

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 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 30 June 2017, the related consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2017, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 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 30 June 2017, and the related separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2017, the separate statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 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

10 August 2017

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		33,917,879	55,673,741	33,814,094	55,578,708
Temporary investments	6	368,706	23,379,456	368,706	23,379,456
Trade accounts receivable - general customers - net	7	84,681,558	93,596,221	73,733,243	83,766,401
Trade accounts receivable - related parties	5, 7	6,375,779	1,135,314	6,398,308	1,137,909
Amount due from subsidiary company	5	-	-	295,320	295,320
Inventories - net	8	85,867,905	63,378,954	82,129,256	59,375,488
Refundable value added tax		4,302,523	6,867,971	4,302,523	6,867,971
Other current assets		3,721,341	3,466,268	3,661,684	3,371,635
Total Current Assets		219,235,691	247,497,925	204,703,134	233,772,888
NON-CURRENT ASSETS					
Investments in					
- Subsidiary company	9	-	-	5,597,800	5,597,800
- Associated company	10	362,981	438,292	500,000	500,000
Property, plant and equipment - net	11	495,587,045	494,390,741	485,974,780	487,863,589
Computer software - net	12	3,626,845	4,225,731	3,516,815	4,099,336
Deferred tax assets		100,793	129,869	-	-
Total Non-Current Assets		499,677,664	499,184,633	495,589,395	498,060,725
TOTAL ASSETS		718,913,355	746,682,558	700,292,529	731,833,613

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2017	31 December 2016	30 June 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	69,740,765	71,930,418	66,305,599	69,765,192
Trade accounts payable - general suppliers		81,787,272	86,933,123	76,733,834	82,595,553
- related parties	5	111,165	86,768	688,695	611,291
Amount due to subsidiary company	5	-	-	66,100	52,079
Accounts payable for purchases of fixed assets		795,924	158,360	795,924	158,360
Current portion :					
- Liabilities under finance lease agreements		9,280,880	9,011,562	9,280,880	9,011,562
- Long-term loan	14	19,800,000	21,450,000	19,800,000	21,450,000
Accrued income tax		2,483,338	5,306,380	2,044,193	4,890,394
Accrued expenses		11,595,591	12,758,050	10,359,009	11,653,432
Other current liabilities		906,963	1,144,644	392,583	482,580
Total Current Liabilities		196,501,898	208,779,305	186,466,817	200,670,443
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements - net		33,377,961	38,126,142	33,377,961	38,126,142
Long-term loan - net	14	42,250,000	52,150,000	42,250,000	52,150,000
Employee benefits obligation		3,934,239	3,665,963	3,504,564	3,271,710
Deferred tax liabilities		8,795,708	7,892,153	8,795,708	7,892,153
Total Non-Current Liabilities		88,357,908	101,834,258	87,928,233	101,440,005
Total Liabilities		284,859,806	310,613,563	274,395,050	302,110,448

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

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		30 June 2017	31 December 2016	30 June 2017	31 December 2016
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
Share capital - ordinary share, Baht 1 par value					
Authorized - 322,500,000 shares		322,500,000	322,500,000	322,500,000	322,500,000
Issued and fully paid - up - 215,850,000 shares (2016 : 215,000,000 shares)	15	215,850,000	215,000,000	215,850,000	215,000,000
Premium on share capital		106,514,298	104,814,298	106,514,298	104,814,298
Retained earnings					
- Appropriated for legal reserve		10,708,461	10,708,461	10,708,461	10,708,461
- Unappropriated		98,960,943	103,681,570	92,824,720	99,200,406
Other component of shareholders' equity		876,694	876,694	-	-
Total Equity of the Company's Shareholders		432,910,396	435,081,023	425,897,479	429,723,165
Non - controlling interests		1,143,153	987,972	-	-
Total Shareholders' Equity		434,053,549	436,068,995	425,897,479	429,723,165
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		718,913,355	746,682,558	700,292,529	731,833,613

