

Auditor's Review Report and  
Interim Consolidated Financial Statements of

**N.D. Rubber Public Company Limited and its subsidiary**

For the Three - Month and Six - Month Periods Ended 30 June 2015





## REVIEW REPORT OF INDEPENDENT AUDITOR

**Grant Thornton Limited**  
18<sup>th</sup> Floor Capital Tower  
All Seasons Place  
87/1 Wireless Road Lumpini  
Pathumwan Bangkok 10330 Thailand

T +66 2 205 8222  
F +66 2 654 3339  
www.grantthornton.co.th

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

I have reviewed the consolidated statement of financial position as at 30 June 2015, the related consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2015, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2015, and condensed notes to the consolidated financial statements of N.D. Rubber Public Company Limited and its subsidiary. I have also reviewed the separate statement of financial position as at 30 June 2015, and the related separate statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2015, and changes in shareholders' equity and cash flows for the six-month period ended 30 June 2015, 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.

**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".

**Other matters**

The consolidated statement of financial position of N.D. Rubber Public Company Limited and its subsidiary and the separate statement of financial position of N.D. Rubber Public Company Limited as at 31 December 2014, presented as comparative information, were audited by another auditor in the same office as mine, who expressed an unmodified opinion under her report dated 13 February 2015.

The consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2014, and changes in shareholders' equity and cash flows for the six-month period ended 30 June 2014 of N.D. Rubber Public Company Limited and its subsidiary and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2014, and changes in shareholders' equity and cash flows for the six-month period ended 30 June 2014 of N.D. Rubber Public Company Limited, presented as comparative information, were reviewed by another auditor in the same office as mine, who concluded whether nothing has come to her attention that causes her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim financial reporting" under her report dated 13 August 2014.

**Mr. Teerasak Chuasrisakul**

Certified Public Accountant

Registration No. 6624

Bangkok, Thailand

5 August 2015

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		40,978,002	7,867,090	40,948,002	7,837,090
Temporary investment - net	6	1,009,133	-	1,009,133	-
Trade accounts receivable - general customers - net	7	103,641,139	84,888,119	95,120,179	75,740,877
- related parties	5	1,727,771	1,275,464	1,727,771	1,328,311
Other receivable - subsidiary company	5	-	-	995,960	30,000
Inventories - net	8	51,414,523	66,081,366	47,964,478	62,867,110
Refundable value added tax		2,337,687	11,679,137	2,337,687	11,679,137
Assets held for sale		124,103	344,469	124,103	344,469
Other current assets		2,808,456	4,770,824	2,766,695	4,729,219
<b>Total Current Assets</b>		<b>204,040,814</b>	<b>176,906,469</b>	<b>192,994,008</b>	<b>164,556,213</b>
<b>NON - CURRENT ASSETS</b>					
Restricted deposits with bank		5,350,000	5,350,000	5,350,000	5,350,000
Investment in subsidiary	9	-	-	5,597,800	5,597,800
Property, plant and equipment - net	10	450,273,569	450,084,904	440,220,858	439,568,527
Computer software - net	11	5,975,634	5,627,641	5,810,634	5,462,641
Deferred tax assets		107,998	101,167	-	-
Deposits		-	44,841	-	9,650
<b>Total Non - Current Assets</b>		<b>461,707,201</b>	<b>461,208,553</b>	<b>456,979,292</b>	<b>455,988,618</b>
<b>TOTAL ASSETS</b>		<b>665,748,015</b>	<b>638,115,022</b>	<b>649,973,300</b>	<b>620,544,831</b>

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Bank overdraft and short - term loans from bank	12	174,508,008	299,851,676	167,167,611	292,758,491
Trade accounts payable - general suppliers		90,936,092	98,375,217	87,930,112	93,912,373
- related parties	5	123,995	145,854	752,598	779,423
Accounts payable for purchases of assets		1,922,961	10,445,461	1,922,961	10,445,461
Current portion of liabilities under finance lease agreements		871,951	2,111,859	871,951	2,111,859
Accrued income tax		1,681,751	2,691,639	1,229,508	2,310,356
Accrued expenses		9,795,466	9,661,527	9,554,284	9,116,912
Other current liabilities		7,415,071	1,866,579	6,875,789	1,512,770
<b>Total Current Liabilities</b>		<b>287,255,295</b>	<b>425,149,812</b>	<b>276,304,814</b>	<b>412,947,645</b>
<b>NON - CURRENT LIABILITIES</b>					
Liabilities under finance lease agreements - net		28,873	195,344	28,873	195,344
Employee benefits obligation		3,420,529	3,100,290	2,945,897	2,659,807
Deferred tax liabilities		4,733,275	4,122,720	4,733,275	4,122,720
<b>Total Non - Current Liabilities</b>		<b>8,182,677</b>	<b>7,418,354</b>	<b>7,708,045</b>	<b>6,977,871</b>
<b>Total Liabilities</b>		<b>295,437,972</b>	<b>432,568,166</b>	<b>284,012,859</b>	<b>419,925,516</b>

