

Auditor's Review Report and
Consolidated Interim Financial Statements of

N.D. Rubber Public Company Limited and subsidiary

For the Three - Month Period Ended 31 March 2017





INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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To the shareholders of N.D. Rubber Public Company Limited

I have reviewed the consolidated statement of financial position as at 31 March 2017, the related consolidated statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2017, and condensed notes to the consolidated financial statements of N.D. Rubber Public Company Limited and subsidiary. I have also reviewed the separate statement of financial position as at 31 March 2017, and the related separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended 31 March 2017, and condensed notes to the financial statements of N.D. Rubber Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 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 Standard on Review Engagements Code 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making enquiries, 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 on the interim financial information.

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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 No. 34, "Interim financial reporting".

Narin Churamongkol

Mr. Narin Churamongkol

Certified Public Accountant

Registration No. 8593

Bangkok, Thailand

11 May 2017

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		46,412,134	55,673,741	46,366,991	55,578,708
Temporary investments	6	21,714,146	23,379,456	21,714,146	23,379,456
Trade accounts receivable - general customers - net	7	86,263,315	93,596,221	76,017,227	83,766,401
- related parties	5, 7	5,619,012	1,135,314	5,636,496	1,137,909
Amount due from subsidiary company	5	-	-	295,320	295,320
Inventories - net	8	81,483,681	63,378,954	77,346,678	59,375,488
Refundable value added tax		2,570,053	6,867,971	2,570,053	6,867,971
Other current assets		3,578,338	3,466,268	2,617,680	3,371,635
Total Current Assets		247,640,679	247,497,925	232,564,591	233,772,888
NON-CURRENT ASSETS					
Investments in					
- Subsidiary company	9	-	-	5,597,800	5,597,800
- Associated company	10	459,938	438,292	500,000	500,000
Property, plant and equipment - net	11	492,324,581	494,390,741	484,705,313	487,863,589
Computer software - net	12	3,890,650	4,225,731	3,772,392	4,099,336
Deferred tax assets		98,201	129,869	-	-
Total Non-Current Assets		496,773,370	499,184,633	494,575,505	498,060,725
TOTAL ASSETS		744,414,049	746,682,558	727,140,096	731,833,613

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 March 2017	31 December 2016	31 March 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short-term loans from banks	13	49,801,124	71,930,418	48,442,904	69,765,192
Trade accounts payable - general suppliers		98,649,905	86,933,123	92,143,342	82,595,553
- related parties	5	122,153	86,768	863,420	611,291
Amount due to subsidiary company	5	-	-	60,759	52,079
Accounts payable for purchases of fixed assets		401,076	158,360	401,076	158,360
Current portion :					
- Liabilities under finance lease agreements		9,108,240	9,011,562	9,108,240	9,011,562
- Long-term loan	14	19,800,000	21,450,000	19,800,000	21,450,000
Accrued income tax		6,761,073	5,306,380	6,156,852	4,890,394
Accrued expenses		36,249,845	12,758,050	34,732,600	11,653,432
Other current liabilities		573,590	1,144,644	129,047	482,580
Total Current Liabilities		221,467,006	208,779,305	211,838,240	200,670,443
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements - net		35,802,260	38,126,142	35,802,260	38,126,142
Long-term loan - net	14	47,200,000	52,150,000	47,200,000	52,150,000
Employee benefits obligation		3,800,101	3,665,963	3,388,137	3,271,710
Deferred tax liabilities - net		8,229,993	7,892,153	8,229,993	7,892,153
Total Non-Current Liabilities		95,032,354	101,834,258	94,620,390	101,440,005
Total Liabilities		316,499,360	310,613,563	306,458,630	302,110,448

