

Sri Trang Gloves (Thailand) Public Company Limited
and its subsidiaries
Review report and interim financial information
For the three-month and six-month periods ended
30 June 2020

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Sri Trang Gloves (Thailand) Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries as at 30 June 2020, the related consolidated statements of comprehensive income for the three-month and six-month periods then ended, and the related consolidated statements of changes in shareholders' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the interim consolidated financial statements. I have also reviewed the separate financial information of Sri Trang Gloves (Thailand) Public Company Limited for the same periods (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Supachai Phanyawattano

Certified Public Accountant (Thailand) No. 3930

EY Office Limited

Bangkok: 14 August 2020

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of financial position

As at 30 June 2020

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>30 June 2020</u>	<u>31 December 2019</u>	<u>30 June 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Current assets					
Cash and cash equivalents		14,375,706,416	581,264,398	13,898,954,989	557,163,099
Trade and other receivables	4	1,768,554,776	1,611,825,443	2,223,777,773	1,726,140,774
Inventories	5	1,613,145,333	1,611,750,682	1,309,735,048	1,343,588,550
Derivative financial instruments	1.5	-	21,761,393	-	21,761,393
Other current financial assets	1.5, 6	18,877,675	-	18,877,675	-
Other current assets	7	<u>593,785,964</u>	<u>485,705,757</u>	<u>593,698,917</u>	<u>475,320,096</u>
Total current assets		<u>18,370,070,164</u>	<u>4,312,307,673</u>	<u>18,045,044,402</u>	<u>4,123,973,912</u>
Non-current assets					
Investments in subsidiaries	8	-	-	368,147,831	163,072,831
Property, plant and equipment	9	8,689,670,726	8,562,265,443	8,689,165,436	8,561,520,281
Right-of-use assets	1.5, 10	41,541,842	-	21,492,334	-
Intangible assets	11	35,092,278	13,160,819	34,562,626	12,858,930
Goodwill		220,884,790	220,884,790	220,884,790	220,884,790
Deferred tax assets		118,331,943	106,920,487	-	-
Other non-current assets		<u>688,736</u>	<u>557,923</u>	<u>370,191</u>	<u>188,291</u>
Total non-current assets		<u>9,106,210,315</u>	<u>8,903,789,462</u>	<u>9,334,623,208</u>	<u>8,958,525,123</u>
Total assets		<u>27,476,280,479</u>	<u>13,216,097,135</u>	<u>27,379,667,610</u>	<u>13,082,499,035</u>

The accompanying notes are an integral part of the interim financial statements.

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity					
Current liabilities					
Trade and other payables	12	2,110,098,097	1,392,796,653	2,057,507,504	1,351,310,382
Short-term borrowings from financial institutions	13	61,781,000	263,847,500	-	-
Current portions of:					
- Long-term borrowings from financial institutions	13	615,161,055	947,490,585	615,161,055	947,490,585
- Finance lease liabilities	1.5, 2.2, 13	-	6,321,906	-	6,321,906
- Lease liabilities	1.5, 13	16,028,359	-	7,049,809	-
Income tax payable		217,789,218	119,168,121	184,372,689	115,263,192
Derivative financial instruments	1.5	-	29,388,190	-	29,388,190
Other current financial liabilities	1.5, 6	8,364,373	-	8,364,373	-
Other current liabilities		26,299,234	13,997,181	7,038,655	13,997,181
Total current liabilities		3,055,521,336	2,773,010,136	2,879,494,085	2,463,771,436
Non-current liabilities					
Non-current portions of:					
- Long-term borrowings from financial institutions	13	3,625,113,630	5,845,922,511	3,625,113,630	5,845,922,511
- Finance lease liabilities	1.5, 2.2, 13	-	8,258,713	-	8,258,713
- Lease liabilities	1.5, 13	19,665,719	-	8,376,737	-
Other non-current financial liabilities	1.5, 6	47,618,219	-	47,618,219	-
Provision for retirement benefit obligations		107,053,735	101,536,976	107,053,735	101,536,976
Deferred tax liabilities		75,802,764	85,341,314	75,802,764	85,341,314
Total non-current liabilities		3,875,254,067	6,041,059,514	3,863,965,085	6,041,059,514
Total liabilities		6,930,775,403	8,814,069,650	6,743,459,170	8,504,830,950

The accompanying notes are an integral part of the interim financial statements.

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 30 June 2020

(Unit: Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>30 June 2020</u>	<u>31 December 2019</u>	<u>30 June 2020</u>	<u>31 December 2019</u>
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity					
Share capital	14				
Registered					
1,434,780,000 ordinary shares of Baht 1 each		<u>1,434,780,000</u>	<u>1,434,780,000</u>	<u>1,434,780,000</u>	<u>1,434,780,000</u>
Issued and fully paid-up					
1,428,780,000 ordinary shares					
(2019: 990,000,000 ordinary shares) of Baht 1 each		1,428,780,000	990,000,000	1,428,780,000	990,000,000
Premium on ordinary shares	14	14,243,224,859	-	14,243,224,859	-
Share-based payment reserve	15	872,487	-	872,487	-
Surplus from the amalgamation		483,694,988	483,694,988	483,694,988	483,694,988
Deficit from business combination					
under common control	1.3	(143,211,674)	(143,211,674)	-	-
Retained earnings					
Appropriated - statutory reserve		64,769,469	64,769,469	64,769,469	64,769,469
Unappropriated		4,179,970,259	2,664,104,733	4,116,687,066	2,694,229,988
Other components of shareholders' equity					
Surplus on revaluation of assets - net of income tax		336,274,146	344,973,640	336,274,146	344,973,640
Exchange differences on translation of					
financial statements in foreign currency		(10,774,883)	(2,303,671)	-	-
Cash flow hedge reserve - net of income tax	1.5	<u>(38,094,575)</u>	<u>-</u>	<u>(38,094,575)</u>	<u>-</u>
Total shareholders' equity		<u>20,545,505,076</u>	<u>4,402,027,485</u>	<u>20,636,208,440</u>	<u>4,577,668,085</u>
Total liabilities and shareholders' equity		<u>27,476,280,479</u>	<u>13,216,097,135</u>	<u>27,379,667,610</u>	<u>13,082,499,035</u>
		-	-	-	-

The accompanying notes are an integral part of the interim financial statements.