STATEMENT 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	
		2017	2016	2017	2016
Net sales	5, 18	201,199,769	213,870,017	187,249,115	201,546,207
Costs of sales	5, 18	(183,371,755)	(175,259,820)	(172,209,639)	(165,241,456)
Gross profit		17,828,014	38,610,197	15,039,476	36,304,751
Gain on exchange rate		1,753,979	1,832,307	1,753,979	1,832,307
Other income	5	1,144,344	1,859,233	1,610,340	4,551,024
Profit before expenses		20,726,337	42,301,737	18,403,795	42,688,082
Selling expenses		(2,430,764)	(6,681,057)	(2,245,240)	(6,543,642)
Administrative expenses	5	(11,157,107)	(10,276,676)	(10,309,268)	(9,397,946)
Total expenses		(13,587,871)	(16,957,733)	(12,554,508)	(15,941,588)
Profit from operations		7,138,466	25,344,004	5,849,287	26,746,494
Equiry in net loss of associated company	10	(96,957)	-	-	-
Profit before finance costs and income tax		7,041,509	25,344,004	5,849,287	26,746,494
Finance costs		(1,745,378)	(1,272,723)	(1,733,009)	(1,258,832)
Profit before income tax		5,296,131	24,071,281	4,116,278	25,487,662
Income tax		(1,707,368)	(6,142,465)	(1,450,362)	(6,033,185)
Profit for the period		3,588,763	17,928,816	2,665,916	19,454,477
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income for the period		3,588,763	17,928,816	2,665,916	19,454,477

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

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Profit for the period attributable to:				
Shareholders of the Company	3,504,833	17,872,483	2,665,916	19,454,477
Non - controlling interests	83,930	56,333	-	-
	<u>3,588,763</u>	<u>17,928,816</u>	<u>2,665,916</u>	<u>19,454,477</u>
Total comprehensive income for the period attributable to:				
Shareholders of the Company	3,504,833	17,872,483	2,665,916	19,454,477
Non - controlling interests	83,930	56,333	-	-
	<u>3,588,763</u>	<u>17,928,816</u>	<u>2,665,916</u>	<u>19,454,477</u>
Basic earnings per share				
Profit (Baht per share)	0.02	0.08	0.01	0.09
Weighted average number of ordinary shares (share)	<u>215,151,111</u>	<u>215,000,000</u>	<u>215,151,111</u>	<u>215,000,000</u>
Diluted earnings per share				
Profit (Baht per share)	0.02	0.08	0.01	0.09
Weighted average number of ordinary shares (share)	<u>222,618,589</u>	<u>215,000,000</u>	<u>222,618,589</u>	<u>215,000,000</u>

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

	Notes	(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		2017	2016	2017	2016
Net sales	5, 18	417,027,583	414,864,720	388,717,073	388,892,382
Costs of sales	5, 18	(370,950,516)	(351,066,627)	(347,985,087)	(330,310,717)
Gross profit		46,077,067	63,798,093	40,731,986	58,581,665
Gain on exchange rate		3,584,748	18,493	3,584,748	18,493
Other income	5	2,442,613	2,758,734	3,371,914	5,939,912
Profit before expenses		52,104,428	66,575,320	47,688,648	64,540,070
Selling expenses		(6,274,233)	(10,315,027)	(5,900,297)	(10,096,280)
Administrative expenses	5	(22,004,920)	(22,737,370)	(20,356,663)	(20,968,231)
Total expenses		(28,279,153)	(33,052,397)	(26,256,960)	(31,064,511)
Profit from operations		23,825,275	33,522,923	21,431,688	33,475,559
Equiry in net loss of associated company	10	(75,311)	-	-	-
Profit before finance costs and income tax		23,749,964	33,522,923	21,431,688	33,475,559
Finance costs		(3,875,244)	(3,244,279)	(3,849,980)	(3,198,086)
Profit before income tax		19,874,720	30,278,644	17,581,708	30,277,473
Income tax		(3,585,263)	(7,606,755)	(3,102,491)	(7,262,003)
Profit for the period		16,289,457	22,671,889	14,479,217	23,015,470
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income for the period		16,289,457	22,671,889	14,479,217	23,015,470

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

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Profit for the period attributable to:				
Shareholders of the Company	16,134,276	22,518,271	14,479,217	23,015,470
Non - controlling interests	155,181	153,618	-	-
	<u>16,289,457</u>	<u>22,671,889</u>	<u>14,479,217</u>	<u>23,015,470</u>
Total comprehensive income for the period attributable to:				
Shareholders of the Company	16,134,276	22,518,271	14,479,217	23,015,470
Non - controlling interests	155,181	153,618	-	-
	<u>16,289,457</u>	<u>22,671,889</u>	<u>14,479,217</u>	<u>23,015,470</u>
Basic earnings per share				
Profit (Baht per share)	0.08	0.10	0.07	0.11
Weighted average number of ordinary shares (share)	<u>215,074,725</u>	<u>215,000,000</u>	<u>215,074,725</u>	<u>215,000,000</u>
Diluted earnings per share				
Profit (Baht per share)	0.07	0.10	0.06	0.11
Weighted average number of ordinary shares (share)	<u>230,175,624</u>	<u>215,000,000</u>	<u>230,175,624</u>	<u>215,000,000</u>