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)	31 March 2017 (Unaudited but reviewed)	31 December 2016 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
SHAREHOLDERS' EQUITY				
Share capital - ordinary share, Baht 1 par value				
Authorized - 332,500,000 shares	322,500,000	322,500,000	322,500,000	322,500,000
Issued and fully paid - up - 215,000,000 shares	215,000,000	215,000,000	215,000,000	215,000,000
Premium on share capital	104,814,298	104,814,298	104,814,298	104,814,298
Retained earnings				
- Appropriated for legal reserve	10,708,461	10,708,461	10,708,461	10,708,461
- Unappropriated	95,456,013	103,681,570	90,158,707	99,200,406
Other component of shareholders' equity	876,694	876,694	-	-
Total Equity of the Company's Shareholders	426,855,466	435,081,023	420,681,466	429,723,165
Non - controlling interests	1,059,223	987,972	-	-
Total Shareholders' Equity	427,914,689	436,068,995	420,681,466	429,723,165
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	744,414,049	746,682,558	727,140,096	731,833,613

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2017	2016	2017	2016
Net sales	5, 17	215,827,814	200,994,703	201,467,958	187,346,175
Costs of sales	5, 17	(187,578,761)	(175,806,807)	(175,775,448)	(165,069,261)
Gross profit		28,249,053	25,187,896	25,692,510	22,276,914
Gain on exchange rate		1,830,769	-	1,830,769	-
Other income	5	1,298,269	899,501	1,761,574	1,388,888
Profit before expenses		31,378,091	26,087,397	29,284,853	23,665,802
Selling expenses		(3,843,469)	(3,633,970)	(3,655,057)	(3,552,638)
Administrative expenses	5	(10,847,813)	(12,460,694)	(10,047,395)	(11,570,285)
Loss on exchange rate		-	(1,813,814)	-	(1,813,814)
Total expenses		(14,691,282)	(17,908,478)	(13,702,452)	(16,936,737)
Profit from operations		16,686,809	8,178,919	15,582,401	6,729,065
Equity in profit of associated company	10	21,646	-	-	-
Profit before financial costs and income tax		16,708,455	8,178,919	15,582,401	6,729,065
Financial costs		(2,129,866)	(1,971,556)	(2,116,971)	(1,939,254)
Profit before income tax		14,578,589	6,207,363	13,465,430	4,789,811
Income tax		(1,877,895)	(1,464,290)	(1,652,129)	(1,228,818)
Profit for the period		12,700,694	4,743,073	11,813,301	3,560,993
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income for the period		12,700,694	4,743,073	11,813,301	3,560,993

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		2017	2016	2017	2016
Profit for the period attributable to:					
Shareholders of the Company		12,629,443	4,645,788	11,813,301	3,560,993
Non - controlling interests		71,251	97,285	-	-
		<u>12,700,694</u>	<u>4,743,073</u>	<u>11,813,301</u>	<u>3,560,993</u>
Total comprehensive income for the period attributable to:					
Shareholders of the Company		12,629,443	4,645,788	11,813,301	3,560,993
Non - controlling interests		71,251	97,285	-	-
		<u>12,700,694</u>	<u>4,743,073</u>	<u>11,813,301</u>	<u>3,560,993</u>
Basic earnings per share					
Profit (Baht per share)		0.06	0.02	0.05	0.02
Weighted average number of ordinary shares (share)		<u>215,000,000</u>	<u>215,000,000</u>	<u>215,000,000</u>	<u>215,000,000</u>
Diluted earnings per share					
Profit (Baht per share)	16	0.06	0.02	0.05	0.02
Weighted average number of ordinary shares (share)		<u>222,704,067</u>	<u>215,000,000</u>	<u>222,704,067</u>	<u>215,000,000</u>

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unaudited but reviewed)

(Unit : Baht)