Directors

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries**Statement of comprehensive income**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month	For the three-month	For the three-month	For the period as
	period ended	period ended	period ended	from 1 April 2019
Note	30 June 2020	30 June 2019	30 June 2020	to 30 June 2019
		(Restated)		
Profit or loss:				
Revenues from sales	4,856,780,268	2,848,702,765	4,737,566,920	2,849,495,213
Cost of sales	(3,439,276,811)	(2,455,997,554)	(3,466,986,628)	(2,508,424,523)
Gross profit	1,417,503,457	392,705,211	1,270,580,292	341,070,690
Other income	28,733,924	27,516,627	28,696,481	27,512,269
Selling and distribution expenses	(131,784,967)	(108,325,896)	(103,326,849)	(68,638,035)
Administrative expenses	(100,726,615)	(72,856,579)	(84,183,151)	(67,006,468)
Loss on exchange rates	(76,553,805)	(20,360,722)	(75,860,127)	(16,011,643)
Other gain	85,623,038	44,736,820	85,623,038	44,736,819
Profit from operating activities	1,222,795,032	263,415,461	1,121,529,684	261,663,632
Finance income	959,525	1,271,389	597,224	1,242,230
Finance cost	(38,542,343)	(50,505,701)	(37,556,698)	(46,859,921)
Profit before income tax	1,185,212,214	214,181,149	1,084,570,210	216,045,941
Income tax	16 (128,444,416)	(34,352,442)	(104,231,006)	(35,701,918)
Profit for period	1,056,767,798	179,828,707	980,339,204	180,344,023
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	(14,681,121)	(3,104,877)	-	-
Loss on cash flow hedges - net of income tax	1.5 (7,534,348)	-	(7,534,348)	-
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	(22,215,469)	(3,104,877)	(7,534,348)	-
Other comprehensive income for the period	(22,215,469)	(3,104,877)	(7,534,348)	-
Total comprehensive income for the period	1,034,552,329	176,723,830	972,804,856	180,344,023

The accompanying notes are an integral part of the interim financial statements.

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended	For the three-month period ended	For the three-month period ended	For the period as from 1 April 2019
Note	30 June 2020	30 June 2019	30 June 2020	to 30 June 2019
		(Restated)		
Profit attributable to:				
Equity holders of the Company	1,056,767,798	173,170,054	980,339,204	180,344,023
Former interests before restructuring of the subsidiary	-	6,658,653		
	<u>1,056,767,798</u>	<u>179,828,707</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	1,034,552,329	173,170,054	972,804,856	180,344,023
Former interests before restructuring of the subsidiary	-	3,553,776		
	<u>1,034,552,329</u>	<u>176,723,830</u>		
Earnings per share				
17				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.06</u>	<u>0.20</u>	<u>0.98</u>	<u>0.21</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>1.06</u>	<u>0.20</u>	<u>0.98</u>	<u>0.21</u>

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries**Statement of comprehensive income**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month period ended	For the six-month period ended	For the six-month period ended	For the period as from 1 April 2019
	<u>Note</u> 30 June 2020	30 June 2019 (Restated)	30 June 2020	to 30 June 2019
Profit or loss:				
Revenues from sales	8,617,337,790	5,840,061,036	8,378,314,231	2,849,495,213
Cost of sales	<u>(6,493,203,406)</u>	<u>(5,054,035,673)</u>	<u>(6,482,044,172)</u>	<u>(2,508,424,523)</u>
Gross profit	2,124,134,384	786,025,363	1,896,270,059	341,070,690
Other income	47,221,759	41,193,254	47,237,876	27,512,269
Selling and distribution expenses	(255,993,927)	(185,591,007)	(201,620,572)	(68,638,035)
Administrative expenses	(188,331,676)	(151,695,760)	(150,200,417)	(67,006,468)
Gain (loss) on exchange rates	32,472,397	(19,195,671)	40,818,115	(16,011,643)
Other gain (loss)	<u>(45,734,954)</u>	<u>13,307,219</u>	<u>(45,734,954)</u>	<u>44,736,819</u>
Profit from operating activities	1,713,767,983	484,043,398	1,586,770,107	261,663,632
Finance income	1,127,479	1,821,099	620,546	1,242,230
Finance cost	<u>(77,508,169)</u>	<u>(101,607,835)</u>	<u>(73,914,786)</u>	<u>(46,859,921)</u>
Profit before income tax	1,637,387,293	384,256,662	1,513,475,867	216,045,941
Income tax	<u>16 (158,726,354)</u>	<u>(55,863,269)</u>	<u>(128,223,376)</u>	<u>(35,701,918)</u>
Profit for period	<u>1,478,660,939</u>	<u>328,393,393</u>	<u>1,385,252,491</u>	<u>180,344,023</u>
Other comprehensive income:				
<i>Other comprehensive income to be reclassified to profit or loss in subsequent periods</i>				
Exchange differences on translation of financial statements in foreign currency	(8,471,212)	(1,259,771)	-	-
Loss on cash flow hedges - net of income tax	<u>1.5 (9,589,482)</u>	<u>-</u>	<u>(9,589,482)</u>	<u>-</u>
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax	<u>(18,060,694)</u>	<u>(1,259,771)</u>	<u>(9,589,482)</u>	<u>-</u>
Other comprehensive income for the period	<u>(18,060,694)</u>	<u>(1,259,771)</u>	<u>(9,589,482)</u>	<u>-</u>
Total comprehensive income for the period	<u>1,460,600,245</u>	<u>327,133,622</u>	<u>1,375,663,009</u>	<u>180,344,023</u>

The accompanying notes are an integral part of the interim financial statements.

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of comprehensive income (continued)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month period ended	For the six-month period ended	For the six-month period ended	For the period as from 1 April 2019
Note	30 June 2020	30 June 2019	30 June 2020	to 30 June 2019
		(Restated)		
Profit (loss) attributable to:				
Equity holders of the Company	1,478,660,939	329,766,711	1,385,252,491	180,344,023
Former interests before restructuring of the subsidiary	-	(1,373,318)		
	<u>1,478,660,939</u>	<u>328,393,393</u>		
Total comprehensive income attributable to:				
Equity holders of the Company	1,460,600,245	329,766,711	1,375,663,009	180,344,023
Former interests before restructuring of the subsidiary	-	(2,633,089)		
	<u>1,460,600,245</u>	<u>327,133,622</u>		
Earnings per share				
17				
Basic earnings per share				
Profit attributable to equity holders of the Company	<u>1.49</u>	<u>0.62</u>	<u>1.39</u>	<u>0.21</u>
Diluted earnings per share				
Profit attributable to equity holders of the Company	<u>1.49</u>	<u>0.62</u>	<u>1.39</u>	<u>0.21</u>

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the six-month period ended 30 June 2020

(Unit: Baht)