(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 shareholders of the Company							Total	
	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings			Total equity attributable to the Company's shareholders		
				Legal reserve	Unappropriated	Other components of shareholders' equity			
				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	17	-	-	-	(12,899,808)	-	(12,899,808)	-	(12,899,808)
Dividend payment of subsidiary company		-	-	-	-	-	-	(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
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
Increase in share capital	15	850,000	1,700,000	-	-	-	2,550,000	-	2,550,000
Dividend payment	17	-	-	-	(20,854,903)	-	(20,854,903)	-	(20,854,903)
Total comprehensive income for the period		-	-	-	16,134,276	-	16,134,276	155,181	16,289,457
Balance as at 30 June 2017		215,850,000	106,514,298	10,708,461	98,960,943	876,694	432,910,396	1,143,153	434,053,549

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

(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

	Notes	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	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		<u>215,000,000</u>	<u>104,814,298</u>	<u>7,958,461</u>	<u>70,114,886</u>	<u>397,887,645</u>
Balance as at 1 January 2017		215,000,000	104,814,298	10,708,461	99,200,406	429,723,165
Increase in share capital	15	850,000	1,700,000	-	-	2,550,000
Dividend payment	17	-	-	-	(20,854,903)	(20,854,903)
Total comprehensive income for the period		-	-	-	14,479,217	14,479,217
Balance as at 30 June 2017		<u>215,850,000</u>	<u>106,514,298</u>	<u>10,708,461</u>	<u>92,824,720</u>	<u>425,897,479</u>

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

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

(Unaudited but reviewed)

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2017	2016	2017	2016
Cash Flows from Operating Activities				
Profit before income tax	19,874,720	30,278,644	17,581,708	30,277,473
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	18,124,963	16,327,618	16,871,770	14,841,031
Reversal of allowance for doubtful accounts	(171,537)	-	(171,537)	-
Allowance (reversal of allowance) for obsolete and devaluation of inventories	57,810	(36,365)	2,811	(21,411)
Unrealized loss (gain) on exchange rate	(998,683)	1,823,159	(998,683)	1,823,159
Unrealized gain on temporary investment	(174)	(5,228)	(174)	(5,228)
Realized gain on disposal of temporary investments	(219,076)	(155,417)	(219,076)	(155,417)
Gain on disposal of assets	(198,641)	(614,090)	(198,641)	(609,999)
Loss on written-off assets	-	876,372	-	883,191
Equity in net loss of associated company	75,311	-	-	-
Dividend income	-	-	-	(2,210,144)
Employee benefits obligation expenses	212,976	200,166	183,863	172,623
Interest expense	3,875,244	3,244,279	3,849,980	3,198,086
Cash provided from operations before changes in operating assets and liabilities	40,632,913	51,939,138	36,902,021	48,193,364
Decrease (increase) in operating assets:				
Trade accounts receivable - general customers	9,263,411	(12,589,607)	10,381,906	(12,344,519)
- related parties	(5,240,465)	263,509	(5,260,399)	1,826,669
Amount due from subsidiary company	-	-	-	(914,633)
Inventories	(22,546,762)	4,955,080	(22,756,579)	5,080,282
Refundable value added tax	2,565,448	437,901	2,565,448	437,901
Other current assets	642,949	(1,274,285)	607,973	(1,389,663)
Increase (decrease) in Operating Liabilities:				
Trade accounts payable - general suppliers	(5,128,383)	(22,314,782)	(5,844,251)	(21,353,881)
- related parties	24,397	(102,148)	77,404	(85,718)
Amount due to subsidiary company	-	-	14,021	6,627
Accrued expenses	(1,151,761)	4,635,667	(1,283,725)	4,062,116
Other current liabilities	(237,680)	1,423,226	(89,998)	1,018,794
Cash provided from operations	18,824,067	27,373,699	15,313,821	24,537,339

