



Auditor's Review Report and  
Consolidated Interim Financial Statements of

**N.D. Rubber Public Company Limited and subsidiaries**

For the Three-Month and Six-Month Periods Ended  
30 June 2018



## INDEPENDENT AUDITOR'S REPORT ON REVIEW OF THE INTERIM FINANCIAL INFORMATION

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Grant Thornton Limited  
18th Floor Capital Tower  
87/1 Wireless Road  
Lumpini, Phatumwan  
Bangkok, Thailand  
10330  
T +66 2 205 8222  
F +66 2 654 3339

### To the Board of Directors and the Shareholders of N.D. Rubber Public Company Limited

I have reviewed the accompanying consolidated statement of financial position as at 30 June 2018, and the related consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2018, the consolidated statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2018, and condensed notes to the consolidated interim financial statements of N.D. Rubber Public Company Limited and subsidiaries. I have also reviewed the accompanying separate statement of financial position as at 30 June 2018, and the related separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2018, the separate statements of changes in shareholders' equity and cash flows for the six-month period ended 30 June 2018, and condensed notes to the separate interim 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 Thai Standard on Review Engagements 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion 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 34, "Interim financial reporting".

**Emphasis of Matter**

I draw an attention to Note 2 to interim financial statements, on 2 February 2018, the Company acquired a company which is engaged in distributing of bicycle and motorcycle tire. Management considered this transaction was business combination. As at 30 June 2018, the Company is in the process of assessing the fair value of identifiable assets acquired and liabilities assumed at the acquisition date in order to make proper classification of assets and liabilities in the accounts. My conclusion is not qualified in respect of this matter.

**Mr. Narin Churamongkol**

Certified Public Accountant

Registration No. 8593

Grant Thornton Limited

Bangkok

10 August 2018

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents		157,105,193	51,298,196	47,009,651	40,782,534
Temporary investments	6	1,855,773	3,021,318	1,855,773	3,021,318
Trade accounts receivable - general customers - net	7	117,679,711	87,040,213	47,588,937	77,029,642
- related parties	5, 7	578,600	638,299	35,970,329	12,081,143
Amount due from subsidiary company	5	-	-	321,320	1,059,708
Inventories - net	8	153,210,269	63,408,324	64,000,287	53,816,354
Refundable value added tax		4,462,976	1,852,337	4,279,894	1,542,792
Refundable corporate income tax		9,934,453	721,983	781,546	721,983
Prepaid expense		-	4,795,366	-	3,007,866
Other current assets		10,426,092	2,991,828	3,736,975	2,954,951
<b>Total Current Assets</b>		<b>455,253,067</b>	<b>215,767,864</b>	<b>205,544,712</b>	<b>196,018,291</b>
<b>NON-CURRENT ASSETS</b>					
Investments in subsidiary companies	9	-	-	416,214,932	9,097,800
Property, plant and equipment - net	10	666,897,242	484,337,429	474,299,699	472,976,143
Computer software - net	11	2,875,666	3,327,447	2,620,433	3,234,052
Goodwill	2	89,598,412	-	-	-
Deferred tax assets		918,800	119,432	-	-
<b>Total Non-Current Assets</b>		<b>760,290,120</b>	<b>487,784,308</b>	<b>893,135,064</b>	<b>485,307,995</b>
<b>TOTAL ASSETS</b>		<b>1,215,543,187</b>	<b>703,552,172</b>	<b>1,098,679,776</b>	<b>681,326,286</b>

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(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 banks	12	185,511,795	56,207,632	125,526,980	54,031,633
Trade accounts payable - general suppliers		99,814,145	89,674,486	93,943,592	83,210,126
- related parties	5	387,559	110,327	892,845	576,593
Amount due to subsidiary company	5	-	-	64,765	51,578
Accounts payable for purchases of fixed assets		4,001,715	2,695,305	4,001,715	2,695,305
Current portion :					
- Liabilities under finance lease agreements		9,667,575	9,484,149	9,667,575	9,484,149
- Long-term loan	13	21,450,000	21,450,000	21,450,000	21,450,000
- Payable for purchase of investment in subsidiary company	14	30,949,709	-	30,949,709	-
Accrued income tax		338,772	391,444	-	-
Accrued expenses		41,260,125	11,487,047	9,609,566	10,256,656
Other current liabilities		3,356,886	953,738	2,778,772	495,886
<b>Total Current Liabilities</b>		<b>396,738,281</b>	<b>192,454,128</b>	<b>298,885,519</b>	<b>182,251,926</b>
<b>NON-CURRENT LIABILITIES</b>					
Liabilities under finance lease agreements - net		23,806,593	28,596,717	23,806,593	28,596,717
Long-term loan - net	13	22,450,000	32,350,000	22,450,000	32,350,000
Payable for purchase of investment in subsidiary company - net	14	30,507,958	-	30,507,958	-
Employee benefits obligation		4,492,554	4,202,515	3,989,287	3,737,418
Deferred tax liabilities - net		19,589,175	9,443,304	9,547,030	9,443,304
<b>Total Non-Current Liabilities</b>		<b>100,846,280</b>	<b>74,592,536</b>	<b>90,300,868</b>	<b>74,127,439</b>
<b>Total Liabilities</b>		<b>497,584,561</b>	<b>267,046,664</b>	<b>389,186,387</b>	<b>256,379,365</b>

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

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(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	16.1				
Authorized - 387,470,188 shares (2017 : 322,500,000 shares)		387,470,188	322,500,000	387,470,188	322,500,000
Issued and fully paid - up - 308,521,250 shares (2017 : 215,850,000 shares)		308,521,250	215,850,000	308,521,250	215,850,000
Premium on share capital		312,451,298	106,514,298	312,451,298	106,514,298
Retained earnings					
- Appropriated for legal reserve		11,389,585	11,389,585	11,389,585	11,389,585
- Unappropriated		75,505,391	99,010,841	77,131,256	91,193,038
Other component of shareholders' equity		7,341,629	876,694	-	-
<b>Total Equity of the Company's Shareholders</b>		<b>715,209,153</b>	<b>433,641,418</b>	<b>709,493,389</b>	<b>424,946,921</b>
Non - controlling interests		2,749,473	2,864,090	-	-
<b>Total Shareholders' Equity</b>		<b>717,958,626</b>	<b>436,505,508</b>	<b>709,493,389</b>	<b>424,946,921</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,215,543,187</b>	<b>703,552,172</b>	<b>1,098,679,776</b>	<b>681,326,286</b>