	Note	Equity attributable to the Company's shareholders							Total	
		Issued and paid-up share capital	Premium on share capital	Retained earnings			Other components of shareholders' equity			Total equity attributable to the Company's shareholders
				Legal reserve	Unappropriated	Surplus on change in proportion of investment in subsidiary company	Non-controlling Interests			
Consolidated F/S										
Balance as at 1 January 2016		215,000,000	104,814,298	7,958,461	63,282,353	876,694	391,931,806	875,071	392,806,877	
Dividend payment	15	-	-	-	(12,899,808)	-	(12,899,808)	-	(12,899,808)	
Total comprehensive income for the period		-	-	-	4,645,788	-	4,645,788	97,285	4,743,073	
Balance as at 31 March 2016		215,000,000	104,814,298	7,958,461	55,028,333	876,694	383,677,786	972,356	384,650,142	
2017										
Balance as at 1 January 2017		215,000,000	104,814,298	10,708,461	103,681,570	876,694	435,081,023	987,972	436,068,995	
Dividend payment	15	-	-	-	(20,855,000)	-	(20,855,000)	-	(20,855,000)	
Total comprehensive income for the period		-	-	-	12,629,443	-	12,629,443	71,251	12,700,694	
Balance as at 31 March 2017		215,000,000	104,814,298	10,708,461	95,456,013	876,694	426,855,466	1,059,223	427,914,689	

The accompanying notes form an integral part of these interim financial statements.

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARY
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unaudited but reviewed)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Legal reserve	Unappropriated	
Separate F/S						
Balance as at 1 January 2016		215,000,000	104,814,298	7,958,461	59,999,224	387,771,983
Dividend payment	15	-	-	-	(12,899,808)	(12,899,808)
Total comprehensive income for the period		-	-	-	3,560,993	3,560,993
Balance as at 31 March 2016		215,000,000	104,814,298	7,958,461	50,660,409	378,433,168
Separate F/S						
Balance as at 1 January 2017		215,000,000	104,814,298	10,708,461	99,200,406	429,723,165
Dividend payment	15	-	-	-	(20,855,000)	(20,855,000)
Total comprehensive income for the period		-	-	-	11,813,301	11,813,301
Balance as at 31 March 2017		215,000,000	104,814,298	10,708,461	90,158,707	420,681,466

(Unit : Baht)

The accompanying notes form an integral part of these interim financial statements.

STATEMENT OF CASH FLOWS

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Cash Flows from Operating Activities				
Profit before income tax	14,578,589	6,207,363	13,465,430	4,789,811
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	9,111,147	7,956,672	8,356,185	7,216,128
Reversal of allowance for doubtful accounts	(287,025)	-	(287,025)	-
Allowance (reversal of allowance) for obsolete and devaluation of inventories	6,516	(74,253)	2,811	(68,337)
Unrealized loss (gain) on exchange rate	(460,490)	3,110,881	(460,490)	3,110,881
Unrealized gain on temporary investment	(35,247)	(23,375)	(35,247)	(23,375)
Realized gain on disposal of temporary investments	(119,443)	(61,946)	(119,443)	(61,946)
Loss on written off assets	-	882,290	-	882,214
Equity in profit of associate company	(21,646)	-	-	-
Profit from disposal of fixed assets	(195,126)	(4,091)	(195,126)	-
Employee benefits obligation expenses	106,488	100,083	91,931	86,312
Interest expense	2,129,866	1,971,556	2,116,971	1,939,254
Cash provided from operations before changes in operating assets and liabilities	24,813,629	20,065,180	22,935,997	17,870,942
Decrease (increase) in operating assets:				
Trade accounts receivable - general customers	7,494,487	(7,146,349)	7,910,756	(5,970,764)
- related parties	(4,483,698)	63,197	(4,498,587)	47,874
Amount due from subsidiary company	-	-	-	650,560
Inventories	(18,111,243)	459,029	(17,974,001)	770,849
Refundable value added tax	4,297,918	2,072,117	4,297,918	2,072,117
Other current assets	41,266	(2,475,373)	907,291	(2,598,265)
Deposits	-	(63,000)	-	-
Increase (decrease) in Operating Liabilities:				
Trade accounts payable - general suppliers	11,762,909	(17,008,516)	9,593,916	(17,782,769)
- related parties	35,385	62,162	252,129	(60,531)
Amount due to subsidiary company	-	-	8,680	(2,888)
Accounts payable for purchases of fixed assets	(158,360)	-	(158,360)	-
Accrued expenses	2,636,795	2,323,304	2,224,168	1,781,528
Other current liabilities	(615,267)	3,870,440	(397,748)	3,883,825
Cash provided from operations	27,713,821	2,222,191	25,102,159	662,478