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

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	
	2017	2016	2017	2016
Cash provided from operations (continued)	18,824,067	27,373,699	15,313,821	24,537,339
Interest paid	(3,819,944)	(3,467,922)	(3,800,988)	(3,426,989)
Income tax paid	(5,475,674)	(1,784,975)	(5,045,137)	(1,555,435)
Net cash provided from operating activities	<u>9,528,449</u>	<u>22,120,802</u>	<u>6,467,696</u>	<u>19,554,915</u>
Cash Flows from Investing Activities:				
Advances for purchase of machinery and equipment	-	(4,380,582)	-	(4,380,582)
Proceeds from disposal of temporary investments	167,500,000	117,800,000	167,500,000	117,800,000
Purchase of temporary investments	(144,270,000)	(117,850,000)	(144,270,000)	(117,850,000)
Increase in restricted deposits with bank	-	5,350,000	-	5,350,000
Purchase of fixed assets and computer software	(18,433,316)	(27,275,638)	(14,111,375)	(27,126,039)
Proceeds from disposal of fixed assets	386,916	614,100	386,916	610,000
Dividend received	-	-	-	2,210,144
Net cash provided from (used in) investing activities	<u>5,183,600</u>	<u>(25,742,120)</u>	<u>9,505,541</u>	<u>(23,386,477)</u>
Cash Flows from Financing Activities				
Increase (decrease) in bank overdraft and short - term loans from bank	(2,123,448)	15,021,298	(3,393,388)	13,936,000
Repayment of long-term loan	(11,550,000)	(11,550,000)	(11,550,000)	(11,550,000)
Repayment of liabilities under finance lease agreements	(4,478,862)	(270,803)	(4,478,862)	(270,803)
Dividend payment	(20,865,601)	(13,102,264)	(20,865,601)	(12,903,984)
Proceeds from the exercise of warrants	2,550,000	-	2,550,000	-
Net cash used in financing activities	<u>(36,467,911)</u>	<u>(9,901,769)</u>	<u>(37,737,851)</u>	<u>(10,788,787)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(21,755,862)	(13,523,087)	(21,764,614)	(14,620,349)
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>33,917,879</u>	<u>38,321,059</u>	<u>33,814,094</u>	<u>37,216,972</u>
Supplemental disclosures for cash flows information				
Accounts payable for purchase of fixed assets	795,924	3,684,425	795,924	3,684,425
Purchase vehicles under finance lease agreement	-	4,588,748	-	4,588,748

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARY
CONDENSED NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
AS AT 30 JUNE 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 and six-month periods ended 30 June 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 10 August 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
	30 June 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 30 June 2017 and 31 December 2016 and total revenues for the three-month and six-month periods ended 30 June 2017 and 2016, 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			
	30 June 2017	31 December 2016	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
			2017	2016	2017	2016
<u>Subsidiary company</u>						
N.D. Interparts Co., Ltd.	3.53	2.87	7.42	6.17	7.28	6.69

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 and six-month periods ended 30 June 2017 and 2016 as follow:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 30 June			
	Pricing Policy	2017	2016	2017	2016
Sales of goods					
- Subsidiary company	Agreed price	-	-	39,469	4,205
- Associated company	Agreed price	3,536,581	-	3,536,581	-
- Related parties	Agreed price	1,417,158	2,574,310	1,417,158	2,574,310
Total		<u>4,953,739</u>	<u>2,574,310</u>	<u>4,993,208</u>	<u>2,578,515</u>
Purchase of raw materials					
- Subsidiary company	Agreed price	-	-	909,500	877,638
- Related parties	Agreed price	121,491	56,340	75,139	51,710
Total		<u>121,491</u>	<u>56,340</u>	<u>984,639</u>	<u>929,348</u>
Rental and other service income					
- Subsidiary company	Agreed price	-	-	504,012	509,160
- Associated company	Agreed price	126,000	-	126,000	-
Total		<u>126,000</u>	<u>-</u>	<u>630,012</u>	<u>509,160</u>
Dividend income					
- Subsidiary company	At shareholder meeting resolution	-	-	-	2,210,144
Rental expense					
- Director	Agreed price	27,000	27,000	27,000	27,000
Key directors and management personnel compensation					
Short - term benefits		1,617,986	1,385,982	1,465,332	1,199,332
Provision for post - employment benefit		15,499	15,499	13,899	13,899
Total		<u>1,633,485</u>	<u>1,401,481</u>	<u>1,479,231</u>	<u>1,213,231</u>