Consolidated financial statements														
Attributable to the equity holders of the Company														
Other components of shareholders' equity														
Other comprehensive income														
Exchange														
Surplus (deficit)														
Retained earnings														
Surplus on														
differences on														
Total other														
Total														
Attributable to the														
Former interests														
Total														
Issued and	Premium	Share-based		from business	Appropriated		Surplus on	differences on	Cash flow hedge	components	Attributable to the	Former interests	Total	
paid-up	on ordinary	payment	Surplus from the	combination under	- statutory		revaluation of	translation of	reserve - net of	of shareholders'	equity holders	before restructuring	shareholders'	
share capital	shares	reserve	amalgamation	common control	reserve	Unappropriated	of income tax	in foreign currency	income tax	equity	of the Company	of the subsidiary	equity	
Balance as at 1 January 2019	200,000,000	-	-	-	-	24,449,469	1,843,636,181	362,820,794	-	-	362,820,794	2,430,906,444	1,358,464,548	3,789,370,992
Profit (loss) for period (restated) (Note 1.3)	-	-	-	-	-	-	329,766,711	-	-	-	329,766,711	(1,373,318)	-	328,393,393
Other comprehensive income for the period (restated)	-	-	-	-	-	-	-	-	-	-	-	(1,259,771)	-	(1,259,771)
Total comprehensive income for the period (restated)	-	-	-	-	-	-	329,766,711	-	-	-	329,766,711	(2,633,089)	-	327,133,622
Amortisation on asset revaluation	-	-	-	-	-	-	9,144,451	(9,144,451)	-	-	(9,144,451)	-	-	-
Issuance of additional ordinary shares	165,000,000	-	-	-	-	-	-	-	-	-	165,000,000	-	-	165,000,000
Amalgamation (Note 1.2)	625,000,000	-	-	483,694,988	-	8,700,000	198,441,364	-	-	-	1,315,836,352	(1,315,836,352)	-	-
Purchase of investment in subsidiary (Note 1.3)	-	-	-	-	11,345,355	-	-	-	(11,534,005)	-	(11,534,005)	(188,650)	(162,884,150)	(163,072,800)
Balance as at 30 June 2019	990,000,000	-	-	483,694,988	11,345,355	33,149,469	2,380,988,707	353,676,343	(11,534,005)	-	342,142,338	4,241,320,857	(122,889,043)	4,118,431,814
Balance as at 1 January 2020	990,000,000	-	-	483,694,988	(143,211,674)	64,769,469	2,664,104,733	344,973,640	(2,303,671)	-	342,669,969	4,402,027,485	-	4,402,027,485
Cumulative effects of the initial adoption of new financial reporting standards (Note 2.1)	-	-	-	-	-	-	28,505,093	-	-	(28,505,093)	(28,505,093)	-	-	-
Balance as at 1 January 2020 - as restated	990,000,000	-	-	483,694,988	(143,211,674)	64,769,469	2,692,609,826	344,973,640	(2,303,671)	(28,505,093)	314,164,876	4,402,027,485	-	4,402,027,485
Profit for period	-	-	-	-	-	-	1,478,660,939	-	-	-	-	1,478,660,939	-	1,478,660,939
Other comprehensive income for the period	-	-	-	-	-	-	-	-	(8,471,212)	(9,589,482)	(18,060,694)	(18,060,694)	-	(18,060,694)
Total comprehensive income for the period	-	-	-	-	-	-	1,478,660,939	-	(8,471,212)	(9,589,482)	(18,060,694)	1,460,600,245	-	1,460,600,245
Amortisation on asset revaluation	-	-	-	-	-	-	8,699,494	(8,699,494)	-	-	(8,699,494)	-	-	-
Share-based payment (Note 15)	-	-	14,472,487	-	-	-	-	-	-	-	-	14,472,487	-	14,472,487
Issuance of additional ordinary shares (Note 14)	438,780,000	14,229,624,859	-	-	-	-	-	-	-	-	-	14,668,404,859	-	14,668,404,859
Transfer share-based payment reserve to premium on ordinary shares (Note 15)	-	13,600,000	(13,600,000)	-	-	-	-	-	-	-	-	-	-	-
Balance as at 30 June 2020	1,428,780,000	14,243,224,859	872,487	483,694,988	(143,211,674)	64,769,469	4,179,970,259	336,274,146	(10,774,883)	(38,094,575)	287,404,688	20,545,505,076	-	20,545,505,076

The accompanying notes are an integral part of the interim financial statements.

(Unaudited but reviewed)

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries**Statement of changes in shareholders' equity (continued)****For the period as from 1 April 2019 to 30 June 2019 and for the six-month period ended 30 June 2020**

(Unit: Baht)

	Separate financial statements									
							Other components of shareholders' equity			
							Other comprehensive income			
	Retained earnings						Surplus on		Total other	
	Issued and	Premium	Share-based		Appropriated		revaluation of	Cash flow hedge	components	Total
	paid-up	on ordinary	payment	Surplus from	- statutory		assets - net of	reserve - net of	of shareholders'	shareholders'
	share capital	shares	reserve	the amalgamation	reserve	Unappropriated	income tax	income tax	equity	equity
Balance as at 1 April 2019	825,000,000	-	-	483,694,988	33,149,469	2,219,206,992	357,445,978	-	357,445,978	3,918,497,427
Profit for period	-	-	-	-	-	180,344,023	-	-	-	180,344,023
Other comprehensive income for the period	-	-	-	-	-	-	-	1,122,402,170	1,122,402,170	1,122,402,170
Total comprehensive income for the period	-	-	-	-	-	180,344,023	-	1,122,402,170	1,122,402,170	1,302,746,193
Amortisation on assets revaluation	-	-	-	-	-	3,769,635	(3,769,635)	-	(3,769,635)	-
Issuance of additional ordinary shares	165,000,000	-	-	-	-	-	-	-	-	165,000,000
Balance as at 30 June 2019	990,000,000	-	-	483,694,988	33,149,469	2,403,320,650	353,676,343	1,122,402,170	1,476,078,513	5,386,243,620
Balance as at 1 January 2020	990,000,000	-	-	483,694,988	64,769,469	2,694,229,988	344,973,640	-	344,973,640	4,577,668,085
Cumulative effects of the initial adoption of new financial reporting standards (Note 2.1)	-	-	-	-	-	28,505,093	-	(28,505,093)	(28,505,093)	-
Balance as at 1 January 2020 - as restated	990,000,000	-	-	483,694,988	64,769,469	2,722,735,081	344,973,640	(28,505,093)	316,468,547	4,577,668,085
Profit for period	-	-	-	-	-	1,385,252,491	-	-	-	1,385,252,491
Other comprehensive income for the period	-	-	-	-	-	-	-	(9,589,482)	(9,589,482)	(9,589,482)
Total comprehensive income for the period	-	-	-	-	-	1,385,252,491	-	(9,589,482)	(9,589,482)	1,375,663,009
Amortisation on assets revaluation	-	-	-	-	-	8,699,494	(8,699,494)	-	(8,699,494)	-
Share-based payments (Note 15)	-	-	14,472,487	-	-	-	-	-	-	14,472,487
Issuance of additional ordinary shares (Note 14)	438,780,000	14,229,624,859	-	-	-	-	-	-	-	14,668,404,859
Transfer share-based payment reserve to premium on ordinary shares (Note 15)	-	13,600,000	(13,600,000)	-	-	-	-	-	-	-
Balance as at 30 June 2020	1,428,780,000	14,243,224,859	872,487	483,694,988	64,769,469	4,116,687,066	336,274,146	(38,094,575)	298,179,571	20,636,208,440

The accompanying notes are an integral part of the interim financial statements.

