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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 2016

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REVIEW REPORT OF INDEPENDENT AUDITOR

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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 30 June 2016, the related consolidated statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2016, and the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2016, 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 2016, and the related separate statement of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2016, and the separate statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2016, 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".

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 2015, presented as comparative information, were audited by other auditor in the same office as mine, who expressed an unmodified opinion thereon under his report dated 17 February 2016.

The consolidated statements 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 of N.D. Rubber Public Company Limited and its subsidiary and the separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2015, and the separate statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2015 of N.D. Rubber Public Company Limited, presented as comparative information, were reviewed by other auditor in the same office as mine, who concluded nothing has come to his attention that causes him 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" thereon under his report dated 5 August 2015.

Narin Churamongkol

Mr. Narin Churamongkol
Certified Public Accountant
Registration No. 8593

Bangkok, Thailand
10 August 2016

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		38,321,059	51,844,146	37,216,972	51,837,321
Temporary investments	6	3,082,465	2,871,820	3,082,465	2,871,820
Trade accounts receivable - general customers - net	7	95,544,160	82,842,043	85,858,936	73,401,906
- related parties	5, 7	917,099	1,180,608	921,598	1,183,074
Amount due from subsidiary company	5	-	-	295,320	945,880
Inventories - net	8	61,164,278	66,082,994	57,485,775	62,544,645
Refundable value added tax		4,105,136	4,543,037	4,105,136	4,543,037
Other current assets		2,779,147	3,633,959	2,728,292	3,467,731
Total Current Assets		205,913,344	212,998,607	191,694,494	200,795,414
NON - CURRENT ASSETS					
Restricted deposits with bank	9	-	5,350,000	-	5,350,000
Investment in subsidiary	10	-	-	5,597,800	5,597,800
Advances for purchase of machinery and equipment		4,380,582	-	4,380,582	-
Property, plant and equipment - net	11	464,868,344	448,008,239	457,890,628	439,716,710
Computer software - net	12	4,638,735	5,125,572	4,495,705	4,966,177
Deferred tax assets		137,776	74,349	-	-
Total Non - Current Assets		474,025,437	458,558,160	472,364,715	455,630,687
TOTAL ASSETS		679,938,781	671,556,767	664,059,209	656,426,101

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short - term loans from banks	13	72,160,434	57,285,117	66,219,211	52,429,192
Trade accounts payable - general suppliers		83,781,206	106,143,437	80,205,676	101,607,007
- related parties	5	8,122	110,270	691,981	777,699
Amount due to subsidiary-company	5	-	-	69,606	62,979
Accounts payable for purchases of fixed assets		3,684,425	1,971,543	3,684,425	1,971,543
Current portion of liabilities under finance lease agreements	14	775,083	230,361	775,083	230,361
Current portion of long - term loan	15	19,800,000	21,450,000	19,800,000	21,450,000
Accrued income tax		6,069,731	687,272	5,637,359	433,540
Accrued expenses	16	12,034,671	7,674,197	10,880,196	7,089,098
Other current liabilities		3,219,868	1,796,642	2,544,915	1,530,297
Total Current Liabilities		201,533,540	197,348,839	190,508,452	187,581,716
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreements - net	14	3,773,223	-	3,773,223	-
Long - term loan - net	15	62,050,000	71,950,000	62,050,000	71,950,000
Employee benefits obligation		3,418,423	3,170,883	3,056,972	2,842,234
Deferred tax liabilities		6,782,917	6,280,168	6,782,917	6,280,168
Total Non - Current Liabilities		76,024,563	81,401,051	75,663,112	81,072,402
Total Liabilities		277,558,103	278,749,890	266,171,564	268,654,118