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
 STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Net sales	18	251,200,926	201,199,769	182,080,355	187,249,115
Costs of sales	18	(204,159,514)	(183,371,755)	(165,402,962)	(172,209,639)
<b>Gross profit</b>		<b>47,041,412</b>	<b>17,828,014</b>	<b>16,677,393</b>	<b>15,039,476</b>
Gain (loss) on exchange rate		(214,049)	1,753,979	(99,440)	1,753,979
Other income		1,462,476	1,144,344	1,928,630	1,610,340
<b>Profit before expenses</b>		<b>48,289,839</b>	<b>20,726,337</b>	<b>18,506,583</b>	<b>18,403,795</b>
Selling expenses		(11,696,471)	(2,430,764)	(2,767,237)	(2,245,240)
Administrative expenses		(26,467,634)	(11,157,107)	(11,492,880)	(10,309,268)
<b>Total expenses</b>		<b>(38,164,105)</b>	<b>(13,587,871)</b>	<b>(14,260,117)</b>	<b>(12,554,508)</b>
<b>Profit from operations</b>		<b>10,125,734</b>	<b>7,138,466</b>	<b>4,246,466</b>	<b>5,849,287</b>
Equity in net loss of associated company		-	(96,957)	-	-
<b>Profit before financial costs and income tax</b>		<b>10,125,734</b>	<b>7,041,509</b>	<b>4,246,466</b>	<b>5,849,287</b>
Financial costs	18	(4,052,483)	(1,745,378)	(3,307,578)	(1,733,009)
<b>Profit before income tax</b>		<b>6,073,251</b>	<b>5,296,131</b>	<b>938,888</b>	<b>4,116,278</b>
Income tax benefit (expense)		(3,014,336)	(1,707,368)	477,441	(1,450,362)
<b>Profit for the period</b>		<b>3,058,915</b>	<b>3,588,763</b>	<b>1,416,329</b>	<b>2,665,916</b>
<b>Other comprehensive income (loss) for the period</b>					
Items that will be reclassified subsequently to profit or loss					
Exchange differences from foreign currency					
financial statements translation - net of tax		5,022,235	-	-	-
<b>Other comprehensive income for the period</b>		<b>5,022,235</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period</b>		<b>8,081,150</b>	<b>3,588,763</b>	<b>1,416,329</b>	<b>2,665,916</b>

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

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

Note	Consolidated F/S		Separate F/S		
	2018	2017	2018	2017	
<b>Profit (loss) for the period attributable to:</b>					
Shareholders of the Company	3,100,664	3,504,833	1,416,329	2,665,916	
Non-controlling interests	(41,749)	83,930	-	-	
	<u>3,058,915</u>	<u>3,588,763</u>	<u>1,416,329</u>	<u>2,665,916</u>	
<b>Total comprehensive income (loss) for the period attributable to:</b>					
Shareholders of the Company	8,122,899	3,504,833	1,416,329	2,665,916	
Non-controlling interests	(41,749)	83,930	-	-	
	<u>8,081,150</u>	<u>3,588,763</u>	<u>1,416,329</u>	<u>2,665,916</u>	
<b>Basic earnings per share</b>					
Profit (Baht per share)	17	0.03	0.02	0.01	0.01
Weighted average number of ordinary shares (share)		<u>283,114,387</u>	<u>221,922,361</u>	<u>283,114,387</u>	<u>221,922,361</u>
<b>Diluted earnings per share</b>					
Profit (Baht per share)	17	0.03	0.02	0.01	0.01
Weighted average number of ordinary shares (share)		<u>283,114,387</u>	<u>229,389,839</u>	<u>283,114,387</u>	<u>229,389,839</u>



N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY  
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
 FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

	Note	(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Net sales	18	457,325,454	417,027,583	343,548,156	388,717,073
Costs of sales	18	(384,931,078)	(370,950,516)	(319,924,597)	(347,985,087)
<b>Gross profit</b>		<b>72,394,376</b>	<b>46,077,067</b>	<b>23,623,559</b>	<b>40,731,986</b>
Gain (loss) on exchange rate		(95,763)	3,584,748	(34,815)	3,584,748
Other income		2,721,736	2,442,613	3,551,341	3,371,914
<b>Profit before expenses</b>		<b>75,020,349</b>	<b>52,104,428</b>	<b>27,140,085</b>	<b>47,688,648</b>
Selling expenses		(20,876,478)	(6,274,233)	(5,610,165)	(5,900,297)
Administrative expenses		(60,387,737)	(22,004,920)	(23,231,639)	(20,356,663)
<b>Total expenses</b>		<b>(81,264,215)</b>	<b>(28,279,153)</b>	<b>(28,841,804)</b>	<b>(26,256,960)</b>
<b>Profit (loss) from operations</b>		<b>(6,243,866)</b>	<b>23,825,275</b>	<b>(1,701,719)</b>	<b>21,431,688</b>
Equiry in net loss of associated company		-	(75,311)	-	-
<b>Profit (loss) before finance costs and income tax</b>		<b>(6,243,866)</b>	<b>23,749,964</b>	<b>(1,701,719)</b>	<b>21,431,688</b>
Finance costs	18	(6,047,232)	(3,875,244)	(4,726,538)	(3,849,980)
<b>Profit (loss) before income tax</b>		<b>(12,291,098)</b>	<b>19,874,720</b>	<b>(6,428,257)</b>	<b>17,581,708</b>
Income tax		(3,799,170)	(3,585,263)	(103,726)	(3,102,491)
<b>Profit (loss) for the period</b>		<b>(16,090,268)</b>	<b>16,289,457</b>	<b>(6,531,983)</b>	<b>14,479,217</b>
<b>Other comprehensive income (loss) for the period</b>					
Items that will be reclassified subsequently to profit or loss					
Exchange differences from foreign currency					
financial statement translation - net of tax		6,464,935	-	-	-
<b>Other comprehensive income for the period</b>		<b>6,464,935</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income (loss) for the period</b>		<b>(9,625,333)</b>	<b>16,289,457</b>	<b>(6,531,983)</b>	<b>14,479,217</b>