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the six-month periods ended 30 June			
	Pricing Policy	2017	2016	2017	2016
Sales of goods					
- Subsidiary company	Agreed price	-	-	55,809	22,075
- Associated company	Agreed price	7,962,344	-	7,962,344	-
- Related parties	Agreed price	3,745,445	5,144,678	3,745,445	5,144,678
Total		11,707,789	5,144,678	11,763,598	5,166,843
Purchase of raw materials					
- Subsidiary company	Agreed price	-	-	1,986,980	1,752,987
- Related parties	Agreed price	278,853	239,092	201,364	154,956
Total		278,853	239,092	2,188,344	1,907,943
Rental and other service income					
- Subsidiary company	Agreed price	-	-	1,003,188	1,006,464
- Associated company	Agreed price	156,000	-	156,000	-
Total		156,000	-	1,159,188	1,006,464
Dividend income					
- Subsidiary company	At shareholder meeting resolution	-	-	-	2,210,144
Rental expense					
- Director	Agreed price	54,000	54,000	54,000	54,000
Key directors and management personnel compensation					
Short - term benefits		3,140,666	2,771,964	2,740,387	2,398,664
Provision for post - employment benefit		30,998	30,998	27,799	27,799
Total		3,171,664	2,802,962	2,768,186	2,426,463

As at 30 June 2017 and 31 December 2016, the significant balances with related parties are as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Trade accounts receivable – related parties</u>				
- Subsidiary company	-	-	22,529	2,595
- Associated company	5,821,729	-	5,821,729	-
- Related parties	554,050	1,135,314	554,050	1,135,314
Total	6,375,779	1,135,314	6,398,308	1,137,909
<u>Amount due from subsidiary company</u>	-	-	295,320	295,320
<u>Trade accounts payable – related parties</u>				
- Subsidiary company	-	-	627,127	552,120
- Related parties	111,165	86,768	61,568	59,171
Total	111,165	86,768	688,695	611,291
<u>Amount due to subsidiary company</u>	-	-	66,100	52,079
<u>Key management</u>				
Employee benefits obligation	452,172	301,448	413,968	275,978

6. TEMPORARY INVESTMENTS

	(Unit : Baht)	
	Consolidated and Separate F/S	
	30 June 2017	31 December 2016
Temporary investments		
Mutual Fund	368,532	23,355,196
Unrealized gain from changing in value of investment	174	24,260
Total	368,706	23,379,456

During the six-month period ended 30 June 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	144,270,000
Disposals	(167,280,924)
Fair value adjustment	174
Fair value as at 30 June 2017	368,706

7. TRADE ACCOUNT RECEIVABLE - NET

As at 30 June 2017 and 31 December 2016, the aged trade accounts receivable are as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
<u>Trade accounts receivable – general customers</u>				
Not yet due	74,263,256	78,538,220	63,314,941	68,804,579
Over due :				
Less than 3 months	8,094,026	13,186,733	8,094,026	13,090,554
3 - 6 months	1,058,131	417,015	1,058,131	417,015
6 - 12 months	293,323	1,210,824	293,323	1,210,824
Over 12 months	1,761,156	1,203,300	1,761,156	1,203,300
Total	85,469,892	94,556,092	74,521,577	84,726,272
<u>Less</u> Allowance for doubtful accounts	(788,334)	(959,871)	(788,334)	(959,871)
Net	84,681,558	93,596,221	73,733,243	83,766,401
<u>Trade accounts receivable – related parties</u>				
Not yet due	3,327,231	910,314	3,327,231	910,314
Over due :				
Less than 3 months	3,048,548	225,000	3,071,077	227,595
Net	6,375,779	1,135,314	6,398,308	1,137,909

8. INVENTORIES - NET

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June	31 December	30 June	31 December
	2017	2016	2017	2016
Raw materials	23,962,620	21,149,517	23,562,665	20,949,346
Work in process	15,699,014	12,833,875	14,575,843	11,575,348
Finished goods	37,487,130	23,404,800	35,211,166	20,878,930
Supply inventories	2,841,437	2,953,208	2,480,000	2,567,431
Fuel	571,380	211,698	571,380	211,698
Packaging	3,564,515	3,198,627	3,564,515	3,198,627
Goods in transit	2,172,390	-	2,172,390	-
Total	86,298,486	63,751,725	82,137,959	59,381,380
<u>Less Allowance for obsolete and devaluation</u>				
<u>of inventories</u>	(430,581)	(372,771)	(8,703)	(5,892)
Inventories – net	85,867,905	63,378,954	82,129,256	59,375,488