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	30 June 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
SHAREHOLDERS' EQUITY				
Share capital - ordinary share, Baht 1 par value				
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	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	7,958,461	7,958,461	7,958,461	7,958,461
- Unappropriated	72,900,816	63,282,353	70,114,886	59,999,224
Other component of shareholders' equity	876,694	876,694	-	-
Total Equity of the Company's Shareholders	401,550,269	391,931,806	397,887,645	387,771,983
Non - controlling interests	830,409	875,071	-	-
Total Shareholders' Equity	402,380,678	392,806,877	397,887,645	387,771,983
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	679,938,781	671,556,767	664,059,209	656,426,101

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

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY (Unaudited but reviewed)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
Net sales	5, 18	213,870,017	208,884,707	201,546,207	197,432,903
Costs of sales	5, 18	(175,259,820)	(179,820,134)	(165,241,456)	(169,441,241)
Gross profit		38,610,197	29,064,573	36,304,751	27,991,662
Gain on exchange rate		1,832,307	-	1,832,307	-
Other income	5	1,859,233	1,249,911	4,551,024	3,569,647
Profit before expenses		42,301,737	30,314,484	42,688,082	31,561,309
Selling expenses		(6,681,057)	(3,259,722)	(6,543,642)	(3,124,806)
Administrative expenses	5	(10,276,676)	(12,811,836)	(9,397,946)	(11,960,299)
Loss on exchange rate		-	(2,831,346)	-	(2,831,346)
Total expenses		(16,957,733)	(18,902,904)	(15,941,588)	(17,916,451)
Profit before finance costs and income tax		25,344,004	11,411,580	26,746,494	13,644,858
Finance costs		(1,272,723)	(1,631,016)	(1,258,832)	(1,566,940)
Profit before income tax		24,071,281	9,780,564	25,487,662	12,077,918
Income tax		(6,142,465)	(1,125,964)	(6,033,185)	(1,160,526)
Profit for the period		17,928,816	8,654,600	19,454,477	10,917,392
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		17,928,816	8,654,600	19,454,477	10,917,392
Profit for the period attributable to:					
Owners of the Company		17,872,483	8,662,390	19,454,477	10,917,392
Non - controlling interests		56,333	(7,790)	-	-
		17,928,816	8,654,600	19,454,477	10,917,392
Total comprehensive income for the period attributable to:					
Owners of the Company		17,872,483	8,662,390	19,454,477	10,917,392
Non - controlling interests		56,333	(7,790)	-	-
		17,928,816	8,654,600	19,454,477	10,917,392
Basic earnings per share					
Profit (Baht per share)		0.08	0.04	0.09	0.05
Weighted average number of ordinary shares (share)		215,000,000	215,000,000	215,000,000	215,000,000

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

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY (Unaudited but reviewed)

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
Net sales	5, 18	414,864,720	383,823,498	388,892,382	358,756,871
Costs of sales	5, 18	(351,066,627)	(332,795,307)	(330,310,717)	(312,155,521)
Gross profit		63,798,093	51,028,191	58,581,665	46,601,350
Gain on exchange rate		18,493	-	18,493	-
Other income	5	2,758,734	2,625,586	5,939,912	4,981,611
Profit before expenses		66,575,320	53,653,777	64,540,070	51,582,961
Selling expenses		(10,315,027)	(6,818,328)	(10,096,280)	(6,618,645)
Administrative expenses	5	(22,737,370)	(26,069,389)	(20,968,231)	(24,387,438)
Loss on exchange rate		-	(594,160)	-	(594,160)
Total expenses		(33,052,397)	(33,481,877)	(31,064,511)	(31,600,243)
Profit before finance costs and income tax		33,522,923	20,171,900	33,475,559	19,982,718
Finance costs		(3,244,279)	(4,392,440)	(3,198,086)	(4,271,465)
Profit before income tax		30,278,644	15,779,460	30,277,473	15,711,253
Income tax		(7,606,755)	(2,354,143)	(7,262,003)	(1,902,522)
Profit for the period		22,671,889	13,425,317	23,015,470	13,808,731
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		22,671,889	13,425,317	23,015,470	13,808,731
Profit for the period attributable to:					
Owners of the Company		22,518,271	13,278,382	23,015,470	13,808,731
Non - controlling interests		153,618	146,935	-	-
		22,671,889	13,425,317	23,015,470	13,808,731
Total comprehensive income for the period attributable to:					
Owners of the Company		22,518,271	13,278,382	23,015,470	13,808,731
Non - controlling interests		153,618	146,935	-	-
		22,671,889	13,425,317	23,015,470	13,808,731
Basic earnings per share					
Profit (Baht per share)		0.10	0.06	0.11	0.07
Weighted average number of ordinary shares (share)		215,000,000	209,972,376	215,000,000	209,972,376