## 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	
Note		2018	2017	2018	2017
<b>Profit (loss) for the period attributable to:</b>					
	Shareholders of the Company	(15,975,651)	16,134,276	(6,531,983)	14,479,217
	Non-controlling interests	(114,617)	155,181	-	-
		<u>(16,090,268)</u>	<u>16,289,457</u>	<u>(6,531,983)</u>	<u>14,479,217</u>
<b>Total comprehensive income (loss) for the period attributable to:</b>					
	Shareholders of the Company	(9,510,716)	16,134,276	(6,531,983)	14,479,217
	Non-controlling interests	(114,617)	155,181	-	-
		<u>(9,625,333)</u>	<u>16,289,457</u>	<u>(6,531,983)</u>	<u>14,479,217</u>
<b>Basic earnings (loss) per share</b>					
	Profit (loss) (Baht per share)	17 (0.04)	0.07	(0.02)	0.07
	Weighted average number of ordinary shares (share)	<u>270,895,498</u>	<u>221,845,975</u>	<u>270,895,498</u>	<u>221,845,975</u>
<b>Diluted earnings (loss) per share</b>					
	Profit (loss) (Baht per share)	17 (0.03)	0.07	(0.02)	0.06
	Weighted average number of ordinary shares (share)	<u>278,326,740</u>	<u>236,946,874</u>	<u>278,326,740</u>	<u>236,946,874</u>

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY  
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unaudited but reviewed)

(Unit : Baht)

	Equity attributable to the Company's shareholders											
	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other components of shareholders' equity			Total equity attributable to the Company's shareholders	Non-controlling Interests	Total
				Legal reserve	Unappropriated	Surplus on change in proportion of investment in subsidiary company	Exchange differences on translating financial statement	Total				
<b>Consolidated F/S</b>												
<b>Balance as at 1 January 2017</b>		215,000,000	104,814,298	10,708,461	103,681,570	876,694	-	876,694	435,081,023	987,972	436,068,995	
Increase in share capital		850,000	1,700,000	-	-	-	-	-	2,550,000	-	2,550,000	
Dividend payment		-	-	-	(20,854,903)	-	-	-	(20,854,903)	-	(20,854,903)	
<b>Transactions with owners</b>		850,000	1,700,000	-	(20,854,903)	-	-	-	(18,304,903)	-	(18,304,903)	
Profit for the period		-	-	-	16,134,276	-	-	-	16,134,276	155,181	16,289,457	
<b>Total comprehensive income for the period</b>		-	-	-	16,134,276	-	-	-	16,134,276	155,181	16,289,457	
<b>Balance as at 30 June 2017</b>		215,850,000	106,514,298	10,708,461	98,960,943	876,694	-	876,694	432,910,396	1,143,153	434,053,549	
<b>Balance as at 1 January 2018</b>		215,850,000	106,514,298	11,389,585	99,010,841	876,694	-	876,694	433,641,418	2,864,090	436,505,508	
Increase in share capital	16.1	85,900,000	205,937,000	-	-	-	-	-	291,837,000	-	291,837,000	
Dividend payment	15	-	-	-	(758,549)	-	-	-	(758,549)	-	(758,549)	
Stock dividend	15	6,771,250	-	-	(6,771,250)	-	-	-	-	-	-	
<b>Transactions with owners</b>		92,671,250	205,937,000	-	(7,529,799)	-	-	-	291,078,451	-	291,078,451	
Loss for the period		-	-	-	(15,975,651)	-	-	-	(15,975,651)	(114,617)	(16,090,268)	
Other comprehensive income for the period		-	-	-	-	-	6,464,935	-	6,464,935	-	6,464,935	
<b>Total comprehensive income (loss) for the period</b>		-	-	-	(15,975,651)	-	6,464,935	-	(9,510,716)	(114,617)	(9,625,333)	
<b>Balance as at 30 June 2018</b>		308,521,250	312,451,298	11,389,585	75,505,391	876,694	6,464,935	7,341,629	715,209,153	2,749,473	717,958,626	

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

**N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES**  
**STATEMENT 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	
<b>Balance as at 1 January 2017</b>		215,000,000	104,814,298	10,708,461	99,200,406	429,723,165
Increase in share capital		850,000	1,700,000	-	-	2,550,000
Dividend payment		-	-	-	(20,854,903)	(20,854,903)
<b>Transactions with owners</b>		850,000	1,700,000	-	(20,854,903)	(18,304,903)
Profit for the period		-	-	-	14,479,217	14,479,217
<b>Total comprehensive income for the period</b>		-	-	-	14,479,217	14,479,217
<b>Balance as at 30 June 2017</b>		215,850,000	106,514,298	10,708,461	92,824,720	425,897,479
<b>Balance as at 1 January 2018</b>		215,850,000	106,514,298	11,389,585	91,193,038	424,946,921
Increase in share capital	16.1	85,900,000	205,937,000	-	-	291,837,000
Dividend payment	15	-	-	-	(758,549)	(758,549)
Stock dividend	15	6,771,250	-	-	(6,771,250)	-
<b>Transactions with owners</b>		92,671,250	205,937,000	-	(7,529,799)	291,078,451
Loss for the period		-	-	-	(6,531,983)	(6,531,983)
<b>Total comprehensive loss for the period</b>		-	-	-	(6,531,983)	(6,531,983)
<b>Balance as at 30 June 2018</b>		308,521,250	312,451,298	11,389,585	77,131,256	709,493,389

Separate F/S

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX-MONTH PERIODS ENDED 30 JUNE**

(Unaudited but reviewed)

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
<b>Cash Flows from Operating Activities</b>				
Profit (loss) before income tax	(12,291,098)	19,874,720	(6,428,257)	17,581,708
<b>Adjustments to reconcile profit (loss) before income tax to net cash provided from (used in) operating activities:</b>				
Depreciation and amortization	21,481,391	18,124,963	17,442,944	16,871,770
Allowance (reversal of allowance) for doubtful accounts	682,420	(171,537)	(122,068)	(171,537)
Allowance (reversal of allowance) for obsolete and devaluation of inventories	(822,104)	57,810	220,134	2,811
Unrealized loss (gain) on exchange rate	1,182,238	(998,683)	1,182,238	(998,683)
Unrealized gain on temporary investment	(987)	(174)	(987)	(174)
Realized gain on disposal of temporary investments	(60,288)	(219,076)	(60,288)	(219,076)
Equity in loss of associate company	-	75,311	-	-
Loss (gain) on disposal of fixed assets	2,242	(198,641)	-	(198,641)
Employee benefits obligation expenses	226,160	212,976	195,431	183,863
Interest expense	6,047,232	3,875,244	4,726,538	3,849,980
<b>Cash provided from operations before changes in operating assets and liabilities</b>	16,447,206	40,632,913	17,155,685	36,902,021
<b>Decrease (increase) in operating assets:</b>				
Trade accounts receivable - general customers	23,925,361	9,263,411	29,562,772	10,381,906
- related parties	59,699	(5,240,465)	(23,524,004)	(5,260,399)
Amount due from subsidiary company	-	-	738,389	-
Inventories	(2,970,003)	(22,546,762)	(10,404,067)	(22,756,579)
Refundable value added tax	(2,610,639)	2,565,448	(2,737,102)	2,565,448
Other current assets	(1,885,013)	642,949	(735,240)	607,973
<b>Increase (decrease) in Operating Liabilities:</b>				
Trade accounts payable - general suppliers	8,921,026	(5,128,383)	10,656,130	(5,844,251)
- related parties	277,232	24,397	316,253	77,404
Amount due to subsidiary company	-	-	13,187	14,021
Accounts payable for purchases of fixed assets	(2,695,305)	-	(2,695,305)	-
Accrued expenses	4,218,863	(1,151,761)	(778,647)	(1,283,725)
Other current liabilities	2,403,148	(237,680)	2,282,888	(89,998)
<b>Cash provided from operations</b>	46,091,575	18,824,067	19,850,939	15,313,821