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE THREE-MONTH PERIODS ENDED 31 MARCH

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Cash provided from operations (continued)	27,713,821	2,222,191	25,102,159	662,478
Interest paid	(2,102,216)	(1,987,483)	(2,092,475)	(1,957,810)
Income tax paid	(53,695)	(37,446)	(47,831)	(31,316)
Net cash provided from (used in) operating activities	<u>25,557,910</u>	<u>197,262</u>	<u>22,961,853</u>	<u>(1,326,648)</u>
Cash Flows from Investing Activities:				
Proceeds from disposal of temporary investments	88,000,000	59,800,000	88,000,000	59,800,000
Purchase of temporary investments	(86,180,000)	(72,970,000)	(86,180,000)	(72,970,000)
Decrease in restricted deposits with bank	-	5,350,000	-	5,350,000
Purchase of fixed assets and computer software	(6,631,527)	(7,841,896)	(4,792,586)	(7,777,296)
Proceeds from disposal of fixed assets	364,486	4,100	364,486	-
Net cash used in investing activities	<u>(4,447,041)</u>	<u>(15,657,796)</u>	<u>(2,608,100)</u>	<u>(15,597,296)</u>
Cash Flows from Financing Activities				
Increase (decrease) in bank overdraft and short - term loans from banks	(21,545,272)	10,212,717	(20,738,266)	11,679,218
Repayment of long-term loan	(6,600,000)	(6,600,000)	(6,600,000)	(6,600,000)
Repayment of liabilities under finance lease agreements	(2,227,204)	(230,361)	(2,227,204)	(230,361)
Dividend payment	-	(18,000)	-	(18,000)
Net cash provided from (used in) financing activities	<u>(30,372,476)</u>	<u>3,364,356</u>	<u>(29,565,470)</u>	<u>4,830,857</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(9,261,607)	(12,096,178)	(9,211,717)	(12,093,087)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	55,673,741	51,844,146	55,578,708	51,837,321
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	<u>46,412,134</u>	<u>39,747,968</u>	<u>46,366,991</u>	<u>39,744,234</u>
Supplemental disclosures for cash flows information				
Non - cash items				
Accounts payable for purchases of fixed assets	401,076	2,606,520	401,076	2,606,520

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AS AT 31 MARCH 2017 (Unaudited but reviewed)
(With comparative information as at 31 December 2016 (Audited))

1. NATURE OF OPERATIONS

N.D. Rubber Public Company Limited was incorporated as a public company in Thailand, and has been listed in the Market for Alternative Investment. The Company and subsidiary are engaged in manufacturing and distributing motorcycle tires, tubes, and distribute battery for motorcycle and automobile, including to other providing related services, and manufacturing and distributing rubber and synthetic products for motorcycle and automobile.

2. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION AND CONSOLIDATION

2.1 Basis for interim financial statements preparation

The interim financial statements are for the three-month period ended 31 March 2017 and have been prepared in accordance with TAS No. 34 (revised 2016) 'Interim Financial Reporting' which do not include all information required in annual financial statements in accordance with TFRSs. These should be read in conjunction with the financial statements for the year ended 31 December 2016.

The interim financial statements are officially prepared in Thai language, in Thai Baht. The translation of these statutory financial statements to other language must conform to the Thai financial report.

These interim financial statements have been approved by the Company's Board of Directors on 11 May 2017.