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

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

(Unaudited but reviewed)

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

		Equity attributable to owners of the Company							
				Retained earnings		Other components of shareholders' equity			
	Note	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Surplus on change in proportion of investment in subsidiary company	Total equity attributable to owners of the Company	Non-controlling Interests	Total
Consolidated F/S									
Balance as at 1 January 2015		150,000,000	-	6,247,316	47,556,610	654,554	204,458,480	1,088,376	205,546,856
Increase in share capital		65,000,000	103,728,731	-	-	-	168,728,731	-	168,728,731
Dividend payment		-	-	-	(17,196,336)	-	(17,196,336)	-	(17,196,336)
Dividend payment of subsidiary company		-	-	-	-	-	-	(194,525)	(194,525)
Total comprehensive income for the period		-	-	-	13,278,382	-	13,278,382	146,935	13,425,317
Balance as at 30 June 2015		215,000,000	103,728,731	6,247,316	43,638,656	654,554	369,269,257	1,040,786	370,310,043
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	17	-	-	-	(12,899,808)	-	(12,899,808)	-	(12,899,808)
Dividend payment of subsidiary company	17	-	-	-	-	-	-	(198,280)	(198,280)
Total comprehensive income for the period		-	-	-	22,518,271	-	22,518,271	153,618	22,671,889
Balance as at 30 June 2016		215,000,000	104,814,298	7,958,461	72,900,816	876,694	401,550,269	830,409	402,380,678

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)

(Unit : Baht)

	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 2015		150,000,000	-	6,247,316	44,371,999	200,619,315
Increase in share capital		65,000,000	103,728,731	-	-	168,728,731
Dividend payment		-	-	-	(17,196,336)	(17,196,336)
Total comprehensive income for the period		-	-	-	13,808,731	13,808,731
Balance as at 30 June 2015		215,000,000	103,728,731	6,247,316	40,984,394	365,960,441
Balance as at 1 January 2016		215,000,000	104,814,298	7,958,461	59,999,224	387,771,983
Dividend payment	17	-	-	-	(12,899,808)	(12,899,808)
Total comprehensive income for the period		-	-	-	23,015,470	23,015,470
Balance as at 30 June 2016		215,000,000	104,814,298	7,958,461	70,114,886	397,887,645

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

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY (Unaudited but reviewed)