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries**Cash flow statement**

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019 (Restated)	For the six-month period ended 30 June 2020	For the period as from 1 April 2019 to 30 June 2019
Cash flows from operating activities				
Profit before income tax	1,637,387,293	384,256,662	1,513,475,867	216,045,941
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Unrealised loss on exchange rates	36,217,073	25,304,283	32,968,540	35,283,992
Unrealised loss (gain) on revaluation of derivative financial instruments	10,364,994	(21,211,605)	10,364,994	(50,308,697)
Share-based payment expense	14,472,487	-	14,472,487	-
Allowance for expected credit losses/doubtful debts (reversal)	2,082,120	(6,596,389)	3,045,151	-
Reversal of inventory cost to net realisable value	(44,344,930)	(7,670,229)	(40,697,108)	(35,072,294)
Expenses for retirement benefit obligations	5,516,759	35,430,540	5,516,759	32,290,062
Depreciation	490,695,097	383,614,710	486,065,003	193,807,817
Amortisation - intangible assets	910,526	3,432,679	866,757	1,716,704
Finance income	(1,127,479)	(1,821,099)	(620,546)	(1,242,230)
Finance cost	77,508,169	101,607,835	73,914,786	46,859,921
Loss on disposal and write-off of machinery and equipment and intangible assets	5,576,352	2,831,942	5,576,352	1,918,518
Profit from operating activities before changes in operating assets and liabilities	2,235,258,461	899,179,329	2,104,949,042	441,299,734
Operating assets (increase) decrease				
Trade and other receivables	(194,922,872)	30,795,153	(536,793,569)	(154,899,995)
Inventories	42,950,279	84,450,226	74,550,610	61,945,419
Other current assets	(115,801,028)	(105,751,159)	(118,237,012)	(50,448,263)
Other non-current assets	(130,813)	5,187,370	(181,900)	407,100
Operating liabilities increase (decrease)				
Trade and other payables	714,800,879	(53,487,440)	706,956,542	(41,396,941)
Other current liabilities	12,302,053	(9,042,148)	(6,958,526)	(9,595,298)
Cash flows provided by operating activities	2,694,456,959	851,331,331	2,224,285,187	247,311,756
Cash received from interest income	1,152,273	1,821,099	645,340	1,279,504
Cash paid for interest expenses	(117,567,315)	(111,389,722)	(113,985,384)	(53,261,697)
Cash paid for income tax	(9,698,429)	(97,571,479)	(141,809)	(96,364,856)
Cash received from returning of corporate income tax	8,056,798	-	-	-
Net cash flows provided by operating activities	2,576,400,286	644,191,229	2,110,803,334	98,964,707

The accompanying notes are an integral part of the interim financial statements.

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Cash flow statement (continued)

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month period ended	For the six-month period ended	For the six-month period ended	For the period as from 1 April 2019
	30 June 2020	30 June 2019	30 June 2020	to 30 June 2019
		(Restated)		
Cash flows from investing activities				
Decrease in fixed deposits pledged as collateral	-	25,284,400	-	25,284,400
Cash paid for investment in subsidiary	-	(163,072,800)	(205,075,000)	(163,072,800)
Cash received from disposal of machinery and equipment	2,251,967	2,228,487	2,251,967	795,100
Cash paid for purchases of property, plant and equipment and intangible assets	(615,880,100)	(1,444,271,308)	(615,605,780)	(658,825,466)
Net cash flows used in investing activities	(613,628,133)	(1,579,831,221)	(818,428,813)	(795,818,766)
Cash flows from financing activities				
Decrease in short-term borrowings from financial institutions	(211,823,875)	(214,142,269)	-	(105,949,835)
Proceeds from long-term borrowings	-	1,200,000,000	-	450,000,000
Repayments of long-term borrowings	(2,555,000,000)	(223,000,000)	(2,555,000,000)	(131,000,000)
Repayments of lease liabilities	(9,086,618)	(3,998,863)	(4,858,705)	(1,904,480)
Proceeds from increase in ordinary shares	14,609,276,074	165,000,000	14,609,276,074	165,000,000
Net cash flows provided by financing activities	11,833,365,581	923,858,868	12,049,417,369	376,145,685
Decrease in translation adjustments	(1,695,716)	(11,430,296)	-	-
Net increase (decrease) in cash and cash equivalents	13,794,442,018	(23,211,420)	13,341,791,890	(320,708,374)
Cash and cash equivalents at beginning of period	581,264,398	573,271,437	557,163,099	809,581,110
Cash and cash equivalents at end of period	14,375,706,416	550,060,017	13,898,954,989	488,872,736
	-	-	-	-
Supplemental cash flows information				
Non-cash transactions:				
Increase in payables from purchases of assets	-	144,051,613	-	138,191,175
Increase in retention	2,977,839	22,446,442	2,977,839	4,502,243
Purchases of assets by entering into lease agreements	2,229,710	6,293,394	2,229,710	409,422

The accompanying notes are an integral part of the interim financial statements.

Sri Trang Gloves (Thailand) Public Company Limited and its subsidiaries

Notes to interim consolidated financial statements

For the three-month and six-month periods ended 30 June 2020

1. General information

1.1 Basis of preparation of interim consolidated financial statements

These interim consolidated financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting, with the Company choosing to present condensed interim consolidated financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim consolidated financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim consolidated financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim consolidated financial statements in Thai language are the official statutory financial statements of the Company. The interim consolidated financial statements in English language have been translated from the interim consolidated financial statements in Thai language.

1.2 The amalgamation

As described in the 2019 annual financial statements.

The amalgamating companies are as follows:

- 1) Sri Trang Gloves (Thailand) Company Limited ("Sri Trang Gloves")
- 2) Thaikong Public Company Limited ("TK")

For the accounting purpose, the Company adopted Thai Accounting Guidance for business combination under common control. The Group restated the consolidated financial statements for comparative purposes, as if Dr. Viyavood had invested in TK, applying the purchase method, and the amalgamation of TK and Sri Trang Gloves had taken place on 16 August 2018.

In preparing the separate financial statements on the date of the amalgamation (1 April 2019), the Company included the book values of assets, liabilities, capital, retained earnings and other components of shareholders' equity on the basis information of the financial statements of the two amalgamating companies as at 31 March 2019, adjusted to the fair value of the net assets of TK acquired under the purchase method, in accordance with related financial reporting standards.

1.3 Business combination under common control

As described in the 2019 annual financial statements.

a) Shi Dong Shanghai Medical Equipment Company Limited

On 28 June 2019, the Company acquired all ordinary shares of Shi Dong Shanghai Medical Equipment Co., Ltd. (“SDME”) from Startex Rubber Co., Ltd. (“STC”), a subsidiary of Sri Trang Agro-Industry Public Company Limited (“parent company”) (“STA”). The Company recorded the difference of Baht 11 million between the cost of business combination under common control and the net book value of the subsidiary as “Surplus from business combination under common control” and presented it under shareholders' equity of the Company.

b) Sri Trang USA, Inc.

On 30 September 2019, the Company acquired all ordinary shares of Sri Trang USA, Inc. (“STU”) from the parent company. The Company recorded the difference of Baht 155 million between the cost of the business combination under common control and the net book value of the subsidiary as “Deficit from business combination under common control” and presented it under shareholders' equity of the Company.