2.2 Basis of consolidation

The consolidated financial statements include the financial statements of N.D. Rubber Public Company Limited and subsidiary which the Company can exercise control or holdings shares with voting right more than 50% as follow :

Subsidiary Company	Percentage of holding (%)		Nature of business
	31 March 2017	31 December 2016	
N.D. Interparts Co., Ltd.	91.77	91.77	Manufacturing and distributing rubber and synthetic products for motorcycle and automobile

Significant transactions with subsidiary have been eliminated in the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

The total assets of subsidiary as at 31 March 2017 and 31 December 2016 and total revenues for the three-month periods ended 31 March 2017 and 2016, as included in the consolidated financial statements presented in term of percentages as follow :

Subsidiary company	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues	
	31 March 2017	31 December 2016	For the three-month periods ended 31 March	
			2017	2016
N.D. Interparts Co., Ltd.	3.24	2.87	7.16	7.23

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the accounting policies and computation adopted in the financial statements for the year ended 31 December 2016.

During the year 2016, the Federation of Accounting Professions announced the application of revised Accounting Standards and Financial Reporting Standards and the Interpretations of Accounting Standards and Reporting Standards, which are effective for the preparation of the financial statements with accounting periods beginning on or after 1 January 2017. The Company has adopted those standards in the financial statements which have no material impact on the financial statements.

4. ESTIMATES

When preparing the interim financial statements, management undertake judgments, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgments, estimates and assumptions made by management.

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the annual financial statements for the year ended 31 December 2016.

5. TRANSACTIONS WITH RELATED PARTIES

The Company has transactions with parties that are related to it through common shareholding and/or directorship. Thus, the financial statements reflect the effects of those transactions on the basis agreed upon between the Company and its related parties, which basis might be different from the basis used for transactions with unrelated parties.

Transactions with related parties for the three-month periods ended 31 March 2017 and 2016 are as follows:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 31 March			
	Pricing Policy	2017	2016	2017	2016
Sales of goods					
	- Subsidiary company	Agreed price	-	-	16,340
	- Associated company	Agreed price	4,425,763	-	4,425,763
	- Related parties	Agreed price	2,328,287	2,570,458	2,328,287
	Total	6,754,050	2,570,458	6,770,390	2,588,328
Purchase of raw materials					
	- Subsidiary company	Agreed price	-	-	1,077,480
	- Related parties	Agreed price	157,362	723,125	126,225
	Total	157,362	723,125	1,203,705	1,518,968
Rental and other service income					
	- Subsidiary company	Agreed price	-	-	499,176
	- Associated company	Agreed price	30,000	-	30,000
	Total	30,000	-	529,176	497,304
Rental expense					
	- Director	Agreed price	27,000	27,000	27,000
<u>Key directors and management personnel compensation</u>					
	Short - term directors and management benefits	1,468,680	1,385,982	1,275,055	1,199,332
	Provision for post - employment benefit	15,499	15,499	13,899	13,900
	Total	1,484,179	1,401,481	1,288,954	1,213,232

As at 31 March 2017 and 31 December 2016, the outstanding balances with related parties are as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<u>Trade accounts receivable – related parties</u>				
- Subsidiary company	-	-	17,484	2,595
- Associated company	4,770,566	-	4,770,566	-
- Related parties	848,446	1,135,314	848,446	1,135,314
Total	<u>5,619,012</u>	<u>1,135,314</u>	<u>5,636,496</u>	<u>1,137,909</u>
<u>Amount due from subsidiary company</u>	<u>-</u>	<u>-</u>	<u>295,320</u>	<u>295,320</u>
<u>Trade accounts payable – related parties</u>				
- Subsidiary company	-	-	774,584	552,120
- Related parties	122,153	86,768	88,836	59,171
Total	<u>122,153</u>	<u>86,768</u>	<u>863,420</u>	<u>611,291</u>
<u>Amount due to subsidiary company</u>	<u>-</u>	<u>-</u>	<u>60,759</u>	<u>52,079</u>
<u>Key management</u>				
Employee benefits obligation	376,810	301,448	344,973	275,978