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Cash Flows from Operating Activities				
Profit before income tax	30,278,644	15,779,460	30,277,473	15,711,253
Adjustments to reconcile profit before income tax to				
net cash provided from (used in) operating activities:				
Depreciation and amortization	16,327,618	12,570,950	14,841,031	10,590,606
Unrealized gain on temporary investment	(5,228)	(576)	(5,228)	(576)
Reversal of allowance for doubtful accounts	-	(5,000)	-	(5,000)
Reversal of allowance for obsolete and devaluation of inventories	(36,365)	(400,118)	(21,411)	(400,118)
Unrealized loss on exchange rate	1,823,159	3,757,884	1,823,159	3,757,884
Loss (gain) on disposal of assets	(614,090)	31,646	(609,999)	31,646
Loss on written-off assets	876,372	220,366	883,191	220,366
Dividend income	-	-	(2,210,144)	(2,168,164)
Employee benefits obligation expenses	200,166	239,092	172,623	213,483
Interest income	(48,578)	-	(48,578)	-
Interest expense	3,244,279	4,392,440	3,198,086	4,271,465
Cash provided from operations before				
changes in operating assets and liabilities	52,045,977	36,586,144	48,300,203	32,222,845
Decrease (increase) in operating assets:				
Trade accounts receivable - general customers	(12,589,607)	(18,763,488)	(12,344,519)	(19,389,770)
- related parties	263,509	(452,307)	1,826,669	(399,460)
Amount due from subsidiary company	-	-	(914,633)	(965,960)
Inventories	4,955,080	15,066,961	5,080,282	15,302,750
Refundable value added tax	437,901	9,341,450	437,901	9,341,450
Other current assets	(1,274,285)	618,934	(1,389,663)	619,090
Deposit	-	44,841	-	9,650
Increase (decrease) in Operating Liabilities:				
Trade accounts payable - general suppliers	(22,314,782)	(7,652,234)	(21,353,881)	(6,195,370)
- related parties	(102,148)	(21,859)	(85,718)	(26,825)
Amount due to subsidiary company	-	-	6,627	-
Accounts payable for purchases of fixed assets	(1,971,543)	-	(1,971,543)	-
Accrued expenses	4,635,667	108,564	4,062,116	411,997
Other current liabilities	1,423,226	2,019,185	1,018,794	1,833,712
Cash provided from operations	25,508,995	36,896,191	22,672,635	32,764,109

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

(Unaudited but reviewed)

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Cash provided from operations (continued)				
Interest received	48,578	-	48,578	-
Interest payment	(3,467,922)	(4,311,293)	(3,426,989)	(4,198,858)
Income tax payment	(1,784,975)	(2,760,307)	(1,555,435)	(2,372,815)
Net cash provided from operating activities	20,304,676	29,824,591	17,738,789	26,192,436
Cash Flows from Investing Activities:				
Advances for purchase of machinery and equipment	(4,380,582)	-	(4,380,582)	-
Disposal of temporary investment	117,644,583	14,991,443	117,644,583	14,991,443
Purchase of temporary investment	(117,850,000)	(16,000,000)	(117,850,000)	(16,000,000)
Increase in restricted deposits with bank	5,350,000	-	5,350,000	-
Proceeds from disposal of fixed assets	614,100	1,400,000	610,000	1,400,000
Purchase of fixed assets and computer software	(25,304,095)	(23,061,754)	(25,154,496)	(21,545,076)
Dividend received	-	-	2,210,144	2,168,164
Net cash used in investing activities	(23,925,994)	(22,670,311)	(21,570,351)	(18,985,469)
Cash Flows from Financing Activities				
Increase (decrease) in bank overdraft and short - term loans from bank	15,021,298	(125,343,668)	13,936,000	(125,590,880)
Repayment of long-term loan	(11,550,000)	-	(11,550,000)	-
Repayment of liabilities under finance lease agreements	(270,803)	(1,406,379)	(270,803)	(1,406,379)
Dividend payment	(13,102,264)	(17,365,486)	(12,903,984)	(17,170,961)
Paid for financial advisor for shares distribution	-	(5,427,835)	-	(5,427,835)
Proceeds from share increment	-	175,500,000	-	175,500,000
Net cash provided (used in) from financing activities	(9,901,769)	25,956,632	(10,788,787)	25,903,945
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,523,087)	33,110,912	(14,620,349)	33,110,912
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	51,844,146	7,867,090	51,837,321	7,837,090
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	38,321,059	40,978,002	37,216,972	40,948,002
Supplemental disclosures for cash flows information				
Accounts payable for purchase of fixed assets	3,684,425	1,922,961	3,684,425	1,922,961
Purchase vehicles under finance lease agreement	4,588,748	-	4,588,748	-

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

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARY
CONDENSED NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 2016 (Unaudited but reviewed)
(With comparative information as at 31 December 2015 (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 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

These interim financial statements are prepared in accordance with Thai Accounting Standards No.34: "Interim financial reporting", whereby the Company chooses to present condensed interim financial statements. However, additional line items are presented in the financial statements to bring them into the full format similar to the annual financial statements.