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

(Unaudited but reviewed)

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
<b>Cash provided from operations (continued)</b>	46,091,575	18,824,067	19,850,939	15,313,821
Interest paid	(5,972,501)	(3,819,944)	(4,670,099)	(3,800,988)
Income tax refunded	279,812	-	-	-
Income tax paid	(6,758,559)	(5,475,674)	(59,563)	(5,045,137)
<b>Net cash provided from operating activities</b>	<b>33,640,327</b>	<b>9,528,449</b>	<b>15,121,277</b>	<b>6,467,696</b>
<b>Cash Flows from Investing Activities:</b>				
Proceeds from disposal of temporary investments	184,156,820	167,500,000	184,156,820	167,500,000
Purchase of temporary investments	(182,930,000)	(144,270,000)	(182,930,000)	(144,270,000)
Purchase of investment in subsidiary	(42,173,267)	-	(142,576,979)	-
Purchase of fixed assets and computer software	(16,036,489)	(18,433,316)	(14,197,952)	(14,111,375)
Proceeds from disposal of fixed assets	549	386,916	-	386,916
<b>Net cash provided from (used in) investing activities</b>	<b>(56,982,387)</b>	<b>5,183,600</b>	<b>(155,548,111)</b>	<b>9,505,541</b>
<b>Cash Flows from Financing Activities</b>				
Increase (decrease) in bank overdraft and short - term loans from banks	49,028,543	(2,123,448)	71,250,643	(3,393,388)
Repayment of long-term loan	(9,900,000)	(11,550,000)	(9,900,000)	(11,550,000)
Repayment of liabilities under finance lease agreements	(4,606,699)	(4,478,862)	(4,606,699)	(4,478,862)
Dividend payment	(626,993)	(20,865,601)	(626,993)	(20,865,601)
Proceeds from exercise of warrants	90,537,000	2,550,000	90,537,000	2,550,000
<b>Net cash provided from (used in) financing activities</b>	<b>124,431,851</b>	<b>(36,467,911)</b>	<b>148,653,951</b>	<b>(37,737,851)</b>
Exchange differences from foreign currency financial statements translation	4,717,206	-	-	-
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>105,806,997</b>	<b>(21,755,862)</b>	<b>6,227,117</b>	<b>(21,764,614)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>51,298,196</b>	<b>55,673,741</b>	<b>40,782,534</b>	<b>55,578,708</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>157,105,193</b>	<b>33,917,879</b>	<b>47,009,651</b>	<b>33,814,094</b>
<b>Supplemental disclosures for cash flows information</b>				
<b>Non-cash items</b>				
Accounts payable for purchases of fixed assets	4,001,715	795,924	4,001,715	795,924
Payable for purchase of investment in subsidiary	61,457,667	-	61,457,667	-
Stock dividend	6,771,250	-	6,771,250	-
Increase share capital for purchase of investment in subsidiary	201,300,000	-	201,300,000	-

**N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**  
**CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2018 (Unaudited but reviewed)**

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 subsidiaries are engaged in manufacturing and distributing motorcycle tyres and tubes, and distributing battery for automobile and motorcycle, including other related services, and manufacturing and distributing rubber and synthetic products for automobile and motorcycle, and researching, manufacturing and distributing of wireless electrical equipment and system and distributing footwear.

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 2018 and have been prepared in accordance with Thai Accounting Standards No. 34 (revised 2017) "Interim Financial Reporting" which do not include all information required in annual financial statements in accordance with Thai Financial Reporting Standards. These should be read in conjunction with the financial statements for the year ended 31 December 2017.

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 2018.

2.2 Basis of consolidation

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

Subsidiary Companies	Percentage of holding (%)		Nature of business
	30 June	31 December	
	2018	2017	
<u>Direct</u>			
N.D. Interparts Co., Ltd.	91.77	91.77	Manufacturing and distributing rubber and synthetic products for automobile and motorcycle
Mascasey Trading Co., Ltd.	50.00	50.00	Distributing rubber products for motorcycle
N.D. Energy Fusion Co., Ltd.	50.00	50.00	Researching, manufacturing and distributing of wireless electrical equipment and system
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	100.00	-	Distributioning of motorcycle tyres and tubes and other rubber related product
<u>Indirect</u>			
FKR MARKETING SND.BHD.	100.00	-	Distributing motorcycle tyres and tubes
GCB TRADING SDN.BHD.	100.00	-	Distributing footwear

Significant transactions with subsidiaries 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 subsidiaries as at 30 June 2018 and 31 December 2017 and total revenues for the three-month and six-month periods ended 30 June 2018 and 2017, as included in the consolidated financial statements presented in term of percentages as follow:

Subsidiary company	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues			
	30 June	31 December	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
			2018	2017	2018	2017
	N.D. Interparts Co., Ltd.	1.68	3.87	4.59	7.42	5.17
Mascasey Trading Co., Ltd.	0.75	1.62	2.08	-	2.24	-
N.D. Energy Fusion Co., Ltd.	0.34	0.81	-	-	-	-
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	27.88	-	37.15	-	33.30	-



At the Extraordinary Shareholders' Meeting No. 1/2018 held on 18 January 2018, the shareholders passed a resolution to entered an agreement to acquire ordinary shares of FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD. ("FKRMM") at 100 percent of total shares. Total price of MYR 53 million. Total purchase price comprises of 55,000,000 newly issued ordinary shares of the Company at the value of Baht 4 each, totalling Baht 220 million and cash of MYR 24.40 million which have 4 installments on 22 February 2018, 15 June 2018, 30 June 2019, and 31 December 2019. Consideration transferred for purchase common stock of FKRMM are as follow:

	Baht
Fair value of the Company's ordinary share as at acquisition date (2 February 2018)	201,300,000
Present value of cash payment for 4 installments	194,513,798
Total consideration value for purchase ordinary share of FKRMM	<u>395,813,798</u>
Acquisition - related costs	11,303,334
Total investment cost	<u>407,117,132</u>

On 22 February 2018 and 15 June 2018, the Company paid first installment for investment of MYR 4.20 million or equivalent to Baht 33.29 million and second installment MYR 12.40 million or equivalent to Baht 100.02 million, respectively.