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)</b>					
<b>SHAREHOLDERS' EQUITY</b>					
Share capital - ordinary share, Baht 1 par value	13				
Authorized - 215,000,000 shares		215,000,000	215,000,000	215,000,000	215,000,000
Issued and fully paid - up - 215,000,000 shares (31 December 2014 : 150,000,000 shares)		215,000,000	150,000,000	215,000,000	150,000,000
Premium on share capital	14	103,728,731	-	103,728,731	-
Retained earnings					
- Appropriated for legal reserve		6,247,316	6,247,316	6,247,316	6,247,316
- Unappropriated		43,638,656	47,556,610	40,984,394	44,371,999
Other component of shareholders' equity		654,554	654,554	-	-
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>		<b>369,269,257</b>	<b>204,458,480</b>	<b>365,960,441</b>	<b>200,619,315</b>
Non - controlling interests		1,040,786	1,088,376	-	-
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>370,310,043</b>	<b>205,546,856</b>	<b>365,960,441</b>	<b>200,619,315</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>665,748,015</b>	<b>638,115,022</b>	<b>649,973,300</b>	<b>620,544,831</b>

## STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE - MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		2015	2014	2015	2014
Net sales	5	208,884,707	207,870,834	197,432,903	198,622,601
Costs of sales	5	(179,820,134)	(177,378,625)	(169,441,241)	(169,674,369)
<b>Gross profit</b>		<b>29,064,573</b>	<b>30,492,209</b>	<b>27,991,662</b>	<b>28,948,232</b>
Gain on exchange rate		-	979,575	-	979,575
Other income	5	1,249,911	425,121	3,569,647	514,666
<b>Profit before expenses</b>		<b>30,314,484</b>	<b>31,896,905</b>	<b>31,561,309</b>	<b>30,442,473</b>
Selling expenses		(3,259,722)	(2,481,660)	(3,124,806)	(2,481,660)
Administrative expenses	5	(12,811,836)	(11,380,357)	(11,960,299)	(10,576,440)
Loss on exchange rate		(2,831,346)	-	(2,831,346)	-
<b>Total expenses</b>		<b>(18,902,904)</b>	<b>(13,862,017)</b>	<b>(17,916,451)</b>	<b>(13,058,100)</b>
<b>Profit before finance costs and income tax</b>		<b>11,411,580</b>	<b>18,034,888</b>	<b>13,644,858</b>	<b>17,384,373</b>
Finance costs		(1,631,016)	(2,422,540)	(1,566,940)	(2,355,748)
<b>Profit before income tax</b>		<b>9,780,564</b>	<b>15,612,348</b>	<b>12,077,918</b>	<b>15,028,625</b>
Income tax		(1,125,964)	(3,374,898)	(1,160,526)	(3,321,350)
<b>Profit for the period</b>		<b>8,654,600</b>	<b>12,237,450</b>	<b>10,917,392</b>	<b>11,707,275</b>
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>8,654,600</b>	<b>12,237,450</b>	<b>10,917,392</b>	<b>11,707,275</b>
<b>Profit for the period attributable to:</b>					
Owners of the Company		8,662,390	12,106,888	10,917,392	11,707,275
Non - controlling interests		(7,790)	130,562	-	-
		<b>8,654,600</b>	<b>12,237,450</b>	<b>10,917,392</b>	<b>11,707,275</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		8,662,390	12,106,888	10,917,392	11,707,275
Non - controlling interests		(7,790)	130,562	-	-
		<b>8,654,600</b>	<b>12,237,450</b>	<b>10,917,392</b>	<b>11,707,275</b>
<b>Basic earnings per share</b>					
Profit (Baht per share)		0.04	0.08	0.05	0.08
Weighted average number of ordinary shares (share)		215,000,000	150,000,000	215,000,000	150,000,000