The interim financial statements are prepared to provide information in addition to those included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances to avoid repetition of information previously reported. These interim financial statements should, therefore, be read in conjunction with the financial statements for the year ended 31 December 2015.

The interim financial statements are officially prepared in Thai language. 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 10 August 2016.

2.2 Principles of consolidation

The consolidated financial statements include the financial statements of N.D. Rubber Public Company Limited and its subsidiary which are under its control with more than 50 percent voting rights as follows :

	Percentage of holding (%)		
	30 June	31 December	
Subsidiary Company	2016	2015	Nature of business
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 30 June 2016 and 31 December 2015 and total revenues for the three-month and six-month periods ended 30 June 2016 and 2015, as included in the consolidated financial statements presented in term of percentages as follow :

	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues			
			For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	30 June 2016	31 December 2015	2016	2015	2016	2015
Subsidiary company						
N.D. Interparts Co., Ltd.	3.31	3.34	6.17	5.88	6.69	6.79

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 2015.

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 2016. 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 2015.

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 2016 and 2015 as follow:

(Unit : Baht)

		Consolidated F/S		Separate F/S	
		For the three-month periods ended 30 June			
	Pricing Policy	2016	2015	2016	2015
Sales of goods					
- Subsidiary company	Agreed price	-	-	4,205	546
- Related parties	Agreed price	2,576,631	2,644,700	2,576,631	2,644,700
Total		2,576,631	2,644,700	2,580,836	2,645,246
Purchase of raw materials					
- Subsidiary company	Agreed price	-	-	877,638	897,124
- Related parties	Agreed price	56,340	151,761	51,710	121,865
Total		56,340	151,761	929,348	1,018,989
Rental income					
- Subsidiary company	Agreed price	-	-	509,160	90,000
Dividend income					
- Subsidiary company	At shareholder meeting resolution	-	-	2,210,144	2,168,164
Rental expense					
- Director	Agreed price	27,000	117,000	27,000	117,000
Key directors and management personnel compensation					
Short - term benefits		1,385,982	1,190,006	1,199,332	1,130,306
Provision for post - employment benefit		15,499	13,158	13,899	12,592
Total		1,401,481	1,203,164	1,213,231	1,142,898

(Unit : Baht)

	Pricing Policy	Consolidated F/S		Separate F/S	
		For the six-month periods ended 30 June			
		2016	2015	2016	2015
Sales of goods					
- Subsidiary company	Agreed price	-	-	22,075	7,837
- Related parties	Agreed price	5,144,678	5,864,080	5,144,678	5,864,080
Total		5,144,678	5,864,080	5,166,753	5,871,917
Purchase of raw materials					
- Subsidiary company	Agreed price	-	-	1,752,987	1,045,802
- Related parties	Agreed price	239,092	416,060	154,956	346,023
Total		239,092	416,060	1,907,943	1,391,825
Rental income					
- Subsidiary company	Agreed price	-	-	1,006,464	180,000
Dividend income					
- Subsidiary company	At shareholder meeting resolution	-	-	2,210,144	2,168,164
Rental expense					
- Director	Agreed price	54,000	234,000	54,000	234,000
Key directors and management personnel compensation					
Short - term benefits		2,771,964	2,236,475	2,398,664	2,128,775
Provision for post - employment benefit		30,998	26,316	27,799	25,184
Total		2,802,962	2,262,791	2,426,463	2,153,959

As at 30 June 2016 and 31 December 2015, the significant of balances with related parties are as follows :

(Unit : Baht)