Because the two subsidiaries acquired were under the common control of the parent company both before and after the acquisition, the Group has restated the consolidated financial statements presented for comparative purposes, as if the two subsidiaries had operated under the Group before 1 January 2019, even though the legal relationships between companies under the Group and the acquisition of the subsidiaries occurred afterward.

1.4 Basis of interim consolidated financial statements

For reporting purposes, the Company and its subsidiaries are referred to as “the Group”.

The interim consolidated financial statements included the financial statements of Sri Trang Gloves Public Company Limited (“the Company”) and its subsidiaries (“the subsidiaries”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2019, with no significant changes in structure related to subsidiaries occurring during the current period.

1.5 New financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The adoption of these standards does not have any significant impact on the Group's financial statements for recognition of credit losses. For recognition of derivatives, the Group already measured at their fair value, the Group changes only the presentation in the financial statements. Moreover, the Group applies hedge accounting for certain derivatives during the current period.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

Cumulative effects of the initial adoption of new financial reporting standards are disclosed in Note 2 to the interim consolidated financial statements.

1.6 Significant accounting policies

The interim consolidated financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2019, except the initial adoption of new financial reporting standards transactions disclosed to in Note 1.5 to the interim consolidated financial statements and share-based payments with equity-settled transactions.

1.6.1 Financial instruments

Impairment of financial assets

The Group recognises an expected credit loss on its financial assets measured at amortised cost, without requiring a credit loss event to have occurred prior to the recognition. The Group accounts for changes in expected credit losses by stratifying, with differing methods of determining credit losses and the effective interest rate applied for each stratified group, except for that of trade receivables, the Group applies a simplified approach to determine the expected credit losses.

Hedge Accounting

The Group's hedge accounting meets criteria of cash flow hedge. A change in fair value of the effective portion of the hedging instrument is recognised in other comprehensive income, while a change in fair value of the ineffective portion of the hedging instruments is recognised in profit or loss.

1.6.2 Leases

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (the date the leased asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and allowance for impairment losses (if any). The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made on or prior the commencement date.

Unless ownership of the leased asset is transferred to the Group at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the lease term or the end of the useful life for each category of the leased asset.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Group's incremental borrowing rate. After the commencement date, the carrying amount of lease liabilities will be changed from related interest and payment made under lease agreement and will be remeasured if there is a modification of lease condition.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

1.6.3 Share-based payments with equity-settled transactions

The Company recognises share-based payment transactions on the date on which the options are granted, based on the fair value of the options. They are recorded to expenses over the expected lives of the share options, and a capital reserve for share-based payment transactions is presented in shareholders' equity.

Estimating the fair value of share-based payment transactions requires the exercise of judgement to make valuations, as well as appropriate assumptions regarding various matters, such as the expected life of the share options, share price volatility and dividend yield.

2. Cumulative effects of the initial adoption of new financial reporting standards

As described in Note 1.5 to the interim consolidated financial statements, during the current period, the Group has adopted financial reporting standards related to financial instruments and TFRS 16. The cumulative effects of the initial adoption of new financial reporting standards are recognised as an adjustment to the retained earnings as at 1 January 2020 without restatement of the comparative information.

2.1 Financial instruments

As at 1 January 2020, financial assets and liabilities were classified and measured in accordance with TFRS 9 by amortised cost, except derivative financial instruments were classified and measured by fair value through profit or loss, or fair value through other comprehensive income for the effective portion of the hedging instrument.

The impacts on the beginning balance of retained earnings of 2020 from the initial adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2019	1 January 2020	31 December 2019	1 January 2020
Recognition of cash flow hedges				
Retained earnings - unappropriated	2,664,105	2,692,610	2,694,230	2,722,735
Cash flow hedge reserve				
- net of income tax	-	(28,505)	-	(28,505)

2.2 Leases

The Group recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2020. For leases previously classified as finance leases, the Group recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately prior to the date of initial application of TFRS 16.

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	69,125	47,301
Less: Short-term leases and leases of low-value assets	(737)	(737)
Less: Contracts reassessed as service agreements	(42,945)	(42,945)
Add: Others	3,345	-
Less: Deferred interest expenses	(1,412)	(144)
Increase in lease liabilities due to TFRS 16 adoption	27,376	3,475
Liabilities under finance lease agreements as at 31 December 2019	14,581	14,581
Lease liabilities as at 1 January 2020	41,957	18,056
Comprise of:		
Current lease liabilities	17,332	8,121
Non-current lease liabilities	24,625	9,935
	41,957	18,056

Right-of-use assets in accordance with TFRS 16 initially adopted as at 1 January 2020 are as follows:

	(Unit: Thousand Baht)	
	Consolidated financial statements	Separate financial statements
Buildings and building improvement	23,901	-
Motor vehicles	24,292	24,292
Total right-of-use assets	48,193	24,292

3. Related party transactions

During the periods, the Group had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Thousand Baht)

	Consolidated			
	financial statements		Separate financial statements	
			For the three-month	For the period as
	For the three-month		period ended	from 1 April 2019 to
	periods ended 30 June		30 June 2020	30 June 2019
	<u>2020</u>	<u>2019</u>		
	(Restated)			
Transactions with parent				
company				
Sales of goods	375,069	283,433	375,069	283,433
Purchases of goods	677,835	460,466	677,835	460,466
Service income	1,538	23	1,538	23
Rental income	998	998	998	998
Service expenses	17,357	12,930	16,964	12,930
Purchases of fixed assets	74,327	-	74,327	-
Transactions with				
subsidiaries*				
Sales of goods	-	-	626,680	390,872
Transactions with related				
companies				
Sales of goods	7,023	10,914	7,023	10,914
Purchases of goods	538,251	399,921	538,251	399,921
Other income	3,361	4,025	3,361	4,025
Service expenses	99,557	82,712	98,074	82,712
Commission expenses	129	86	129	86
Purchases of fixed assets	43,238	34,284	43,238	34,284

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the six-month periods ended 30 June		For the six-month period ended 30 June 2020	For the period as from 1 April 2019 to 30 June 2019
	<u>2020</u>	<u>2019</u>		
	(Restated)			
Transactions with parent company				
Sales of goods	723,341	682,549	723,341	283,433
Purchases of goods	1,389,769	969,378	1,389,769	460,466
Service income	3,073	58	3,073	23
Rental income	1,996	1,996	1,996	998
Service expenses	33,584	25,095	32,807	12,930
Purchases of fixed assets	74,327	-	74,327	-
Transactions with subsidiaries*				
Sales of goods	-	-	1,087,417	390,872
Purchases of goods	-	-	789	-
Other income	-	-	57	-
Transactions with related companies				
Sales of goods	9,656	235,928	9,656	10,914
Purchases of goods	950,370	701,361	950,370	399,921
Other income	6,587	8,144	6,587	4,025
Service expenses	211,294	163,471	208,207	82,712
Commission expenses	246	86	246	86
Purchases of fixed assets	211,207	421,389	211,207	421,389

*Transaction with subsidiaries included transaction between the Group and STU as from 1 April 2019 to 30 June 2019

The pricing policies of the Group are as follows:

- (1) Sales/purchases of goods are made at market prices or reference to market prices
- (2) Service, rental and commission income/expenses are based on contract prices or rates
- (3) Interest income/expenses are charged at rates with reference to loan agreements
- (4) Purchases of fixed assets are based on contract prices

(Unaudited but reviewed)

Outstanding balances arising from sales/purchases of goods, providing/receiving of services and other income/expenses

As at 30 June 2020 and 31 December 2019, the balances of the accounts between the Group and those related parties were as follows.