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX - MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		2015	2014	2015	2014
Net sales	5	383,823,498	393,195,313	358,756,871	373,911,055
Costs of sales	5	(332,795,307)	(333,156,667)	(312,155,521)	(317,244,048)
<b>Gross profit</b>		<b>51,028,191</b>	<b>60,038,646</b>	<b>46,601,350</b>	<b>56,667,007</b>
Gain on exchange rate		-	1,162,036	-	1,162,036
Other income	5	2,625,586	1,343,415	4,981,611	1,526,584
<b>Profit before expenses</b>		<b>53,653,777</b>	<b>62,544,097</b>	<b>51,582,961</b>	<b>59,355,627</b>
Selling expenses		(6,818,328)	(5,830,382)	(6,618,645)	(5,830,382)
Administrative expenses	5	(26,069,389)	(23,583,921)	(24,387,438)	(21,907,510)
Loss on exchange rate		(594,160)	-	(594,160)	-
<b>Total expenses</b>		<b>(33,481,877)</b>	<b>(29,414,303)</b>	<b>(31,600,243)</b>	<b>(27,737,892)</b>
<b>Profit before finance costs and income tax</b>		<b>20,171,900</b>	<b>33,129,794</b>	<b>19,982,718</b>	<b>31,617,735</b>
Finance costs		(4,392,440)	(3,771,013)	(4,271,465)	(3,623,905)
<b>Profit before income tax</b>		<b>15,779,460</b>	<b>29,358,781</b>	<b>15,711,253</b>	<b>27,993,830</b>
Income tax		(2,354,143)	(6,314,347)	(1,902,522)	(6,102,808)
<b>Profit for the period</b>		<b>13,425,317</b>	<b>23,044,434</b>	<b>13,808,731</b>	<b>21,891,022</b>
Other comprehensive income for the period		-	-	-	-
<b>Total comprehensive income for the period</b>		<b>13,425,317</b>	<b>23,044,434</b>	<b>13,808,731</b>	<b>21,891,022</b>
<b>Profit for the period attributable to:</b>					
Owners of the Company		13,278,382	22,760,393	13,808,731	21,891,022
Non - controlling interests		146,935	284,041	-	-
		<b>13,425,317</b>	<b>23,044,434</b>	<b>13,808,731</b>	<b>21,891,022</b>
<b>Total comprehensive income for the period attributable to:</b>					
Owners of the Company		13,278,382	22,760,393	13,808,731	21,891,022
Non - controlling interests		146,935	284,041	-	-
		<b>13,425,317</b>	<b>23,044,434</b>	<b>13,808,731</b>	<b>21,891,022</b>
<b>Basic earnings per share</b>					
Profit (Baht per share)		0.06	0.17	0.07	0.16
Weighted average number of ordinary shares (share)		209,972,376	133,176,796	209,972,376	133,176,796



(Unaudited but reviewed)

**N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX - MONTH PERIODS ENDED 30 JUNE**

(Unit : Baht)

	Equity attributable to owners of the Company							Total	
	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings			Total equity attributable to owners of the Company		
				Legal reserve	Unappropriated	Other components of shareholders' equity			
				Surplus on change in proportion of investment in subsidiary company				Non-controlling Interests	
<b>Consolidated E/S</b>									
Balance as at 1 January 2014		115,000,000	-	63,701,037	147,716	178,848,753	1,979,531	180,828,284	
Increase in share capital		35,000,000	-	-	-	35,000,000	-	35,000,000	
Surplus on change in proportion of investment in subsidiary company		-	-	-	506,838	506,838	(506,838)	-	
Non-controlling interests decreased		-	-	-	-	-	(1,000,000)	(1,000,000)	
Appropriated for legal reserve		-	4,059,962	(4,059,962)	-	(55,555,556)	-	(55,555,556)	
Dividend payment		-	-	22,760,393	-	22,760,393	284,041	23,044,434	
Total comprehensive income for the period		-	-	26,845,912	654,554	181,560,428	756,734	182,317,162	
<b>Balance as at 30 June 2014</b>		<b>150,000,000</b>	<b>-</b>	<b>4,059,962</b>	<b>654,554</b>	<b>181,560,428</b>	<b>756,734</b>	<b>182,317,162</b>	
Balance as at 1 January 2015		150,000,000	-	6,247,316	654,554	204,458,480	1,088,376	205,546,856	
Increase in share capital	13, 14	65,000,000	103,728,731	-	-	168,728,731	-	168,728,731	
Dividend payment	15	-	-	(17,196,336)	-	(17,196,336)	-	(17,196,336)	
Dividend payment of subsidiary company	15	-	-	-	-	-	(194,525)	(194,525)	
Total comprehensive income for the period		-	-	13,278,382	-	13,278,382	146,935	13,425,317	
<b>Balance as at 30 June 2015</b>		<b>215,000,000</b>	<b>103,728,731</b>	<b>6,247,316</b>	<b>654,554</b>	<b>369,269,257</b>	<b>1,040,786</b>	<b>370,310,045</b>	

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

**N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**FOR THE SIX - MONTH PERIODS ENDED 30 JUNE**

(Unaudited but reviewed)