		Consolidated F/S		Separate F/S	
	Relationship	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Trade accounts receivable - related parties					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	4,499	2,466
T.Thai Charoen Service Co., Ltd.	Co-director	-	35,800	-	35,800
T.Thai Charoen Rubber Co., Ltd.	Co-director	4,700	18,370	4,700	18,370
Thai Saengareon Interpart Co., Ltd.	Co-director	495,000	634,000	495,000	634,000
S.M.K. Industry Co., Ltd.	Co-director	412,649	489,938	412,649	489,938
Siam Plast Wood Co., Ltd.	Co-director	2,350	2,500	2,350	2,500
Siam San Sin Co Ltd.	Co-director	2,400	-	2,400	-
Total		917,099	1,180,608	921,598	1,183,074
Amount due from subsidiary company					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	295,320	945,880
Trade accounts payable - related parties					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	688,814	678,471
Thai Charoen Yang Service Co., Ltd.	Co-director	375	300	-	300
Thai Toyo Rubber Co., Ltd.	Family member of director	-	11,042	-	-
White House Plastic Limited Partnership	Family member of director	-	73,670	-	73,670
T.Thai Chareon Rubber Co., Ltd.	Co-director	7,747	25,258	3,167	25,258
Total		8,122	110,270	691,981	777,699
Amount due to subsidiary company					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	69,606	62,979
Key management personnel compensation					
Employee benefits obligation		299,315	239,452	275,478	220,382

6. TEMPORARY INVESTMENTS

(Unit : Baht)

	Consolidated and Separate F/S	
	30 June 2016	31 December 2015
Temporary investments		
Mutual Fund	3,077,237	2,869,146
Unrealized gain from changing in value of investment	5,228	2,674
Total	3,082,465	2,871,820

During the six-month period ended 30 June 2016, movements of temporary investments are as follows :

(Unit : Baht)

	Consolidated and Separate F/S
Fair value as at 1 January 2016	2,871,820
Purchases	117,850,000
Disposals	(117,644,583)
Fair value adjustment	5,228
Fair value as at 30 June 2016	3,082,465

7. TRADE ACCOUNTS RECEIVABLE – NET

As at 30 June 2016 and 31 December 2015, the aged trade accounts receivable are as follows :

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Trade accounts receivable – general customers				
Not yet due	76,190,891	65,839,718	66,602,822	56,429,033
Over due :				
Less than 3 months	17,250,842	11,544,616	17,153,687	11,515,164
3 - 6 months	496,137	4,260,586	496,137	4,260,586
6 - 12 months	515,842	1,124,962	515,842	1,124,962
Over 12 months	1,260,641	242,354	1,260,641	242,354
Total	95,714,353	83,012,236	86,029,129	73,572,099
Less Allowance for doubtful accounts	(170,193)	(170,193)	(170,193)	(170,193)
Net	95,544,160	82,842,043	85,858,936	73,401,906
Trade accounts receivable – related companies				
Not yet due	687,399	911,932	687,399	911,932
Over due :				
Less than 3 months	229,700	268,676	234,199	271,142
Net	917,099	1,180,608	921,598	1,183,074

As at 30 June 2015, the Company has trade accounts receivable – general customers which has been overdue for more than 12 months of Baht 1.26 million, which including some accounts receivables are in installments process of Baht 1.09 million. The Company therefore, does not setup allowance for doubtful accounts for such amount.