The fair value of identifiable assets acquired and liabilities assumed of FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD. and its subsidiaries as at 31 January 2018, which approximate to the value at the acquisition date on 2 February 2018, are summarised below:

	Baht
<b>Assets</b>	
Cash and cash equivalents	91,138,644
Trade accounts receivable	68,039,056
Inventories	85,970,144
Other current assets	9,937,489
Property, plant and equipment – net	180,077,411
Other non – current assets	811,702
<b>Liabilities</b>	
Short – term loan from bank	(80,030,916)
Trade accounts payable	(14,348,746)
Other current liabilities	(25,531,666)
Other non – current liabilities	(9,847,732)
Total net asset value	<u>306,215,386</u>
Goodwill	89,598,412
Total consideration value for purchase common stock of FKRMM	<u>395,813,798</u>

Net cash receipt (paid) from business combination during the six-month period ended 30 June 2018 as follow:

	Baht
Consideration value for purchase ordinary share of FKRMM	395,813,798
<u>Less:</u> Fair value of ordinary share of FKRMM as at business combination date	(201,300,000)
Payable for investment as at business combination date	<u>(194,513,798)</u>
Cash and equivalents of FKRMM as at business combination date	91,138,644
<u>Less:</u> Payment of the first installment of MYR 4.2 million	(33,293,684)
Payment of the second installment of MYR 12.40 million	(100,018,227)
Cash and cash equivalents paid for business combination	<u>(42,173,267)</u>

Conditions for payment of consideration of FKRMM's shares acquisition are as follows:

1. For FKRMM's shares acquisition, MYR is used to determine value of consideration.
2. If the value of net assets of FKRMM is less than MYR 38.00 million as at 31 January 2018 and generates net profit after tax less than 85.00% of net profit which is MYR 6.00 million for the 12-month period ended 31 January 2018, total transaction value of MYR 53.00 million will be reduced in the same amount with the reduction of value of net asset and/or the same amount of the decline of net profit from the agreed amount.
3. In case the Company is unable to pay the 3<sup>rd</sup> payment and the 4<sup>th</sup> payment within the specified period, Consistent Record Sdn. Bhd. ("CRSB"), the Seller, can coordinate with NDR and notify its intention to use money obtained from selling of motorcycle tires and tubes (FKR Brand only) stored in FKRMM's warehouse to pay the remaining amount.

Additional important condition after completion of transaction is that the Samrittivanicha Family, the existing major shareholders of NDR, shall sell 32,000,000 units of existing warrants (NDR-W1) to CRSB within 1 month after the transaction is completed. CRSB must exercise 20,000,000 units of NDR-W1 and the Samrittivanicha Family must exercise 10,000,000 units of NDR-W1 on 15 June 2018, the exercise date. CRSM can decide to exercise any amount of warrants out of 12,000,000 unit of NDR-W1 it has on the last exercise date, 22 December 2018, provided that NDR shareholding proportion of CRSB shall not be more than 25.00% of NDR's total paid-up capital (At present, major shareholders are the Samrittivanicha Family which has NDR-W1 totalling 10,190,600 shares).

As at 30 June 2018, the Company is in the process of assessing the fair value of identifiable assets acquired and liabilities assumed at acquisition date.

### 3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Company and subsidiaries for the year ended 31 December 2017 with additional policy for:

#### Business combinations

The Company accounts business combinations for by using the acquisition method with the cost of the acquisition being the fair value at the acquisition date of consideration transferred, and the amount of any non-controlling interest in the acquiree. For each business combination, the Company measures the non-controlling interest, in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets.

Goodwill is measured as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquire, less the net recognized amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

The Company and subsidiaries have adopted the revised Thai Financial Reporting Standards, interpretations and guidance effective for annual accounting periods beginning on or after 1 January 2018. The changes were principally to align with the corresponding International Financial Reporting Standards, with most of the changes relating to the revision of wording and terminology, the provision of interpretations and accounting guidance to the users of the standards. The initial application of the revised Thai Financial Reporting Standards has no material effect on these interim financial statements of the Company and subsidiaries.

During the period, the Federation of Accounting Professions issued the Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" which is effective from 1 January 2019. Thai Financial Reporting Standard No. 15 presents new requirements for the recognition of revenue, replacing Thai Accounting Standard No. 18 "Revenue", Thai Accounting Standard No. 11 "Construction Contracts", and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas which limited in detail under existing Thai Financial Reporting Standards. The Company and subsidiaries will adopt this new standard when it becomes effective, and management is in the process to assess the impact on the financial statements in the period of initial application.

#### 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 2017.

#### 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 2018 and 2017 are as follows:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 30 June			
	Pricing Policy	2018	2017	2018	2017
Sales of goods					
-	Subsidiary companies	-	-	17,269,338	39,469
-	Indirect subsidiary company	-	-	55,234,709	-
-	Associated company	-	3,536,581	-	3,536,581
-	Related parties	809,907	1,417,158	809,907	1,417,158
Total		<u>809,907</u>	<u>4,953,739</u>	<u>73,313,954</u>	<u>4,993,208</u>
Purchase of raw materials					
-	Subsidiary company	-	-	725,175	909,500
-	Related parties	437,231	121,491	408,615	75,139
Total		<u>437,231</u>	<u>121,491</u>	<u>1,133,790</u>	<u>984,639</u>
Rental and other service income					
-	Subsidiary companies	-	-	486,897	504,012
-	Associated company	-	126,000	-	126,000
Total		<u>-</u>	<u>126,000</u>	<u>486,897</u>	<u>630,012</u>