9. INVESTMENT IN SUBSIDIARY

Company	Type of business	(Unit : Thousand Baht)					
		Shares capital		Percentage of Shareholding		Separate F/S (Cost method)	
		30 Jun	31 Dec	30 Jun	31 Dec	30 Jun	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

		(Unit : Thousand Baht)							
Company	Type of business	Share capital		Percentage of shareholding		Separate F/S (Cost method)		Consolidated F/S (Equity method)	
		30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016	30 Jun 2017	31 Dec 2016
Mascasey Trading Co., Ltd.	Distributing rubber products for automobile	1,000	1,000	50.00	50.00	500	500	363	438

Movements in investment in associated company for the six-month period ended 30 June 2017 are as follows

	(Unit: Thousand Baht)	
	Consolidated F/S (equity method)	Separate F/S (cost method)
Balance as at 1 January 2017	438	500
Less Equity in net loss of associated company	(75)	-
Balance as at 30 June 2017	363	500

11. PROPERTY, PLANT AND EQUIPMENT – NET

During the six-month period ended 30 June 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	18,995,880	14,673,939
Disposal of assets	(188,275)	(188,275)
Transfer to other current assets	(160,224)	(160,224)
Depreciation during the period	(17,451,077)	(16,214,249)
Net book value as at 30 June 2017	495,587,045	485,974,780

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

12 COMPUTER SOFTWARE – NET

During the six-month period ended 30 June 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>Add</u> Purchase of assets	75,000	75,000
<u>Less</u> Amortization for the period	(673,886)	(657,521)
Net book value as at 30 June 2017	<u>3,626,845</u>	<u>3,516,815</u>

13. BANK OVERDRAFT AND SHORT-TERM LOANS FROM BANK

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2017	31 December 2016	30 June 2017	31 December 2016
Bank overdraft	3,511,378	2,165,238	76,212	12
Promissory note	45,000,000	46,000,000	45,000,000	46,000,000
Liabilities under trust receipts	21,229,387	23,765,180	21,229,387	23,765,180
Total	<u>69,740,765</u>	<u>71,930,418</u>	<u>66,305,599</u>	<u>69,765,192</u>

As at 30 June 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 30 June 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

As at 30 June 2017 and 31 December 2016, long - term loan that the Company obtained from a local bank details as follow :

			(Unit : Baht)	
			Consolidated and Separate F/S	
	Interest rate per annum	Principal repayment conditions	30 June 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 have final payment within July 2020.	62,050,000	73,600,000
<u>Less</u> Current portion			(19,800,000)	(21,450,000)
Long - term loan - net			<u>42,250,000</u>	<u>52,150,000</u>

Movements in the long - term loan for the six-month period ended 30 June 2017 is as follow :

	(Unit: Baht)
	Consolidated and Separate F/S
Balance as at 1 January 2017	73,600,000
<u>Less</u> Repayment	(11,550,000)
Balance as at 30 June 2017	<u>62,050,000</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. SHARE CAPITAL AND PREMIUM ON SHARE CAPITAL

For the six-month period ended 30 June 2017, the warrant holders exercised 850,000 warrants to purchase 850,000 common shares as exercise price of Baht 3 per share. The Company received paid – up share capital and share premium of Baht 0.85 million and Baht 1.70 million, respectively.

16. WARRANTS

On 22 November 2016, at the Extraordinary Shareholders Meeting passed the resolution to allocate and issue 107,499,454 units of free warrants to the existing shareholders. The warrants are issued for specific holders and transferable. The term of the warrants do not exceed 2 years commencing on 23 December 2016 with the exercise ratio of 1 warrant to 1 new ordinary share. The exercise price is 3 Baht per share, unless the exercise ratio is adjusted under the condition of the rights adjustment. The warrants holders can exercise their warrant in June and December of each year. The first exercise date was on 15 June 2017. The subsequent exercise dates will be on the 15 December 2017, 15 June 2018 and the last exercise date will be 22 December 2018.

During the six-month period ended 30 June 2016, movements in number of warrants are as follow :

	Number of warrants (Units)
Balance as at 1 January 2017	107,499,454
Exercise of warrants	(850,000)
Balance as at 30 June 2017	<u>106,649,454</u>

17. 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 was paid on 27 April 2017.

