of directors has established the risk management committee, which is responsible for developing and monitoring the Group’s/Company’s risk management policies. The committee reports regularly to the board of directors on its activities.

The Group’s/Company’s risk management policies are established to identify and analyse the risks faced by the Group/Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group’s/Company’s activities. The Group/Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group’s/Company’s audit committee oversees how management monitors compliance with the Group’s/ Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group/Company. The Group’s/Company’s audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

*(b.1) Credit risk*

Credit risk is the risk of financial loss to the Group/Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group’s/Company’s receivables from customers.

(b.1.1) Trade accounts receivable

The Group’s/Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group’s/Company’s standard payment and delivery terms and conditions are offered. The Group’s/Company’s review sale limits which established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the risk management committee.

The Group/Company limits its exposure to credit risk from trade accounts receivables by establishing a maximum payment period of 3 months. Outstanding trade receivables are regularly monitored by the Group/Company. An impairment analysis is performed by the Group/Company at each reporting date. The provision rates of expected credit loss are based on days past due for individual trade receivables/groupings of various customer segments with similar credit risks to reflect differences between economic conditions in the past, current conditions and the Group’s/Company’s view of economic conditions over the expected lives of the receivables.

(b.1.2) Cash and cash equivalent and derivatives

The Group’s/Company’s exposure to credit risk arising from cash and cash equivalents and derivative assets is limited because the counterparties are banks and financial institutions which the Group/Company considers to have low credit risk.

(b.1.3) Guarantees

The Group’s/Company’s policy is to provide financial guarantees only for subsidiaries’ liabilities. At 31 December 2021, the Group/Company has issued a guarantee to certain banks in respect of credit facilities granted to subsidiaries *(see note 6).*

*(b.2) Liquidity risk*

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

The following table are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include contractual interest payments and exclude the impact of netting agreements.

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | **Consolidated financial statements** | | | | | | | | |
|  |  | | Contractual cash flows | | | | | | |
| ***At 31 December 2021*** | Carrying amount |  | 1 year  or less |  | More than 1 year but less than 5 years |  | More than  5 years |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| ***Non-derivative financial***  ***liabilities*** |  |  |  |  |  |  |  |  |  |
| Bank overdrafts | 11,136 |  | 11,470 |  | - |  | - |  | 11,470 |
| Short-term borrowings from  financial institutions | 3,085,150 |  | 3,177,705 |  | - |  | - |  | 3,177,705 |
| Trade accounts payable | 301,318 |  | 301,318 |  | - |  | - |  | 301,318 |
| Long-term borrowings from financial institutions | 995,240 |  | 192,297 |  | 910,170 |  | 43,874 |  | 1,146,341 |
| Lease liabilities | 22,771 |  | 13,347 |  | 6,379 |  | 5,884 |  | 25,610 |
|  | **4,415,615** |  | **3,696,137** |  | **916,549** |  | **49,758** |  | **4,662,444** |
|  |  |  |  |  |  |  |  |  |  |
| ***Derivative financial liabilities*** |  |  |  |  |  |  |  |  |  |
| Forward exchange contracts | 3,514 |  | 3,514 |  | - |  | - |  | 3,514 |

|  | **Separate financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | Contractual cash flows | | | | | | |
| ***At 31 December 2021*** | Carrying amount |  | 1 year  or less |  | More than 1 year but less than 5 years |  | More than  5 years |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| ***Non-derivative financial***  ***liabilities*** |  |  |  |  |  |  |  |  |  |
| Bank overdrafts | 7,479 |  | 7,703 |  | - |  | - |  | 7,703 |
| Short-term borrowings from  financial institutions | 2,759,680 |  | 2,842,470 |  | - |  | - |  | 2,842,470 |
| Trade accounts payable | 46,518 |  | 46,518 |  | - |  | - |  | 46,518 |
| Short-term borrowings from  related party | 47,000 |  | 48,833 |  | - |  | - |  | 48,833 |
| Long-term borrowings from  financial institutions | 555,090 |  | 151,603 |  | 493,298 |  | - |  | 644,901 |
| Lease liabilities | 14,318 |  | 9,300 |  | 5,665 |  | - |  | 14,965 |
|  | **3,430,085** |  | **3,106,427** |  | **498,963** |  | **-** |  | **3,605,390** |
|  |  | | | | | | | | |
| ***Derivative financial liabilities*** |  |  |  |  |  |  |  |  |  |
| Forward exchange contracts | 2,361 |  | 2,361 |  | - |  | - |  | 2,361 |