8. INVENTORIES - NET

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Raw materials	23,117,824	14,569,149	22,915,180	14,285,937
Work in process	12,855,548	16,031,724	11,908,982	14,590,944
Finished goods	17,339,193	25,980,096	14,829,822	24,220,364
Supply inventories	2,850,659	2,968,663	2,476,886	2,545,233
Fuel	465,553	408,099	465,553	408,099
Packaging	3,096,750	2,673,251	3,096,750	2,673,251
Goods in transit	1,839,528	3,889,154	1,839,528	3,889,154
Total	61,565,055	66,520,136	57,532,701	62,612,982
Less Allowance for obsolete and devaluation of inventories	(400,777)	(437,142)	(46,926)	(68,337)
Inventories – net	61,164,278	66,082,994	57,485,775	62,544,645

9. RESTRICTED DEPOSITS WITH BANK

During the six-month period ended 30 June 2016, the Company redeemed fixed deposit of Baht 5.35 million which pledged as collaterals for letters of guarantee issued by a bank for compliance with sale agreement.

10. INVESTMENT IN SUBSIDIARY

(Unit : Thousand Baht)

Company	Type of business	Paid - up Shares capital		Percentage of Shareholding (%)		Separate F/S (Cost method)	
		30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015	30 Jun 2016	31 Dec 2015
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

11. PROPERTY, PLANT AND EQUIPMENT – NET

During the six-month period ended 30 June 2016, 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 2016	448,008,239	439,716,710
Purchase of assets	33,423,468	33,273,869
Disposal of assets	(10)	(1)
Written – off of assets	(876,372)	(883,191)
Depreciation during the period	(15,686,981)	(14,216,759)
Net book value as at 30 June 2016	464,868,344	457,890,628

Land and buildings are mortgaged as collaterals for credit facilities with a bank as mentioned in Notes 13 and 15.

12. COMPUTER SOFTWARE – NET

During the six-month period ended 30 June 2016, the condensed movements in computer software are as follows:

(Unit : Baht)

	Consolidated F/S	Separate F/S
Net book value as at 1 January 2016	5,125,572	4,966,177
Add Purchase of assets	153,800	153,800
Less Amortization for the period	(640,637)	(624,272)
Net book value as at 30 June 2016	4,638,735	4,495,705

13. BANK OVERDRAFT AND SHORT TERM LOANS FROM BANK

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Bank overdraft	6,056,437	4,855,925	115,214	-
Promissory note	46,000,000	46,000,000	46,000,000	46,000,000
Liabilities under trust receipts	20,103,997	6,429,192	20,103,997	6,429,192
Total	72,160,434	57,285,117	66,219,211	52,429,192

As at 30 June 2016 and 31 December 2015, the Company and its subsidiary have credit facilities in form of bank overdraft, promissory note, liabilities under trust receipt agreements, letter of credit, and others totalling Baht 300 million. These short - term loans bear interest rates ranging from 2.90% - 6.40% per annum and 3.65% - 3.80% per annum, respectively, and are collateralized by the mortgages of the Company's land and construction as mentioned in Note 11 and personal guaranteed by certain Company's directors.

14. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

(Unit : Baht)

	Consolidated and Separate F/S	
	2016	2015
Liabilities under finance lease agreements		
Due within one year	1,189,992	233,004
Due later than one year but not over three years	4,660,802	-
Total	5,850,794	233,004
Less Deferred interest	(1,302,488)	(2,643)
	4,548,306	230,361
Less Current portion	(775,083)	(230,361)
Liabilities under finance lease agreements – net	3,773,223	-

15. LONG – TERM LOAN

As at 30 June 2016 and 31 December 2015, long - term loan from a local commercial bank are as follow :

(Unit : Baht)

	Interest rate per annum	Principal repayment conditions	Consolidated and Separate F/S	
			30 June 2016	31 December 2015
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.	81,850,000	93,400,000
Less Current portion			(19,800,000)	(21,450,000)
Long - term loan - net			62,050,000	71,950,000

Movements in the long - term loan for the six-month period ended 30 June 2016 is as follow :

(Unit: Baht)

	Consolidated and Separate F/S
Balance as at 1 January 2016	93,400,000
Less Repayment	(11,550,000)
Balance as at 30 June 2016	81,850,000

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 is required to maintain covenants as specified in the agreement such as debt to equity and debt service coverage ratios, etc.