	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Legal reserve	Unappropriated	
(Unit : Baht)						
<b>Separate F/S</b>						
Balance as at 1 January 2014		115,000,000	-	-	62,387,784	177,387,784
Increase in share capital		35,000,000	-	-	-	35,000,000
Appropriated for legal reserve		-	-	4,059,962	(4,059,962)	-
Dividend payment		-	-	-	(55,555,556)	(55,555,556)
Total comprehensive income for the period		-	-	-	21,891,022	21,891,022
<b>Balance as at 30 June 2014</b>		<b>150,000,000</b>	<b>-</b>	<b>4,059,962</b>	<b>24,663,288</b>	<b>178,723,250</b>
<b>Balance as at 1 January 2015</b>		<b>150,000,000</b>	<b>-</b>	<b>6,247,316</b>	<b>44,371,999</b>	<b>200,619,315</b>
Increase in share capital	13, 14	65,000,000	103,728,731	-	-	168,728,731
Dividend payment	15	-	-	-	(17,196,336)	(17,196,336)
Total comprehensive income for the period		-	-	-	13,808,731	13,808,731
<b>Balance as at 30 June 2015</b>		<b>215,000,000</b>	<b>103,728,731</b>	<b>6,247,316</b>	<b>40,984,394</b>	<b>365,960,441</b>

## STATEMENTS OF CASH FLOWS

FOR THE SIX - MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<b>Cash Flows from Operating Activities</b>				
Profit before income tax	15,779,460	29,358,781	15,711,253	27,993,830
<b>Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:</b>				
Depreciation and amortization	12,570,950	7,784,785	10,590,606	6,083,407
Unrealized gain on temporary investment	(576)	-	(576)	-
Realized gain on temporary investment	(8,557)	-	(8,557)	-
Allowance (reversal of allowance) for doubtful accounts	(5,000)	13,000	(5,000)	13,000
Reversal of allowance for obsolete and devaluation of inventories	(400,118)	(974,838)	(400,118)	(974,838)
Unrealized loss on exchange rate	3,757,884	56,833	3,757,884	56,833
Loss (gain) on disposal of assets	31,646	(55,097)	31,646	(55,097)
Written off assets	220,366	-	220,366	-
Dividend income	-	-	(2,168,164)	-
Employee benefits obligation expenses	239,092	246,611	213,483	213,013
Interest expense	4,392,440	3,771,013	4,271,465	3,623,905
<b>Cash provided from operations before changes in operating assets and liabilities</b>	<b>36,577,587</b>	<b>40,201,088</b>	<b>32,214,288</b>	<b>36,954,053</b>
<b>Decrease (increase) in operating assets:</b>				
Trade accounts receivable - general customers	(18,763,488)	30,552,751	(19,389,770)	29,900,725
Trade accounts receivable - related parties	(452,307)	1,035,333	(399,460)	1,036,501
Amount due from subsidiary company	-	-	(965,960)	-
Inventories	15,066,961	(504,663)	15,302,750	(609,642)
Refundable value added tax	9,341,450	624,546	9,341,450	624,547
Other current assets	618,934	(742,388)	619,090	(746,931)
Deposits	44,841	(18,000)	9,650	(18,000)
<b>Increase (decrease) in Operating Liabilities:</b>				
Trade accounts payable - general suppliers	(7,652,234)	(1,776,993)	(6,195,370)	(1,074,367)
Trade accounts payable - related parties	(21,859)	33,407	(26,825)	61,980
Accrued expenses	108,564	(1,893,845)	411,997	(1,772,035)
Other current liabilities	2,019,185	360,448	1,833,712	357,324
<b>Cash provided from operations</b>	<b>36,887,634</b>	<b>67,871,684</b>	<b>32,755,552</b>	<b>64,714,155</b>