6. TEMPORARY INVESTMENTS

	(Unit : Baht)	
	Consolidated and Separate F/S	
	31 March 2017	31 December 2016
Temporary investments		
Mutual Fund	21,678,899	23,355,196
Unrealized gain from changing in value of investment	35,247	24,260
Total	<u>21,714,146</u>	<u>23,379,456</u>

During the three-month period ended 31 March 2017, movements of temporary investments are as follows :

	(Unit : Baht)
	Consolidated and Separate F/S
Fair value as at 1 January 2017	23,379,456
Purchases	86,180,000
Disposals	(87,880,557)
Fair value adjustment	35,247
Fair value as at 31 March 2017	21,714,146

7. TRADE ACCOUNTS RECEIVABLE – NET

As at 31 March 2017 and 31 December 2016, the aged of trade accounts receivable are as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
<u>Trade accounts receivable – general customers</u>				
Not yet due	76,433,129	78,538,220	66,187,041	68,804,579
Over due :				
Less than 3 months	7,694,140	13,186,733	7,694,140	13,090,554
3 - 6 months	760,351	417,015	760,351	417,015
6 - 12 months	897,656	1,210,824	897,656	1,210,824
Over 12 months	1,150,885	1,203,300	1,150,885	1,203,300
Total	86,936,161	94,556,092	76,690,073	84,726,272
<u>Less</u> Allowance for doubtful accounts	(672,846)	(959,871)	(672,846)	(959,871)
Net	86,263,315	93,596,221	76,017,227	83,766,401
<u>Trade accounts receivable – related parties</u>				
Not yet due	5,174,383	910,314	5,174,383	910,314
Over due :				
Less than 3 months	444,629	225,000	462,113	227,595
Net	6,619,012	1,135,314	5,636,496	1,137,909

8. INVENTORIES – NET

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	31 March	31 December	31 March	31 December
	2017	2016	2017	2016
Raw materials	27,554,556	21,149,517	27,193,704	20,949,346
Work in process	12,910,348	12,833,875	11,685,770	11,575,348
Finished goods	32,321,705	23,404,800	29,815,687	20,878,930
Supply inventories	2,672,876	2,953,208	2,256,737	2,567,431
Fuel	265,090	211,698	265,090	211,698
Packaging	3,327,704	3,198,627	3,327,704	3,198,627
Goods in transit	2,810,689	-	2,810,689	-
Total	81,862,968	63,751,725	77,355,381	59,381,380
<u>Less Allowance for obsolete and devaluation</u>				
<u>of inventories</u>	(379,287)	(372,771)	(8,703)	(5,892)
Inventories – net	81,483,681	63,378,954	77,346,678	59,375,488

9. INVESTMENT IN SUBSIDIARY

Company	Type of business	(Unit : Thousand Baht)					
		Share capital		Percentage of shareholding		Separate F/S (Cost method)	
		31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
		2017	2016	2017	2016	2017	2016
N.D. Interparts Co., Ltd.	Manufacturing and distributing rubber and synthetic products for motorcycle and automobile	6,100	6,100	91.77	91.77	5,598	5,598

10. INVESTMENT IN ASSOCIATED COMPANY

Company	Type of business	(Unit : Thousand Baht)							
		Share capital		Percentage of shareholding		Separate F/S (Cost method)		Consolidated F/S (Equity method)	
		31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec	31 Mar	31 Dec
		2017	2016	2017	2016	2017	2016	2017	2016
Mascasey Trading Co., Ltd.	Distributing rubber products for automobile	1,000	1,000	50.00	50.00	500	500	460	438

Movements in investment in associated company for the three-month period ended 31 March 2017 are as follows

	(Unit: Thousand Baht)	
	Consolidated F/S (equity method)	Separated F/S (cost method)
Balance as at 1 January 2017	438	500
<u>Add</u> Equity in profit of associated company	22	-
Balance as at 31 March 2017	460	500