16. ACCRUED EXPENSES

As at 30 June 2016 and 31 December 2015, accrued expenses are as follow :

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 June 2016	31 December 2015	30 June 2016	31 December 2015
Accrued dividend	20,652	24,828	20,652	24,828
Accrued electricity expense	3,462,280	3,593,618	3,051,966	3,189,202
Accrued bonus	3,930,892	-	3,787,325	-
Other	4,620,847	4,055,751	4,020,253	3,875,068
Total	12,034,671	7,674,197	10,880,196	7,089,098

17. DIVIDEND PAID

At the Annual General Meeting of Shareholders for the year 2016 held on 31 March 2016, the shareholders passed the resolution to pay dividend from the profit for the year ended 31 December 2015 at rate of Baht 0.06 per share for 215 million ordinary shares, totaling Baht 12.90 million. The dividend was paid on 28 April 2016.

At the Annual General Meeting of subsidiary's shareholders for the year 2016 held on 29 April 2016, the subsidiary company's shareholders passed the resolution to pay dividend from its profit after tax for the year ended 31 December 2015 at rate of Baht 39.48 per share for 61,000 shares, totaling amount of Baht 2.41 million. The dividend was paid on 16 May 2016.

18. SEGMENT REPORTING

The Company's segment reporting classified by geographical nature, domestic and export, for the three-month and six-month periods ended 30 June 2016 and 2015 are presented as follow :

(Unit : Thousand Baht)

	Consolidated F/S							
	For the three-month periods ended 30 June							
	2016				2015			
	Sales				Sales			
	Domestic	Export	Eliminated	Total	Domestic	Export	Eliminated	Total
Sales	110,024	104,728	(882)	213,870	106,511	103,207	(833)	208,885
Cost of sales				(175,260)				(179,820)
Gross profit				38,610				29,065
Gain (loss) on exchange rate				1,832				(2,831)
Depreciation and amortization				(8,371)				(6,744)
Finance costs				(1,273)				(1,631)
Profit before income tax				24,071				9,781

(Unit : Thousand Baht)

	Consolidated F/S							
	For the six-month periods ended 30 June							
	2016				2015			
	Sales				Sales			
	Domestic	Export	Eliminated	Total	Domestic	Export	Eliminated	Total
Sales	217,553	199,087	(1,775)	414,865	216,696	168,112	(985)	383,823
Cost of sales				(351,067)				(332,795)
Gross profit				63,798				51,028
Gain (loss) on exchange rate				18				(594)
Depreciation and amortization				(16,328)				(12,571)
Finance costs				(3,244)				(4,392)
Profit before income tax				36,279				15,779
Trade accounts receivable – general customers - net				95,544				103,641
Property plant and equipment – net				464,868				450,274
Other assets				119,527				111,833
Total assets				679,939				665,748
Total liabilities				277,558				295,438

19. FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell and asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability.

As at 30 June 2016, Financial assets and financial liabilities measured at fair value are as follows :

(Unit : Thousand Baht)

	30 June 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Fixed income fund	3,082	-	-	3,082
Financial liabilities				
Forward foreign exchange contracts	-	(2,129)	-	(2,129)

20. 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 30 June 2016, the Company has open forward contracts for receiving payment from account receivables which settlement dates are ranged between 1 month and 6 months as follows :

	Foreign currencies	Contracts rates
SGD	4,340,570	25.24 - 25.95

21. COMMITMENTS

21.1 As at 30 June 2016, the Company has commitments for construction factory building and machinery under installation of Baht 39.71 million.

21.2 The Company has entered into sales office rental. Under the terms of agreements, the Company is committed to pay as follows :

Years	Baht
Not later than 1 year	686,400
Over 1 year not later than 5 years	1,437,800
Total	2,124,200

21.3 The Company has commitment under letter of guarantee issued by bank of Baht 3.58 million for electricity usage and purchase of raw materials.

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

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