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 30 June			
Pricing Policy		2018	2017	2018	2017
Rental expense					
- Director	Agreed price	27,000	27,000	27,000	27,000
<u>Key directors and management personnel compensation</u>					
	Short-term benefits	2,534,146	1,385,982	2,305,037	1,199,332
	Provision for post - employment benefit	15,499	15,499	13,899	13,899
Total		<u>2,549,645</u>	<u>1,401,481</u>	<u>2,318,936</u>	<u>1,213,231</u>

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the six-month periods ended 30 June			
Pricing Policy		2018	2017	2018	2017
Sales of goods					
- Subsidiary companies	Agreed price	-	-	65,513,234	55,809
- Indirect subsidiary company	Agreed price	-	-	55,234,709	-
- Associated company	Agreed price	-	7,962,344	-	7,962,344
- Related parties	Agreed price	1,677,664	3,745,445	1,677,664	3,745,445
Total		<u>1,677,664</u>	<u>11,707,789</u>	<u>122,425,607</u>	<u>11,763,598</u>
Purchase of raw materials					
- Subsidiary company	Agreed price	-	-	1,361,490	1,986,980
- Related parties	Agreed price	617,670	278,853	563,534	201,364
Total		<u>617,670</u>	<u>278,853</u>	<u>1,925,024</u>	<u>2,188,344</u>
Rental and other service income					
- Subsidiary companies	Agreed price	-	-	973,794	1,003,188
- Associated company	Agreed price	-	156,000	-	156,000
Total		<u>-</u>	<u>156,000</u>	<u>973,794</u>	<u>1,159,188</u>
Rental expense					
- Director	Agreed price	54,000	54,000	54,000	54,000
<u>Key directors and management personnel compensation</u>					
	Short-term benefits	5,054,843	2,771,964	3,580,092	2,398,664
	Provision for post-employment benefit	30,998	30,998	27,799	27,799
Total		<u>5,085,841</u>	<u>2,802,962</u>	<u>3,607,891</u>	<u>2,426,463</u>

As at 30 June 2018 and 31 December 2017, the outstanding balances with related parties are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<u>Trade accounts receivable – related parties</u>				
- Subsidiary companies	-	-	11,761,825	11,443,593
- Indirect subsidiary company	-	-	23,629,904	-
- Related parties	578,600	638,299	578,600	637,550
Total	578,600	638,299	35,970,329	12,081,143
<u>Amount due from subsidiary company</u>				
	-	-	321,320	1,059,708
<u>Trade accounts payable – related parties</u>				
- Subsidiary companies	-	-	522,502	495,945
- Related parties	387,559	110,327	370,343	80,648
Total	387,559	110,327	892,845	576,593
<u>Amount due to subsidiary company</u>				
	-	-	64,765	51,578
<u>Key management</u>				
Employee benefits obligation	440,939	363,444	359,473	331,574

## 6. TEMPORARY INVESTMENTS

	(Unit : Baht)	
	Consolidated and Separate F/S	
	30 June 2018	31 December 2017
Temporary investments		
Mutual Fund	1,854,786	3,019,104
Unrealized gain on changing in value of investment	987	2,214
Total	1,855,773	3,021,318

During the six-month period ended 30 June 2018, movements of temporary investments are as follows:

	(Unit : Baht)
	Consolidated and Separate F/S
Fair value as at 1 January 2018	3,021,318
Purchases	182,930,000
Disposals	(184,096,532)
Fair value adjustment	987
Fair value as at 30 June 2018	<u>1,855,773</u>

#### 7. TRADE ACCOUNTS RECEIVABLE – NET

As at 30 June 2018 and 31 December 2017, the aged of trade accounts receivable are as follows :

	Consolidated F/S		Separate F/S	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
<u>Trade accounts receivable – general customers</u>				
Not yet due	92,999,485	69,752,964	34,829,494	60,286,996
Over due :				
Less than 3 months	20,079,956	15,989,214	11,800,569	15,592,089
3 - 6 months	3,153,359	437,140	145,218	289,662
6 - 12 months	832,833	75,073	20,590	75,073
Over 12 months	3,948,842	1,547,057	1,432,233	1,547,057
Total	<u>121,014,475</u>	<u>87,801,448</u>	<u>48,228,104</u>	<u>77,790,877</u>
<u>Less</u> Allowance for doubtful accounts	(3,334,704)	(761,235)	(639,167)	(761,235)
Net	<u>117,679,771</u>	<u>87,040,213</u>	<u>47,588,937</u>	<u>77,029,642</u>
<u>Trade accounts receivable – related parties</u>				
Not yet due	290,600	348,249	30,172,882	3,298,624
Overdue:				
Less than 3 months	288,000	290,050	5,531,642	8,762,238
3 - 6 months	-	-	265,805	20,281
Net	<u>578,600</u>	<u>638,299</u>	<u>35,970,329</u>	<u>12,081,143</u>

During the six-month periods ended 30 June 2018 and, the movements in allowance for doubtful accounts as follow:

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2018	761,235	761,235
Addition from business combination	1,840,558	-
<u>Add</u> Allowance for doubtful accounts	804,488	-
<u>Less</u> Reversal of allowance for doubtful accounts	(122,068)	(122,068)
Exchange differences from financial statements translation	50,491	-
Balance as at 30 June 2018	<u>3,334,704</u>	<u>639,167</u>

8. INVENTORIES – NET

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Raw materials	26,591,542	18,600,429	26,286,703	18,156,931
Work in process	11,790,020	11,626,184	10,347,427	9,526,867
Finished goods	97,346,398	23,262,802	19,058,574	16,098,145
Supply inventories	3,420,637	3,049,190	2,941,893	2,697,263
Fuel	130,977	423,318	130,977	423,318
Packaging	3,380,032	3,087,618	3,248,909	3,087,618
Goods in transit	13,380,140	4,041,950	2,421,676	4,041,950
Total	<u>156,039,746</u>	<u>64,091,491</u>	<u>64,436,159</u>	<u>54,032,092</u>
<u>Less</u> Allowance for obsolete and devaluation of inventories	(2,829,477)	(683,167)	(435,872)	(215,738)
Inventories – net	<u>153,210,269</u>	<u>63,408,324</u>	<u>64,000,287</u>	<u>53,816,354</u>



During the six-month period ended 30 June 2018, the movements of allowances for obsolete and devaluation of inventories are as follows

	Consolidated F/S	(Unit : Baht) Separate F/S
	<hr/>	<hr/>
Balance as at 1 January 2018	683,167	215,738
Addition from business combination	2,928,721	-
<u>Add</u> Allowances for obsolete inventories	418,923	220,134
<u>Less</u> Reversal of allowances for obsolete inventories	(1,241,027)	-
Exchange differences from financial statements translation	39,693	-
Balance as at 30 June 2018	<hr/> <u>2,829,477</u>	<hr/> <u>435,872</u>