11. PROPERTY, PLANT AND EQUIPMENT – NET

During the three-month period ended 31 March 2017, the condensed movements in property, plant and equipment are as follows :

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2017	494,390,741	487,863,589
Purchase of assets	7,032,603	5,193,662
Disposal of assets	(169,360)	(169,360)
Written – off of assets	(153,337)	(153,337)
Depreciation during the period	(8,776,066)	(8,029,241)
Net book value as at 31 March 2017	492,324,581	484,705,313

Land and construction are mortgaged as collaterals for credit facilities with a bank as mentioned in Notes 13 and 14.

12. COMPUTER SOFTWARE – NET

During the three-month period ended 31 March 2017, the condensed movements in computer software are as follows:

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2017	4,225,731	4,099,336
<u>Less</u> Amortization for the period	(335,081)	(326,944)
Net book value as at 31 March 2017	3,890,650	3,772,392

13. BANK OVERDRAFT AND SHORT TERM LOANS FROM BANKS

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Bank overdraft	1,431,749	2,165,238	73,529	12
Promissory note	35,000,000	46,000,000	35,000,000	46,000,000
Liabilities under trust receipts	13,369,375	23,765,180	13,369,375	23,765,180
Total	49,801,124	71,930,418	48,442,904	69,765,192

As at 31 March 2017 and 31 December 2016, the Company has short-term loans comprise of bank overdraft, promissory note and liabilities under trust receipts bear interest rates at market rate and collateralized by the mortgages of the Company's land and construction as mentioned in Note 11 and personal guaranteed by certain Company's directors.

As at 31 March 2017 and 31 December 2016, the subsidiary company has bank overdraft credit facility with interest rates of collateral fixed deposit account plus 1% per annum. This bank overdraft is collateralized by the mortgages of the parent company's land and construction and personal guaranteed by certain subsidiary company's directors.

14. LONG - TERM LOAN

Long - term loan that the Company obtained from a local bank is as follow :

	Interest rate per annum	Principal repayment conditions	(Unit : Baht)	
			Consolidated and Separate F/S	
			31 March 2017	31 December 2016
Credit line of Baht 100 million	Years 1 - 5 : MLR – 3.00% p.a.	Monthly instalments by Baht 1.65 million from August 2015 to June 2020, the remaining will final payment within July 2020.	67,000,000	73,600,000
<u>Less</u> Current portion			(19,800,000)	(21,450,000)
Long - term loan - net			47,200,000	52,150,000

Movements in the long - term loan for the three-month period ended 31 March 2017 is as follow :

	(Unit: Baht)
	Consolidated and Separate F/S
Balance as at 1 January 2017	73,600,000
<u>Less</u> Repayment	(6,600,000)
Balance as at 31 March 2017	<u>67,000,000</u>

Long – term loan is collateralized by the mortgages of the Company’s land and construction as mentioned in Note 11.

Under the term of loan agreement, the Company requires to maintain loan covenants as specified in the agreement such as debt to equity and debt service coverage ratios, etc.

15. DIVIDEND PAYMENT

At the Annual General Meeting of Shareholders for the year 2017 held on 30 March 2017, the shareholders passed the resolution to pay dividend from profit for the year ended 31 December 2016 at Baht 0.097 per share for 215 million ordinary shares, totaling Baht 20.86 million. The dividend will be paid on 27 April 2017.

As at 31 March 2017, the Company recognized the accrued dividend of Baht 20.86 million, presented in accrued expense.

16. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the weighted average numbers of outstanding common shares are assumed to be converted to common shares that dilute the total number of shares.

A calculation is done to determine the potential number of shares that could have been acquired at market price (determined as the average share price of the Company’s shares during the period) based on the outstanding warrants to determine the number of potential common shares to be additionally issued. The potential shares are added to the outstanding ordinary shares but no adjustment is made to profit or loss for the period.