|  | **Consolidated financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | Contractual cash flows | | | | | | |
| ***At 31 December 2020*** | Carrying amount |  | 1 year  or less |  | More than 1 year but less than 5 years |  | More than  5 years |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| ***Non-derivative financial***  ***liabilities*** |  |  |  |  |  |  |  |  |  |
| Bank overdrafts | 36,888 |  | 37,995 |  | - |  | - |  | 37,995 |
| Short-term borrowings from  financial institutions | 3,845,124 |  | 3,960,478 |  | - |  | - |  | 3,960,478 |
| Trade accounts payable | 222,818 |  | 222,818 |  | - |  | - |  | 222,818 |
| Short-term borrowings from  related party | 1,600 |  | 1,664 |  | - |  | - |  | 1,664 |
| Long-term borrowings from financial institutions | 1,076,429 |  | 814,468 |  | 316,080 |  | - |  | 1,130,548 |
| Lease liabilities | 56,869 |  | 33,696 |  | 25,919 |  | - |  | 59,615 |
|  | **5,239,728** |  | **5,071,119** |  | **341,999** |  | **-** |  | **5,413,118** |
|  |  | | | | | | | | |
| ***Derivative financial liabilities*** |  |  |  |  |  |  |  |  |  |
| Forward exchange contracts | 1,882 |  | 1,882 |  | - |  | - |  | 1,882 |

|  | **Separate financial statements** | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | | Contractual cash flows | | | | | | |
| ***At 31 December 2020*** | Carrying amount |  | 1 year  or less |  | More than 1 year but less than 5 years |  | More than  5 years |  | Total |
|  | *(in thousand Baht)* | | | | | | | | |
| ***Non-derivative financial***  ***liabilities*** |  |  |  |  |  |  |  |  |  |
| Bank overdrafts | 36,888 |  | 37,995 |  | - |  | - |  | 37,995 |
| Short-term borrowings from  financial institutions | 3,163,323 |  | 3,258,223 |  | - |  | - |  | 3,258,223 |
| Trade accounts payable | 52,903 |  | 52,903 |  | - |  | - |  | 52,903 |
| Short-term borrowings from  related party | 47,000 |  | 48,833 |  | - |  | - |  | 48,833 |
| Long-term borrowings from financial institutions | 726,250 |  | 743,603 |  | 6,790 |  | - |  | 750,393 |
| Lease liabilities | 32,672 |  | 22,211 |  | 11,790 |  | - |  | 34,001 |
|  | **4,059,036** |  | **4,163,768** |  | **18,580** |  | **-** |  | **4,182,348** |
|  |  | | | | | | | | |
| ***Derivative financial liabilities*** |  |  |  |  |  |  |  |  |  |
| Forward exchange contracts | 413 |  | 413 |  | - |  | - |  | 413 |

*(b.3) Market risk*

The Group/Company is exposed to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is as follows:

(b.3.1) Foreign currency risk

The Group/Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies. The Group/Company primarily 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.

|  | **Consolidated financial statements** | | | | | | | | | | | | | | | | | | | | | | | | |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | 2021 | | | | | | | | | 2020 | | | | | | | | | | | | | | | |
| ***Exposure to foreign currency  31 December*** | USD |  | EUR |  | CNY |  | | Total | |  | | USD | |  | | EUR | |  | CNY | | |  | Total | | |
|  | *(in million Baht)* | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash and cash equivalents | 33 |  | - |  | 52 | |  | | 85 | |  | | - | |  | | - | | |  | 50 | | |  | 50 |
| Trade accounts receivable | 692 |  | - |  | - | |  | | 692 | |  | | 617 | |  | | - | | |  | - | | |  | 617 |
| Trade accounts payable | (29) |  | - |  | (1) | |  | | (30) | |  | | (26) | |  | | - | | |  | (6) | | |  | (32) |
| ***Net statement of financial***  ***position exposure*** | **696** |  | **-** |  | **51** | |  | | **747** | |  | | **591** | |  | | **-** | | |  | **44** | | |  | **635** |
| Forward exchange purchase contracts | 83 |  | - |  | - | |  | | 83 | |  | | 77 | |  | | - | | |  | - | | |  | 77 |
| Forward exchange selling contracts | (706) |  | - |  | - | |  | | (706) | |  | | (1,046) | |  | | (7) | | |  | - | | |  | (1,053) |
| **Net exposure** | **73** |  | **-** |  | **51** | |  | | **124** | |  | | **(378)** | |  | | **(7)** | | |  | **44** | | |  | **(341)** |