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENTS OF CASH FLOWS (CONTINUED)  
 FOR THE SIX - MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2015	2014	2015	2014
<b>Cash provided from operations (continued)</b>				
Interest payment	(4,311,293)	(4,391,691)	(4,198,858)	(4,254,620)
Income tax payment	(2,760,307)	(9,755,582)	(2,372,815)	(9,758,779)
<b>Net cash provided from operating activities</b>	<b>29,816,034</b>	<b>53,724,411</b>	<b>26,183,879</b>	<b>50,700,756</b>
<b>Cash Flows from Investing Activities:</b>				
Disposal of temporary investment	15,000,000	-	15,000,000	-
Purchase of temporary investment	(16,000,000)	-	(16,000,000)	-
Increase in restricted deposits with bank	-	(350,000)	-	(350,000)
Increase in investment in subsidiary	-	-	-	(1,000,000)
Payments for investment in subsidiary from non - controlling interests	-	(1,000,000)	-	-
Proceeds from disposal of fixed assets	1,400,000	55,328	1,400,000	55,328
Proceeds from disposal of investment property	-	4,000,000	-	4,000,000
Purchase of fixed assets and computer software	(23,061,754)	(123,064,058)	(21,545,076)	(122,985,756)
Dividend received	-	-	2,168,164	-
<b>Net cash used in investing activities</b>	<b>(23,061,754)</b>	<b>(120,358,730)</b>	<b>(21,545,076)</b>	<b>(120,280,428)</b>
<b>Cash Flows from Financing Activities</b>				
Increase (decrease) in bank overdraft and short - term loans from bank	(125,343,668)	98,657,897	(125,590,880)	101,407,827
Repayment of liabilities under finance lease agreements	(1,406,379)	(3,713,334)	(1,406,379)	(3,667,420)
Dividend payment	(17,365,486)	(55,555,556)	(17,170,961)	(55,555,556)
Paid to financial advisor and for shares distribution	(5,427,835)	-	(5,427,835)	-
Proceeds from share increment	175,500,000	35,000,000	175,500,000	35,000,000
<b>Net cash provided from financing activities</b>	<b>25,956,632</b>	<b>74,389,007</b>	<b>25,903,945</b>	<b>77,184,851</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>33,110,912</b>	<b>7,754,688</b>	<b>33,110,912</b>	<b>7,605,179</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>7,867,090</b>	<b>4,154,671</b>	<b>7,837,090</b>	<b>3,847,311</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>40,978,002</b>	<b>11,909,359</b>	<b>40,948,002</b>	<b>11,452,490</b>
<b>Supplemental disclosures for cash flows information</b>				
Accounts payable for purchase of fixed assets	1,922,961	-	1,922,961	-

**N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY**  
**CONDENSED NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**30 JUNE 2015 (Unaudited but reviewed)**

(With comparative information as at 31 December 2014 (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 Stock Exchange of Thailand. The Company and its subsidiary are engaged in manufacturing and distributing motorcycle tires, tubes, and distribute battery for automobile and motorcycle, including to other providing related services, and manufacturing and distributing rubber and synthetic products for automobile and motorcycle.

2. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION AND CONSOLIDATION

The condensed interim financial statements are for the six-month period ended 30 June 2015 and are presented in Thai Baht. They have been prepared in accordance with TAS No. 34 'Interim Financial Reporting' which do not include all of the information required in annual financial statements in accordance with TFRSs, and should be read in conjunction with the financial statements for the year ended 31 December 2014.

The interim financial statements are prepared in Thai language. The translation of these financial statements into other language should conform to the Thai financial report.

*Basis of consolidation*

These interim consolidated financial statements included the financial statements of N.D. Rubber Public Company Limited and its subsidiary and have been prepared on the same basis as applied for the consolidated financial statements for the year ended 31 December 2014. There have been no changes in the structure of subsidiary during the period.

These interim financial statements have been approved by the Company's board of directors on 5 August 2015.

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 2014.

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 2015. The Company has adopted those standards 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 financial statements for the year ended 31 December 2014.

#### 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 and six-month periods ended 30 June 2015 and 2014 as follow:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 30 June			
Pricing Policy		2015	2014	2015	2014
Sales of goods					
- Subsidiary company	Agreed price	-	-	546	793
- Related parties	Agreed price	2,644,700	4,442,562	2,644,700	4,442,562
Total		<u>2,644,700</u>	<u>4,442,562</u>	<u>2,645,246</u>	<u>4,443,355</u>
Purchase of raw materials					
- Subsidiary company	Agreed price	-	-	897,124	65,766
- Related parties	Agreed price	151,761	275,382	121,865	239,650
Total		<u>151,761</u>	<u>275,382</u>	<u>1,018,989</u>	<u>305,416</u>
Rental income					
- Subsidiary company	Agreed price	-	-	90,000	90,000

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 30 June			
Pricing Policy		2015	2014	2015	2014
Dividend income					
- Subsidiary company	At shareholder meeting resolution	-	-	2,168,164	-
Rental expense					
- Director	Agreed price	117,000	117,000	117,000	117,000
<u>Key directors and management personnel compensation</u>					
	Short - term benefits	1,190,006	830,724	1,130,306	786,224
	Provision for post - employment benefit	13,158	12,079	12,592	11,557
Total		1,203,164	842,803	1,142,898	797,781