9. INVESTMENT IN SUBSIDIARIES

	Type of business	Paid-up share capital		Separate F/S				(Unit : Thousand Baht)
		31 December		Percentage of shareholding		Cost method		
		30 June 2018	31 December 2017	30 June 2018	31 December 2017	30 June 2018	31 December 2017	
<u>Direct subsidiaries</u>								
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	
Mascasey Trading Co., Ltd.	Distributing rubber products for automobile	1,000	1,000	50.00	50.00	500	500	
N.D. Energy Fusion Co., Ltd.	Research, manufacture and distribute of wireless electrical equipment and system	6,000	6,000	50.00	50.00	3,000	3,000	
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	Distributing rubber products for bicycle and motorcycle	161,028	-	100.00	-	407,117	-	
<u>Indirect subsidiaries</u>								
FKR Marketing SND. BHD.	Distributing motorcycle tyres and tubes	24,154	-	100.00	-	-	-	
GCB Trading SDN. BHD.	Distributing footwear	24,154	-	100.00	-	-	-	
Total investment in subsidiaries						416,215	9,098	

10. PROPERTY, PLANT AND EQUIPMENT – NET

During the six-month period ended 30 June 2018, 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 2018	484,337,429	472,976,143
Purchase of assets	19,763,772	18,105,235
Addition from business combination	180,077,411	-
Disposal of assets	(2,791)	-
Transfer to assets held for sale	(46,786)	(46,786)
Depreciation during the period	(20,755,178)	(16,734,893)
Exchange differences from financial statements translation	3,523,385	-
Net book value as at 30 June 2018	666,897,242	474,299,699

Land and construction are mortgaged as collaterals for credit facilities with a bank as mentioned in notes 12 and 13.

11. COMPUTER SOFTWARE – NET

During the six-month period ended 30 June 2018, the condensed movements in computer software are as follows:

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2018	3,327,447	3,234,052
Purchase of assets	274,432	94,432
<u>Less</u> Amortization for the period	(726,213)	(708,051)
Net book value as at 30 June 2018	2,875,666	2,620,433

12. BANK OVERDRAFT AND SHORT-TERM LOANS FROM BANKS

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Bank overdraft	582,933	2,175,999	-	-
Short-term loan	57,472,450	-	-	-
Promissory note	111,929,432	45,000,000	110,000,000	45,000,000
Liabilities under trust receipts	15,526,980	9,031,633	15,526,980	9,031,633
Total	<u>185,511,795</u>	<u>56,207,632</u>	<u>125,526,980</u>	<u>54,031,633</u>

As at 30 June 2018 and 31 December 2017, the Company has short-term loans credit facility 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 10 and personal guaranteed by certain Company's directors.

As at 30 June 2018 and 31 December 2017, 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.

As at 30 June 2018, the oversea subsidiary company has short term loans from bank bear interest rate at market rate and secured by pledge of freehold industrial land with office and factory of the Subsidiary Company, personal guarantee of a subsidiary company's director and guarantee by former major shareholder. Currently, the subsidiary is in process for changing the guarantor from former major shareholder to be the Company.

### 13. LONG-TERM LOAN

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

			(Unit : Baht)	
			Consolidated and Separate F/S	
	Interest rate per annum	Principal repayment conditions	30 June 2018	31 December 2017
Credit line of Baht 100 million	MLR – 3.00% p.a.	Monthly installment by Baht 1.65 million from August 2015 to June 2020, the remaining will final payment within July 2020.	43,900,000	53,800,000
<u>Less</u> Current portion			(21,450,000)	(21,450,000)
Long-term loan – net			<u>22,450,000</u>	<u>32,350,000</u>

Movements in the long – term loan for the six-month period ended 30 June 2018 is as follow :

	(Unit: Baht)
	Consolidated and Separate F/S
Balance as at 1 January 2018	53,800,000
<u>Less</u> Repayment	(9,900,000)
Balance as at 30 June 2018	<u>43,900,000</u>

Long – term loan is collateralized by the mortgages of the Company's land and construction as mentioned in note 10.

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.

#### 14. PAYABLE FOR PURCHASE OF INVESTMENT IN SUBSIDIARY COMPANY

Payable for purchase of investment in subsidiary company as at 30 June 2018 as follow :

	(Unit : Baht)
	Consolidated and Separate F/S
Payable for purchase of investment in subsidiary company	64,947,360
<u>Less</u> Deferred finance cost	(3,489,693)
	<hr/> 61,457,667
<u>Less</u> Current portion	(30,949,709)
Payable for purchase of investment in subsidiary company – net	<hr/> 30,507,958 <hr/>

#### 15. DIVIDEND PAYMENT

At the Annual General Meeting of shareholders for the year 2018 held on 30 March 2018, the shareholders approve the payment of a dividend from operating results for the year ended 31 December 2017 as follow:

- Stock dividend would be paid at the ratio of 40 existing ordinary share to 1 newly issue ordinary share for the existing shares of 270,850,000 shares, totalling of 6,771,250 newly issued ordinary shares. The par value of the newly issued ordinary share is 1 Baht per share, totalling Baht 6,771,250 or dividend rate of Baht 0.025 per share.
- Cash dividend would be paid at the rate of Baht 0.0028 per share for the existing shares at 270,850,000 shares, totalling Baht 0.76 million.

The dividend was paid on 24 April 2018.

#### 16. SHARE CAPITAL AND WARRANTS

##### 16.1 Share capital

On 18 January 2018, at the Extraordinary Shareholders' Meeting 2018 No.1/2018, the shareholders passed a resolution to approve the increase of the registered capital amount of Baht 55,000,000 as a part of FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD. from Baht 322,500,000 to Baht 377,500,000 for Private Placement. The Company registered the share capital increment with the Department of Business Development on 24 January 2018.

On 30 March 2018, at the 2018 Annual General Meeting, shareholders passed the resolution to approve the increase of registered capital for stock dividend and for the adjust right exercise warrant No.1 (NDR-W1) amount of 9,970,188 shares at the par value of Baht 1 per share. The Company registered the share capital increment with the Department of Business Development on 9 April 2018.