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade accounts receivable (Note 4)				
Parent company	131,058	106,348	131,058	106,348
Subsidiaries	-	-	572,086	336,848
Related companies	6,754	908	6,754	908
	<u>137,812</u>	<u>107,256</u>	<u>709,898</u>	<u>444,104</u>
Other receivables (Note 4)				
Parent company	1,964	391	1,964	391
Subsidiaries	-	-	-	74
Related companies	1,271	927	1,271	927
	<u>3,235</u>	<u>1,318</u>	<u>3,235</u>	<u>1,392</u>
Advance payments (Note 4)				
Related companies	<u>11,579</u>	<u>-</u>	<u>11,579</u>	<u>-</u>
Trade accounts payables (Note 12)				
Parent company	228,119	175,774	228,119	175,774
Subsidiaries	-	-	156	881
Related companies	134,150	96,181	134,095	94,474
	<u>362,269</u>	<u>271,955</u>	<u>362,370</u>	<u>271,129</u>
Other payables (Note 12)				
Parent company	135	98	8	39
Subsidiaries	-	-	3	-
Related companies	15,331	94,439	15,331	94,438
	<u>15,466</u>	<u>94,537</u>	<u>15,342</u>	<u>94,477</u>

Directors and management's benefits

During the three-month and six-month periods ended 30 June 2020 and 2019, the Group had employee benefit expenses of their directors and management as below.

(Unit: Thousand Baht)

	Consolidated		Separate financial statements	
	financial statements			
	For the three-month		For the three-month	For the period as
	periods ended 30 June		period ended	from 1 April 2019 to
			30 June 2020	30 June 2019
	<u>2020</u>	<u>2019</u>		
Short-term employee benefits	18,951	19,783	11,866	11,352
Post-employment benefits	545	8,810	303	8,556
Share-based payment benefits	8,320	-	8,320	-
Total	<u>27,816</u>	<u>28,593</u>	<u>20,489</u>	<u>19,908</u>

(Unit: Thousand Baht)

	Consolidated		Separate financial statements	
	financial statements			
	For the six-month		For the six-month	For the period as
	periods ended 30 June		period ended	from 1 April 2019 to
			30 June 2020	30 June 2019
	<u>2020</u>	<u>2019</u>		
Short-term employee benefits	37,488	38,903	20,553	11,352
Post-employment benefits	1,115	9,922	586	8,556
Share-based payment benefits	8,320	-	8,320	-
Total	<u>46,923</u>	<u>48,825</u>	<u>29,459</u>	<u>19,908</u>

(Unaudited but reviewed)

4. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Trade accounts receivable - related parties (Note 3)				
Aged on the basis of due dates				
Not yet due	135,222	106,443	707,308	430,136
Past due				
Up to 30 days	2,590	813	2,590	12,809
31 - 60 days	-	-	-	53
121 - 365 days	-	-	-	1,106
Total trade accounts receivable - related parties	137,812	107,256	709,898	444,104
Trade accounts receivable - unrelated parties				
Aged on the basis of due dates				
Not yet due	1,447,267	1,196,972	1,346,900	1,016,002
Past due				
Up to 30 days	34,763	137,749	26,618	124,806
31 - 60 days	4,460	21,331	4,234	15,890
61 - 90 days	14	2,797	-	709
91 - 120 days	428	9,510	428	1,209
121 - 365 days	995	8,653	983	5,981
Over 365 days	11,562	17,457	11,562	17,457
Total	1,499,489	1,394,469	1,390,725	1,182,054
Less: Allowance for expected credit losses/doubtful debts	(3,590)	(1,508)	(3,045)	-
Total trade accounts receivable - unrelated parties, net	1,495,899	1,392,961	1,387,680	1,182,054
Total trade accounts receivable, net	1,633,711	1,500,217	2,097,578	1,626,158
Other receivables				
Other receivables - related parties (Note 3)	3,235	1,318	3,235	1,392
Other receivables - unrelated parties	44,874	76,501	43,620	74,937
Advance payments - related parties (Note 3)	11,579	-	11,579	-
Prepaid expenses and advance payment				
- unrelated parties	75,156	33,789	67,766	23,654
Total other receivables	134,844	111,608	126,200	99,983
Total trade and other receivables, net	1,768,555	1,611,825	2,223,778	1,726,141

(Unaudited but reviewed)

5. Inventories

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Inventories - at cost	1,652,887	1,695,838	1,347,199	1,421,750
Less: Reduction of cost to net realisable value	(39,742)	(84,087)	(37,464)	(78,161)
Inventories, net	1,613,145	1,611,751	1,309,735	1,343,589

6. Other financial assets and liabilities

	(Unit: Thousand Baht)	
	Consolidated/Separate	
	financial statements	
	30 June 2020	
Other current financial assets		
Derivatives not designated as hedging instruments		
Foreign exchange options		6,690
Forward foreign exchange contracts		12,188
Total other financial assets		18,878
Other current financial liabilities		
Derivatives not designated as hedging instruments		
Foreign exchange options		2,285
Forward foreign exchange contracts		6,079
Total other current financial liabilities		8,364
Other non-current financial liabilities		
Derivatives designated as hedging instruments		
Interest rate swaps		47,618
Total other non-current financial liabilities		47,618
Total other financial liabilities		55,982

Derivatives are measured at level 2 of fair value. During the period, there are no transfers within the fair value hierarchy.

7. Other current assets

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2020	2019	2020	2019
		(Audited)		(Audited)
Refundable value-added tax	573,389	459,676	573,389	457,240
Prepaid withholding tax	6,513	14,234	6,426	6,284
Input tax waiting for tax invoice or not yet due	13,884	11,796	13,884	11,796
Total other current assets	593,786	485,706	593,699	475,320

8. Investments in subsidiaries**8.1 Sri Trang USA, Inc. (“STU”)**

On 19 September 2019, the Company’s Board of Directors passed resolutions to approve the Company’s purchase of additional shares of STU in an amount not exceeding USD 8.5 million, to enable STU to repay loans from the financial institutions. The Company paid USD 6.5 million, or approximately Baht 205 million, for the additional capital of STU in February 2020.

Subsequently, on 14 August 2020, the Company’s Board of Directors passed a resolution to approve the Company’s purchase of another USD 2 million of additional shares, with the purchase to be completed in the third quarter of 2020

8.2 Shi Dong Shanghai Medical Equipment Company Limited (“SDME”)

On 3 August 2020, SDME’s Annual General Meeting of shareholders passed a resolution to approve a dividend payment of RMB 7 million to the shareholders. SDME will pay the dividend and record this transaction in the third quarter of 2020.