(c.3.2) Interest rate risk

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Group’s/Company’s operations and its cash flows. The Group/Company is primarily exposed to interest rate risk from its borrowings (*see note 19*) are mainly variable. So the Group/Company is primarily exposed to interest rate risk.

| ***Exposure to interest rate risk*** | **Consolidated**  **financial statements** | | |  | **Separate**  **financial statements** | | |
| --- | --- | --- | --- | --- | --- | --- | --- |
| ***at 31 December*** | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  | *(in thousand Baht)* | | | | | | |
| ***Financial instruments with variable  interest rates*** |  | | | | | | |
| Long-term borrowings from financial institutions | 995,240 |  | 1,076,429 |  | 555,090 |  | 726,250 |
| **Net statement of financial position  exposure** | **995,240** |  | **1,076,429** |  | **555,090** |  | **726,250** |

1. **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 regularly monitors the return on capital, by evaluating result from operating activities divided by total shareholders’ equity, excluding non-controlling interests and also monitors the level of dividends to ordinary shareholders.

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

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Consolidated** | | |  | **Separate** | | |
|  |  | **financial statements** | | |  | **financial statements** | | |
|  |  | 2021 |  | 2020 |  | 2021 |  | 2020 |
|  |  | *(in million Baht)* | | | | | | |
| ***Capital commitments*** |  |  |  |  |  |  |  |  |
| Contracted but not provided for |  |  |  |  |  |  |  |  |
| Building and building improvements |  | 85 |  | - |  | 6 |  | - |
| Machineries |  | 20 |  | - |  | 20 |  | - |
| Office equipments and other equipments |  | 15 |  | - |  | - |  | - |
| Construction in progress |  | 24 |  | 19 |  | - |  | - |
| **Total** |  | **144** |  | **19** |  | **26** |  | **-** |
|  |  |  |  |  |  |  |  |  |

As at 31 December 2021 and 2020, the Group and the Company had the following commitments:

* + - A subsidiary entered into a service agreement with a legal consultant of the Company in respect of land purchase for rubber plantation in the northern area, whereby service fees will be charged at the rates stipulated in the agreement.
    - The Company entered into purchase agreements with a local company to purchase latex, at quantity and price specified in the agreements.
    - A subsidiary has outstanding commitments in respect of agreements for issuing of land title deeds with total area of 1,500 rais. The subsidiary is committed to pay commission to the operator at Baht 5,650 per rai.
    - A subsidiary had registered with the People's Republic of China to set up a corporate office for a period of 20 years from 9 January 2006 to 8 January 2026.

***Bank guarantees***

As at 31 December 2021, there were outstanding bank guarantees of approximately Baht 15 million and Baht 8 million, respectively *(2020: Baht 14 million and Baht 10 million, respectively)* issued by the banks on behalf of the Group and the Company, respectively, in respect of certain performances obligation as required in the normal course of their businesses.

1. **Events after the reporting period**

At the Board of the Directors’ meeting of the Company held on 12 January 2022, the Board approved the resolution to increase share capital of Thai Rubber Land and Plantation Co., Ltd. (“TRLP”), a subsidiary, by Baht 40.0 million. The Company increase in share capital 4,000,000 ordinary shares at Baht 10 per share to such subsidiary (increase registered share from Baht 1,800 million to Baht 1,840 million). The purpose of the increase of share capital of TRLP is to establish Thaitex CBD Smart Farm Company Limited, a subsidiary, to engage in hemp and cannabis business.

On 20 January 2022, TRLP registered the establishment Thaitex CBD Smart Farm Company Limited, with the registered share capital of Baht 40.0 million (share capital 4,000,000 ordinary shares at Baht 10 per share). TRLP paid-up the total interest of the issue share capital.

On 24 February 2022, the Board of the Directors proposed for the dividend payment of Baht 0.15 per share, amounting to Baht 122.67 million. This dividend payment is subjected to the approval by the shareholders of the Company.