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the six-month periods ended 30 June			
Pricing Policy		2015	2014	2015	2014
Sales of goods					
- Subsidiary company	Agreed price	-	-	7,837	4,418
- Related parties	Agreed price	5,864,080	8,000,761	5,864,080	8,000,761
Total		5,864,080	8,000,761	5,871,917	8,005,179
Purchase of raw materials					
- Subsidiary company	Agreed price	-	-	1,045,802	170,766
- Related parties	Agreed price	416,060	406,064	346,023	348,804
Total		416,060	406,064	1,391,825	519,570
Sales of land					
- A director's spouse	Agreed price	-	4,000,000	-	4,000,000
Rental income					
- Subsidiary company	Agreed price	-	-	180,000	180,000
Dividend income					
- Subsidiary company	At shareholder meeting resolution	-	-	2,168,164	-
Rental expense					
- A director's spouse	Agreed price	-	117,000	-	117,000
- Director	Agreed price	234,000	117,000	234,000	117,000
Total		234,000	234,000	234,000	234,000

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	For the six-month periods ended 30 June			
	2015	2014	2015	2014
<u>Key directors and management personnel compensation</u>				
Short - term benefits	2,236,475	1,551,061	2,128,775	1,467,561
Provision for post - employment benefit	26,316	24,158	25,184	23,113
Total	<u>2,262,791</u>	<u>1,575,219</u>	<u>2,153,959</u>	<u>1,490,674</u>

As at 30 June 2015 and 31 December 2014, the outstanding balances with related parties are as follows :

	Relationship	(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		30 June	31 December	30 June	31 December
		2015	2014	2015	2014
<u>Trade accounts receivable - related parties</u>					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	-	52,847
Thai Chareon Yang Service Co., Ltd.	Co-director	2,500	5,000	2,500	5,000
T.Thai Charoen Service Co., Ltd.	Co-director	12,950	10,800	12,950	10,800
T.Thai Charoen Rubber Co., Ltd.	Co-director	-	29,130	-	29,130
Thai Saengareon Service Co., Ltd. (Formerly "Thai Saengareon Interpart Co., Ltd.")	Co-director	452,200	450,000	452,200	450,000
S.M.K. Industry Co., Ltd.	Co-director	1,257,621	772,324	1,257,621	772,324
Saengareon Tools Center Co., Ltd.	Co-director	-	8,210	-	8,210
Siam Plast Wood Co., Ltd.	Co-director	2,500	-	2,500	-
Total		<u>1,727,771</u>	<u>1,275,464</u>	<u>1,727,771</u>	<u>1,328,311</u>
<u>Other receivable - subsidiary company</u>					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	995,960	30,000
<u>Trade accounts payable - related parties</u>					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	656,178	647,885
Siam Plast Wood Co., Ltd.	Co-director	-	1,669	-	1,669
Thai Toyo Rubber Co., Ltd.	A relative of director	-	3,124	-	-
White House Plastic Limited Partnership	A relative of director	87,912	129,869	60,337	129,869
T.Thai Chareon Rubber Co., Ltd.	Co-director	36,083	11,192	36,083	-
Total		<u>123,995</u>	<u>145,854</u>	<u>752,598</u>	<u>779,423</u>
<u>Key management personnel</u>					
Employee benefits obligation		<u>203,773</u>	<u>177,457</u>	<u>189,968</u>	<u>164,784</u>



6. TEMPORARY INVESTMENT - NET

	(Unit : Baht)
	Consolidated and Separate F/S
	30 June 2015
<b>Temporary investments</b>	
Mutual Fund	1,008,557
Unrealise gain from changing in value of investment	576
Net	<u>1,009,133</u>

During the period, movements of temporary investments are as follows :

	(Unit : Baht)
	Consolidated and Separate F/S
Net book value as at 1 January 2015	-
Purchases during the period	16,000,000
Disposals during the period	(15,000,000)
Fair value adjustment	9,133
Net book value as at 30 June 2015	<u>1,009,133</u>

7. TRADE ACCOUNTS RECEIVABLE - NET

As at 30 June 2015 and 31 December 2014, the aged trade accounts receivable are as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
<u>Trade accounts receivable – general customers</u>				
Not yet due	81,379,976	62,297,489	74,157,852	60,492,369
Over due :				
Less than 3 months	19,550,045	19,207,384	18,251,209	11,865,262
3 - 6 months	1,249,420	321,048	1,249,420	321,048
6 - 12 months	350,384	3,062,198	350,384	3,062,198
Over 12 months	1,281,507	175,193	1,281,507	175,193
Total	<u>103,811,332</u>	<u>85,063,312</u>	<u>95,290,372</u>	<u>75,916,070</u>
<u>Less</u> Allowance for doubtful accounts	(170,193)	(175,193)	(170,193)	(175,193)
Net	<u>103,641,139</u>	<u>84,888,119</u>	<u>95,120,179</u>	<u>75,740,877</u>