(Unaudited but reviewed)

9. Property, plant and equipment

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2019	8,562,265	8,561,520
Adjustments of TFRS 16 adoption (Note 2.2)	(20,817)	(20,817)
Acquisitions	596,013	596,013
Capitalised interest	41,312	41,312
Disposals and write-off, net	(7,828)	(7,828)
Depreciation	(481,295)	(481,035)
Translation adjustment	21	-
Net book value as at 30 June 2020	<u>8,689,671</u>	<u>8,689,165</u>

10. Right-of-use assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 31 December 2019	-	-
Adjustments of TFRS 16 adoption (Note 2.2)	48,193	24,292
Additions	2,230	2,230
Depreciation	(9,400)	(5,030)
Translation adjustment	519	-
Net book value as at 30 June 2020	<u>41,542</u>	<u>21,492</u>

11. Intangible assets

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Net book value as at 1 January 2020	13,161	12,859
Additions	22,845	22,571
Amortisation	(911)	(867)
Translation adjustment	(3)	-
Net book value as at 30 June 2020	<u>35,092</u>	<u>34,563</u>

(Unaudited but reviewed)

12. Trade and other payables

	Consolidated		(Unit: Thousand Baht)	
			Separate	
	financial statements		financial statements	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Audited)		(Audited)
Trade accounts payable - related parties (Note 3)	362,269	271,955	362,370	271,129
Trade accounts payable - unrelated parties	520,987	557,324	517,718	550,702
Other payables - related parties (Note 3)	15,466	94,537	15,342	94,477
Other payables - unrelated parties	612,758	383,839	591,447	360,616
Advance receipt for goods and others	598,618	85,142	570,631	74,386
Total trade and other payables	2,110,098	1,392,797	2,057,508	1,351,310

13. Borrowings

	(Unit: Thousand Baht)	
	Consolidated	Separate
	financial statements	financial statements
Balance as at 31 December 2019	7,071,841	6,807,994
Adjustments of TFRS 16 adoption (Note 2.2)	27,376	3,475
Decrease in short-term borrowings from financial institutions	(211,824)	-
Repayments of long-term borrowings from financial institutions	(2,555,000)	(2,555,000)
Increase in lease liabilities	2,230	2,230
Repayments of lease liabilities	(9,087)	(4,859)
Amortisation of finance fee	1,861	1,861
Translation adjustments	10,353	-
Balance as at 30 June 2020	4,337,750	4,255,701

Short-term borrowings from financial institutions

STU had credit facilities and balances of short-term borrowings with an overseas financial institution which were guaranteed by the parent company and the standby-letters of credit of a commercial bank as follows:

	Consolidated financial statements			
	30 June 2020		31 December 2019	
	Million	(Equivalent)	Million	(Equivalent)
	US Dollar	Million Baht	US Dollar	Million Baht
			(Audited)	
Credit facilities	10	309	15	452
Balances of short-term borrowings	2	62	9	264

Long-term borrowings from financial institutions

The long-term borrowing agreements of the Company contain certain covenants, among other things, require the Group to maintain certain financial ratios.

During the current period, the Company made an early repayment of its long-term loans totaling Baht 2,093 million and canceled the credit facilities. In addition, the Company terminated the related interest rate swap contract and reversed unrealised losses of Baht 23 million from changes in the fair value of the interest rate swap in other comprehensive income.

14. Share capital

On 22 November 2019, the Extraordinary General Meeting of the Company's shareholders passed a resolutions approving the increase in the Company's registered share capital, from Baht 990,000,000 (990,000,000 ordinary shares with a par value of Baht 1 each) to Baht 1,434,780,000 (1,434,780,000 ordinary shares with a par value of Baht 1 each) through the issuance of 444,780,000 new ordinary shares with a par value of Baht 1 each, and the allocation of the newly-issued ordinary shares is as follows:

1. Allocation of not more than 432,780,000 new shares with a par value of Baht 1 each for the initial public offering (IPO)
2. Allocation of not more than 2,000,000 new shares with a par value of Baht 1 each to be offered to the directors, executives, and/or employees of STA and the STA's subsidiaries
3. Allocation of not more than 10,000,000 new shares with a par value of Baht 1 each to be offered under the STGT ESOP as described in Note 15 to the interim consolidated financial statements (The Company records the difference from IPO price as share-based payment expenses amounting to Baht 13.6 million.)

During 23 to 25 June 2020 the Company offered the newly-issued ordinary shares as detailed below:

1. Offered in initial public offering of 432,780,000 of new shares with a par value of Baht 1 each, at an offering price of Baht 34 per share, amounting to Baht 14,714,520,000
2. Offered to directors, executives, and/or employees of STA and the STA's subsidiaries of 2,000,000 of new shares with a par value of Baht 1 each, at an offering price of Baht 34 per share, amounting to Baht 68,000,000
3. Offered under the STGT ESOP for the first allocation of 4,000,000 of new shares with a par value of Baht 1 each, at an offering price of Baht 30.6 per share, amounting to Baht 122,400,000

Subsequently, on 29 June 2020, the Company received full payment of the additional capital and then registered the increase of its issued and paid-up share capital from Baht 990,000,000 (990,000,000 ordinary shares with a par value of Baht 1 each) to Baht 1,428,780,000 (1,428,780,000 ordinary shares with a par value of Baht 1 each) with the Ministry of Commerce on the same date. The Stock Exchange of Thailand approved the 1,428,780,000 ordinary shares with a par value of Baht 1 each as listed securities, with trading permitted as from 2 July 2020.

The Company incurred expenses relating to the share offering amounting to approximately Baht 237 million (net after tax benefits) and these expenses were recorded as a deduction against premium on ordinary shares.

15. Share-based payments

Options to purchase newly-issued ordinary shares of the Company offered to the directors executives and/or employees of the Group ("STGT ESOP")

The details of STGT ESOP are as follows:

Type of securities	Newly-issued ordinary shares of the Company to be offered to the directors, executives, and/or employees of the Company and the Company's subsidiaries
Term	Two years from the date on which the ordinary shares of the Company are listed on the SET
Number of newly-issued ordinary shares to be issued and offered	Not more than 10,000,000 shares with a par value of Baht 1 per share

Offering price per share	<div>At the date of the IPO:90 percent of the IPO price</div> <div>The first to second year after the IPO:90 percent of the market price *</div> <div>* As specified under the notification of the Office of the Securities and Exchange Commission regarding the calculation of offer price of securities and determination of market price for consideration of offer for sale of newly-issued shares with discount</div>
Offering period	<div>The Company will offer the newly-issued ordinary shares through the STGT ESOP’s scheme as detailed below:</div> <div><div>The first allocation</div><div>The date of the IPO:</div><div>Not more than 40 percent or 4,000,000 shares</div></div> <div><div>The second allocation</div><div>The first year after the IPO:</div><div>Not more than 30 percent, or 3,000,000 shares</div></div> <div><div>The third allocation</div><div>The second year after the IPO:</div><div>Not more than 30 percent, or 3,000,000 shares</div></div>
Conditions of the allocation	<div>At the record date</div> <div><div>• Being a director, executive, and/or employee of the Company and the subsidiaries no less than 3 months</div><div>• Not being under a probationary period</div></div> <div>At the offering date</div> <div><div>• Remaining a director, executive, and/or employee of the Company and the subsidiaries</div></div>

The Company recognised share-based payment expenses of Baht 14.5 million for the three-month and six-month periods ended 30 June 2020. Moreover, on 29 June 2020, the Company recoded transfer of share-based payment reserve for the first allocation amounting to Baht 13.6 million to premium on ordinary shares.