17. SEGMENTAL FINANCIAL INFORMATION

The financial information classified by products, for the three-month periods ended 31 March 2017 and 2016 are presented as follow :

(Unit : Thousand Baht)

	Consolidated F/S						Total
	For the three-month periods ended 31 March 2017						
	Sales						
	Tires	Tubes	Battery	Rubber part	Others	Eliminated	
Sales	128,173	56,228	12,167	15,454	4,900	(1,094)	215,828
Cost of sales							(187,579)
Gross profit							28,249
Interest expenses							(2,130)
Depreciation and amortization							(9,111)
Profit before income tax							14,579
Trade accounts receivable – general customers - net							86,263
Property plant and equipment - net							492,325
Other assets							165,826
Total assets							744,414
Total liabilities							316,499

(Unit : Thousand Baht)

	Consolidated F/S						Total
	For the three-month periods ended 31 March 2016						
	Sales						
	Tires	Tubes	Battery	Rubber part	Others	Eliminated	
Sales	126,174	44,091	14,398	14,542	2,683	(893)	200,995
Cost of sales							(175,807)
Gross profit							25,188
Interest expenses							(1,972)
Depreciation and amortization							(7,957)
Profit before income tax							6,207
Trade accounts receivable – general customers - net							90,685
Property plant and equipment - net							447,807
Other assets							132,408
Total assets							670,900
Total liabilities							286,250

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources and assess its operations.

18. FORWARD FOREIGN EXCHANGE CONTRACTS

The Company does not have any policy to use derivative financial instrument for speculation or commercial use. Forward foreign exchange contracts are made to manage exposure for fluctuation in foreign currency exchange rates on specific transactions.

As at 31 March 2017, and 31 December 2016 the Company has open forward agreements which settlement dates are ranged 6 months as follows :

Contract Value		Contract Value	
Million SGD		Million BAHT	
Consolidated and Separate F/S		Consolidated and Separate F/S	
31 March 2017	31 December 2016	31 March 2017	31 December 2016
0.6	2.13	14.86	54.00

19. COMMITMENTS AND CONTINGENT LIABILITIES

19.1 As at 31 March 2017, the Company has commitments for construction factory building and machinery under installation of Baht 3.71 million.

19.2 The Company has entered into sales office, warehouse rental and other services. Under the terms of agreements, the Company is committed to pay as follows :

Years	Baht
Not later than 1 year	326,400
Over 1 year not later than 5 years	563,000
Total	889,400

19.3 The Company has commitment to provide the manufacturing and distribute products under agreement with a foreign company for three years.

19.4 The Company has commitment under letter of guarantee issued by bank of Baht 6.44 million for electricity usage and purchase of raw materials.

19.5 The Company has obligations under a domestic bank guarantees for performance bonds required in the normal course of businesses approximately of USD 10,000

19.6 The Company and subsidiary have credit facilities and contingent liabilities from financial institution as at 31 March 2017 as follows :

	(Unit: Baht)		
	Consolidated F/S		
	Credit line	Used	Balance
Credit facilities			
Bank overdraft	38,565,000	1,431,749	37,133,251
Short-term loan	127,000,000	102,000,000	25,000,000
Forward agreements	200,000,000	14,817,633	185,182,367
Contingent liabilities	7,370,000	6,443,900	926,100
Letter of guarantee	60,000,000	25,118,220	34,881,780
Letter of credit and trust receipts (occasionally)	3,000,000	-	3,000,000
Bill for collection			

	(Unit: Baht)		
	Separate F/S		
	Credit line	Used	Balance
Credit facilities			
Bank overdraft	29,000,000	73,529	28,926,471
Short-term loan	127,000,000	102,000,000	25,000,000
Forward agreements	200,000,000	14,817,633	185,182,367
Contingent liabilities	6,935,000	5,999,500	500,500
Letter of guarantee	60,000,000	25,118,220	34,881,780
Letter of credit and trust receipts (occasionally)	3,000,000	-	3,000,000
Bill for collection			



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