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
<u>Trade accounts receivable – related parties</u>				
Not yet due	1,456,121	1,024,434	1,456,121	1,024,434
Over due :				
Less than 3 months	271,650	251,030	271,650	303,877
Net	<u>1,727,771</u>	<u>1,275,464</u>	<u>1,727,771</u>	<u>1,328,311</u>

8. INVENTORIES - NET

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Raw materials	17,753,138	22,323,411	17,549,880	22,028,161
Work in process	10,943,299	10,669,013	9,860,153	9,731,732
Finished goods	14,835,726	23,987,079	13,043,616	22,302,147
Supply inventories	2,882,505	2,904,547	2,445,618	2,542,398
Fuel	573,206	430,249	573,206	430,249
Packaging	2,653,145	2,504,785	2,653,145	2,504,785
Goods in transit	1,907,197	3,796,093	1,907,197	3,796,093
Total	<u>51,548,216</u>	<u>66,615,177</u>	<u>48,032,815</u>	<u>63,335,565</u>
<u>Less Allowance for obsolete and devaluation</u>				
of inventories	(133,693)	(533,811)	(68,337)	(468,455)
Inventories – net	<u>51,414,523</u>	<u>66,081,366</u>	<u>47,964,478</u>	<u>62,867,110</u>

9. INVESTMENT IN SUBSIDIARY

(Unit : Thousand Baht)

Company	Type of business	Share capital		Percentage of shareholding		Separate F/S (Cost method)	
		30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	31 Dec
		2015	2014	2015	2014	2015	2014
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. PROPERTY, PLANT AND EQUIPMENT – NET

During the six-month period ended 30 June 2015, 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 2015	450,084,904	439,568,527
Purchase of assets	13,889,180	12,372,502
Disposal of assets	(1,431,646)	(1,431,646)
Depreciation during the period	(12,268,869)	(10,288,525)
Net book value as at 30 June 2015	<u>450,273,569</u>	<u>440,220,858</u>

Land and buildings are mortgaged as collaterals for credit facilities with a financial institution as mentioned in Note 12.

11. COMPUTER SOFTWARE – NET

During the six-month period ended 30 June 2015, the condensed movements in computer software are as follows:

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2015	5,627,641	5,462,641
Purchase of assets	650,074	650,074
Amortization for the period	(302,081)	(302,081)
Net book value as at 30 June 2015	<u>5,975,634</u>	<u>5,810,634</u>

12. BANK OVERDRAFT AND SHORT - TERM LOANS FROM BANK

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Bank overdraft	10,867,485	28,052,952	3,527,088	20,959,767
Promissory note	146,670,000	260,000,000	146,670,000	260,000,000
Liabilities under trust receipts	16,970,523	11,798,724	16,970,523	11,798,724
Total	<u>174,508,008</u>	<u>299,851,676</u>	<u>167,167,611</u>	<u>292,758,491</u>

As at 30 June 2015 and 31 December 2014, the Company and its subsidiary have credit facilities in form of overdraft, promissory note, liabilities under trust receipt agreements, letter of credit, and others totalling Baht 386 million. These short - term loans bear interest rates ranging from 3.70% - 6.40% per annum and 3.95% - 6.40% per annum, respectively, and are collateralized by the mortgages of the Company's land and construction as mentioned in Note 10 and personal guaranteed by certain Company's directors.

### 13. SHARE CAPITAL

During 7 - 9 January 2015, the Company made an initial public offering of 65 million ordinary shares with a par value of Baht 1 each, at a price of Baht 2.70 per share, for total proceeds of Baht 175.50 million. As a result, there is share premium amounting to Baht 103.73 million. The Company registered the increase in its issued and paid-up share capital with the Ministry of Commerce on 12 January 2015, and shares of the Company began trading on the Stock Exchange of Thailand on 15 January 2015.

### 14. PREMIUM ON SHARE CAPITAL

	<u>Baht</u>
Balance as at 1 January 2015	-
Cash received from initial public offering	175,500,000
Less : Value of 65 million shares at Baht 1 per share	(65,000,000)
Less : Expenses for initial public offering	(6,771,269)
Premium on share capital	<u>103,728,731</u>

### 15. DIVIDEND PAYMENT

At the Annual General Meeting of Shareholders for the year 2015 held on 31 March 2015, the shareholders passed the resolution to pay dividend from the net income for the year ended 31 December 2014 at Baht 0.08 per share for 215 million ordinary shares, totaling Baht 17.20 million. The dividend was paid on 23 April 2015.