16. Income tax

The Company's interim corporate income was calculated on profit before income tax from operations without BOI promotional privileges for the periods, after adding back expenses and deducting income which are disallowable for tax computation purposes, using the estimated effective tax rate for the year.

The overseas subsidiaries' interim corporate income tax was calculated in accordance with the accounting standards and/or tax law of that company's country of domicile.

(Unaudited but reviewed)

Income tax for the three-month and six-month periods ended 30 June 2020 and 2019 are made up as follows:

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June		For the three-month period ended 30 June 2020	For the period as from 1 April 2019 to 30 June 2019
	<u>2020</u>	<u>2019</u>		
	(Restated)			
Current income tax:				
Interim corporate income tax charge	52,610	34,822	24,602	30,392
Income tax directly related to shareholders' equity	59,129	-	59,129	-
Deferred tax:				
Relating to origination and reversal of temporary differences	16,705	(470)	20,500	5,310
Income tax reported in the profit or loss	<u>128,444</u>	<u>34,352</u>	<u>104,231</u>	<u>35,702</u>

			(Unit: Thousand Baht)	
	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June		For the six-month period ended 30 June 2020	For the period as from 1 April 2019 to 30 June 2019
	<u>2020</u>	<u>2019</u>		
	(Restated)			
Current income tax:				
Interim corporate income tax charge	108,575	88,162	69,109	30,392
Income tax directly related to shareholders' equity	59,129	-	59,129	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(8,978)	(32,299)	(15)	5,310
Income tax reported in the profit or loss	<u>158,726</u>	<u>55,863</u>	<u>128,223</u>	<u>35,702</u>

(Unaudited but reviewed)

The amounts of income tax relating to each component of other comprehensive income for the three-month and six-month periods ended 30 June 2020 and 2019 are as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the three-month periods ended 30 June		For the three-month period ended 30 June 2020	For the period as from 1 April 2019 to 30 June 2019
	<u>2020</u>	<u>2019</u>		
Deferred tax relating to loss on cash flow hedges	(1,884)	-	(1,884)	-

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the six-month periods ended 30 June		For the six-month period ended 30 June 2020	For the period as from 1 April 2019 to 30 June 2019
	<u>2020</u>	<u>2019</u>		
Deferred tax relating to loss on cash flow hedges	(9,524)	-	(9,524)	-

17. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that dilutive potential ordinary shares shall be deemed to have been converted into ordinary shares at the date of the issue of the options to purchase newly-issued ordinary shares.

(Unaudited but reviewed)

The following table sets forth the computation of basic earnings per share and diluted earnings per share for the three-month and six-month periods ended 30 June 2020 and 2019:

Consolidated financial statements						
For the three-month periods ended 30 June						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Profit attributable to equity holders of						
the parent	1,056,768	173,170	999,644	859,593	1.06	0.20
Effect of dilutive potential ordinary shares						
The options of newly-issued ordinary						
shares (STGT ESOP)	-	-	123	-		
Diluted earnings per share						
Profit attributable to ordinary shareholders						
assuming the conversion of the options						
to ordinary shares	<u>1,056,768</u>	<u>173,170</u>	<u>999,767</u>	<u>859,593</u>	1.06	0.20
Separate financial statements						
For the three-month period ended 30 June 2020						
Profit for the year		Weighted average number of ordinary shares		Earnings per share		
(Thousand Baht)		(Thousand shares)		(Baht)		
Basic earnings per share						
Profit attributable to equity holders of						
the parent	980,339		999,644		0.98	
Effect of dilutive potential ordinary shares						
The options of newly-issued ordinary						
shares (STGT ESOP)	-		123			
Diluted earnings per share						
Profit attributable to ordinary shareholders						
assuming the conversion of the options						
to ordinary shares	<u>980,339</u>		<u>999,767</u>		0.98	

(Unaudited but reviewed)

Consolidated financial statements						
For the six-month periods ended 30 June						
		Weighted average				
Profit for the year		number of ordinary shares		Earnings per share		
<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	
(Thousand Baht)	(Thousand Baht)	(Thousand shares)	(Thousand shares)	(Baht)	(Baht)	
	(Restated)				(Restated)	
Basic earnings per share						
Profit attributable to equity holders of						
the parent						
1,478,661	329,767	994,822	531,619	1.49	0.62	
Effect of dilutive potential ordinary shares						
The options of newly-issued ordinary						
shares (STGT ESOP)						
-	-	61	-			
Diluted earnings per share						
Profit attributable to ordinary shareholders						
assuming the conversion of the options						
to ordinary shares	1,478,661	329,767	994,883	531,619	1.49	0.62

Separate financial statements			
For the six-month periods ended 30 June 2020			
	Profit for the year	Weighted average number of ordinary shares	Earnings per share
	(Thousand Baht)	(Thousand shares)	(Baht)
Basic earnings per share			
Profit attributable to equity holders of			
the parent	1,385,252	994,822	1.39
Effect of dilutive potential ordinary shares			
The options of newly-issued ordinary			
shares (STGT ESOP)	-	61	
Diluted earnings per share			
Profit attributable to ordinary shareholders			
assuming the conversion of the options			
to ordinary shares	1,385,252	994,883	1.39

(Unaudited but reviewed)

	Separate financial statements		
	For the period during 1 April 2019 to 30 June 2019		
	Weighted average		
	Profit for the year	number of ordinary shares	Earnings per share
	(Thousand Baht)	(Thousand shares)	(Baht)
Basic earnings per share			
Profit attributable to equity holders of			
the parent	180,344	859,593	0.21

18. Segment information

The Group operates in one business segment as manufacturing and distribution of rubber glove. During the current period, the Group does not change any of its structure of business segment.

19. Commitments and contingent liabilities

	(Unit: Million Baht)
	Consolidated/Separate financial statements
	30 June 2020
Capital commitments - purchase of fixed assets	209
Commitments from guarantees and contingent liabilities	
Bank guarantees to guarantee electricity usage	59
Letters of credit with overseas suppliers (USD 5.7 million)	178
The future aggregate minimum payments under non-cancellable lease and service agreements	
Not later than 1 year	32
Later than 1 year but not later than 5 years	1

20. Approval of interim consolidated financial statements

These interim consolidated financial statements were authorised for issue by the Company's Board of Directors on 14 August 2020.