As at 30 June 2017, the Company recognized the accrued dividend of Baht 3,717, included in accrued expenses.

18. SEGMENTAL FINANCIAL INFORMATION

The Company's segment reporting classified by nature of products, for the three-month and six-month periods ended 30 June 2017 and 2016 are presented as follow :

(Unit: Thousand Baht)

	Consolidated F/S						Total
	For the three-month periods ended 30 June 2017						
	Tires	Tubes	Battery	Rubber part	Others	Eliminated	
Sales	113,347	48,185	12,734	14,899	12,984	(949)	201,200
Cost of sales							(183,372)
Gross profit							17,828
Interest expenses							(1,745)
Depreciation and amortization							(9,014)
Profit before income tax							5,446
Trade accounts receivable – general customers - net							84,682
Property plant and equipment - net							495,587
Other assets							138,795
Total assets							719,064
Total liabilities							284,860

(Unit: Thousand Baht)

	Consolidated F/S						Total
	For the three-month periods ended 30 June 2016						
	Tires	Tubes	Battery	Rubber part	Others	Eliminated	
Sales	137,504	44,734	13,122	13,205	6,187	(882)	213,870
Cost of sales							(175,260)
Gross profit							38,610
Interest expenses							(1,272)
Depreciation and amortization							(8,371)
Profit before income tax							24,071
Trade accounts receivable – general customers – net							95,544
Property plant and equipment - net							464,868
Other assets							119,527
Total assets							679,939
Total liabilities							277,558

(Unit : Thousand Baht)

Consolidated F/S							
For the six-month periods ended 30 June 2017							
	Tires	Tubes	Battery	Rubber part	Others	Eliminated	Total
Sales	241,520	104,413	24,901	30,353	17,884	(2,043)	417,028
Cost of sales							(370,951)
Gross profit							<u>46,077</u>
Interest expenses							(3,875)
Depreciation and amortization							(18,125)
Profit before income tax							20,025
Trade accounts receivable – general customers - net							84,682
Property plant and equipment - net							495,587
Other assets							138,795
Total assets							<u>719,064</u>
Total liabilities							<u>284,860</u>

(Unit : Thousand Baht)

Consolidated F/S							
For the six-month periods ended 30 June 2016							
	Tires	Tubes	Battery	Rubber part	Others	Eliminated	Total
Sales	263,678	88,825	27,520	27,747	8,870	(1,775)	414,865
Cost of sales							(351,067)
Gross profit							<u>63,798</u>
Interest expenses							(3,244)
Depreciation and amortization							(16,328)
Profit before income tax							30,278
Trade accounts receivable – general customers - net							95,544
Property plant and equipment - net							464,868
Other assets							119,527
Total assets							<u>679,939</u>
Total liabilities							<u>277,558</u>

19. 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 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	
30 June 2017	31 December 2016	30 June 2017	31 December 2016
4.00	2.13	97.57	54.00

20. COMMITMENTS AND CONTINGENT LIABILITIES

20.1 As at 30 June 2017, the Company has commitments for construction factory building and machinery under installation of Baht 6.86 million.

20.2 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	481,400
Total	807,800

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

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

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

20.6 The Company and subsidiary have credit facilities and contingent liabilities from financial institution as at 30 June 2017 as follows :

	(Unit: Baht)		
	Consolidated F/S		
	Credit line	Used	Balance
Credit facilities			
Bank overdraft	38,565,000	3,511,378	35,053,622
Short-term loan	127,000,000	107,050,000	19,950,000
Forward agreements	200,000,000	97,567,200	102,432,800
Contingent liabilities			
Letter of guarantee	7,370,000	6,428,814	941,186
Letter of credit and trust receipts (occasionally)	60,000,000	21,229,387	38,770,613
Bill for collection	3,000,000	-	3,000,000
			(Unit: Baht)
	Separate F/S		
	Credit line	Used	Balance
Credit facilities			
Bank overdraft	29,000,000	76,212	28,923,788
Short-term loan	127,000,000	107,050,000	19,950,000
Forward agreements	200,000,000	97,567,200	102,432,800
Contingent liabilities			
Letter of guarantee	6,500,000	5,994,814	505,186
Letter of credit and trust receipts (occasionally)	60,000,000	21,229,387	38,770,613
Bill for collection	3,000,000	-	3,000,000



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