At the Annual General Meeting of Shareholders of subsidiary for the year 2015 held on 22 April 2015, the shareholders passed the resolution to pay dividend from 100 percent of the net income after corporate income tax and legal reserve for the year 2014 totaling Baht 2.36 million. The dividend was paid on 25 May 2015.

## 16. SEGMENT REPORTING

Segment reporting classified by geographical nature, domestic and export, for the three-month and six-month periods ended 30 June 2015 and 2014 are presented as follow :

(Unit : Thousand Baht)

	Consolidated F/S							
	For the three-month periods ended 30 June							
	2015				2014			
	Sales		Eliminated	Total	Sales		Eliminated	Total
Domestic	Export	Domestic			Export			
Sales	106,511	103,207	(833)	208,885	105,323	102,614	(66)	207,871
Cost of sales	(96,271)	(84,473)	924	(179,820)	(89,582)	(87,953)	156	(177,379)
<b>Gross profit</b>	<b>10,240</b>	<b>18,734</b>	<b>91</b>	<b>29,065</b>	<b>15,741</b>	<b>14,661</b>	<b>90</b>	<b>30,492</b>
Gain (loss) on exchange rate				(2,831)				980
Depreciation and amortization				6,744				4,176
Finance costs				1,631				2,423
Profit before income tax				9,781				15,612

(Unit : Thousand Baht)

	Consolidated F/S							
	For the six-month periods ended 30 June							
	2015				2014			
	Sales		Eliminated	Total	Sales		Eliminated	Total
Domestic	Export	Domestic			Export			
Sales	216,696	168,112	(985)	383,823	196,232	197,134	(171)	393,195
Cost of sales	(190,636)	(143,332)	1,173	(332,795)	(163,873)	(169,639)	355	(333,157)
<b>Gross profit</b>	<b>26,060</b>	<b>24,780</b>	<b>188</b>	<b>51,028</b>	<b>32,359</b>	<b>27,495</b>	<b>184</b>	<b>60,038</b>
Gain (loss) on exchange rate				(594)				1,162
Depreciation and amortization				12,571				7,785
Finance costs				4,392				3,771
Profit before income tax				15,779				29,359
Trade accounts receivable -- general customers - net				103,641				100,906
Property plant and equipment - net				450,274				329,663
Other assets				111,833				151,937
<b>Total assets</b>				<b>665,748</b>				<b>582,506</b>

## 17. FORWARD FOREIGN EXCHANGE AGREEMENT

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

As at 30 June 2015, the Company has open forward agreements which settlement dates are ranged 6 months as follows :

	<u>Foreign currencies</u>	<u>Contracts rates</u>
SGD	3,420,000	23.90 – 24.35

## 18. COMMITMENTS AND CONTINGENT LIABILITIES

18.1 As at 30 June 2015, the Company has commitments for construction factory building and machinery under installation of Baht 4.24 million.

18.2 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 :

<u>Years</u>	<u>Baht</u>
Not later than 1 year	1,153,067
Over 1 year not later than 5 years	2,124,200
Total	<u>3,277,267</u>

18.3 The Company has commitment under letter of guarantee issued by bank of Baht 4.27 million for electricity usage and purchase of raw materials.

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

18.5 The Company and its subsidiary have credit facilities and contingent liabilities from financial institution as at 30 June 2015 as follows :

	Currency	Consolidated F/S		
		Credit line	Used	Balance
<b>Credit facilities</b>				
Bank overdraft	Baht	40,000,000	10,867,485	29,132,515
Short-term loan	Baht	260,000,000	146,670,000	113,330,000
Forward agreements	Baht	130,000,000	82,363,000	47,637,000
<b>Contingent liabilities</b>				
Letter of guarantee	Baht	5,500,000	3,769,450	1,730,550
Letter of credit and trust receipts (temporary)	Baht	60,000,000	16,970,523	43,029,477
Lease agreements	Baht	17,900,000	-	17,900,000
Bill for collection	Baht	3,000,000	-	3,000,000
<b>Separate F/S</b>				
	Currency	Credit line	Used	Balance
<b>Credit facilities</b>				
Bank overdraft	Baht	30,000,000	3,527,088	26,472,912
Short-term loan	Baht	260,000,000	146,670,000	113,330,000
Forward agreements	Baht	130,000,000	82,363,000	47,637,000
<b>Contingent liabilities</b>				
Letter of guarantee	Baht	5,500,000	3,769,450	1,730,550
Letter of credit and trust receipts (temporary)	Baht	60,000,000	16,970,523	43,029,477
Lease agreements	Baht	17,900,000	-	17,900,000
Bill for collection	Baht	3,000,000	-	3,000,000



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Confidentiality statement