## 16.2 Warrants

On 30 March 2018, at the Annual General Meeting of shareholder 2018, shareholders passed the resolution to approve the adjustment of purchasing right for the exercise of warrant No.1 (NDR-W1) from exercise price of Baht 3 per share and exercise ratio 1 warrant per 1 ordinary shares to exercise price of Baht 2.93 per share and exercise ratio 1 warrant per 1.03 ordinary shares.

During the six-month period ended 30 June 2018, movements in number of warrants are as follow :

	Number of warrants (Units)
Balance as at 1 January 2018	106,649,454
Exercise of warrants	(30,000,000)
Balance as at 30 June 2018	76,649,454

## 17. EARNINGS PER SHARE

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

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

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

As discussed in Note 15, the Company has stock dividend at the ratio of 40 existing ordinary share to 1 newly issue ordinary share for the existing shares of 270,850,000 shares, totalling of 6,771,250 newly issued ordinary shares. The par value of the newly issued ordinary share is 1 Baht per share, totalling Baht 6,771,250 or dividend rate of Baht 0.025 per share. Consequently, the Company's basic earnings per share and diluted earnings per share for the three-month and six-month periods ended 30 June 2017 were changed as follows;

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month period ended 30 June 2017			
	Previously reported	Revised	Previously reported	Revised
<b>Basic earnings per share</b>				
Profit for the period portion of the Company's shareholders	3,504,833	3,504,833	2,665,916	2,665,916
Weighted average number of common shares (share)	215,151,111	221,922,361	215,151,111	221,922,361
Earnings per share (Baht)	0.02	0.02	0.01	0.01
<b>Diluted earnings per share</b>				
Profit for the period portion of the Company's shareholders	3,504,833	3,504,833	2,665,916	2,665,916
Weighted average number of common shares (share)	222,618,589	229,389,839	222,618,589	229,389,839
Earnings per share (Baht)	0.02	0.02	0.01	0.01

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	For the six-month period ended 30 June 2017			
	Previously reported	Revised	Previously reported	Revised
<b>Basic earnings per share</b>				
Profit for the period portion of the Company's shareholders	16,134,276	16,134,276	14,479,217	14,479,217
Weighted average number of common shares (share)	215,074,725	221,845,975	215,074,725	221,845,975
Earnings per share (Baht)	0.08	0.07	0.07	0.07
<b>Diluted earnings per share</b>				
Profit for the period portion of the Company's shareholders	16,134,276	16,134,276	14,479,217	14,479,217
Weighted average number of common shares (share)	230,175,624	236,946,874	230,175,624	236,946,874
Earnings per share (Baht)	0.07	0.07	0.06	0.06



18. SEGMENTAL FINANCIAL INFORMATION

The financial information classified by products, for the three-month and six-month periods ended 30 June 2018 and 2017 are presented as follow :

Consolidated F/S

For the three-month period ended 30 June 2018

(Unit : Thousand Baht)

	Tires		Tubes		Battery		Rubber part		Shoe		Others	Eliminated	Total
	Overseas		Domestic		Overseas		Domestic		Overseas				
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas			
Sales	56,799	162,690	34,890	34,187	11,152	14,887	8,230	1,242	251,201	(204,160)	47,041		
Cost of sales													
<b>Gross profit</b>													
Interest expenses													(4,052)
Depreciation and amortization													(11,171)
Profit before income tax													6,073
Trade accounts receivable -- general customers -- net													117,680
Property plant and equipment -- net													666,897
Other assets													430,966
<b>Total assets</b>													<b>1,215,543</b>
<b>Total liabilities</b>													<b>497,585</b>

(Unit : Thousand Baht)

Consolidated F/S

For the three-month period ended 30 June 2017

	Tires		Tubes		Battery Domestic	Rubber part Domestic	Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas					
Sales	44,733	68,614	33,600	14,585	12,734	14,899	12,984	(949)	201,200
Cost of sales									(183,372)
<b>Gross profit</b>									<u>17,828</u>
Interest expenses									(1,745)
Depreciation and amortization									(9,014)
Profit before income tax									5,296
Trade accounts receivable – general customers – net									84,682
Property plant and equipment – net									495,587
Other assets									138,644
<b>Total assets</b>									<u>718,913</u>
<b>Total liabilities</b>									<u>284,860</u>

(Unit : Thousand Baht)

Consolidated F/S

For the six-month period ended 30 June 2018

	Tires		Tubes		Battery		Rubber part		Shoe		Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas			
Sales	104,063	283,960	64,300	55,534	21,457	29,970	15,788	4,359	(122,106)	457,325			
Cost of sales										(384,931)			
<b>Gross profit</b>										<u>72,394</u>			
Interest expenses										(6,047)			
Depreciation and amortization										(21,481)			
Loss before income tax										(12,291)			
Trade accounts receivable – general customers – net										117,680			
Property plant and equipment – net										666,897			
Other assets										430,966			
<b>Total assets</b>										<u>1,215,543</u>			
<b>Total liabilities</b>										<u>497,585</u>			

(Unit : Thousand Baht)

Consolidated F/S

For the six-month period ended 30 June 2017

	Tires		Tubes		Battery		Rubber part		Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas			
Sales	97,378	144,142	75,253	29,160	24,901	30,353	17,884	(2,043)			417,028
Cost of sales											(370,951)
<b>Gross profit</b>											<u>46,077</u>
Interest expenses											(3,875)
Depreciation and amortization											(18,125)
Profit before income tax											19,875
Trade accounts receivable – general customers – net											84,682
Property plant and equipment – net											495,587
Other assets											138,644
<b>Total assets</b>											<u>718,913</u>
<b>Total liabilities</b>											<u>284,860</u>

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

Major customer

The Company does not have any major customer for the three-month and six-month periods ended 30 June 2018.

## 19. COMMITMENTS AND CONTINGENT LIABILITIES

19.1 As at 30 June 2018, the Company has commitments for construction factory building and machinery under installation of Baht 7.73 million.

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

Years	Baht
Not later than 1 year	299,400
Over 1 year not later than 5 years	182,000
Total	481,400

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

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

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

19.6 The Company and subsidiary have credit facilities and contingent liabilities from financial institution as at 30 June 2018 as follows :

	(Unit: Baht)		
	Consolidated F/S		
	Credit line	Used	Balance
<b>Credit facilities</b>			
Bank overdraft	39,500,000	582,933	38,917,067
Short-term loan	353,840,400	167,472,800	186,367,600
Long-term loan	67,000,000	43,900,000	23,100,000
Forward agreements	264,105,200	-	264,105,200
<b>Contingent liabilities</b>			
Letter of guarantee	12,000,000	6,442,472	5,557,528
Letter of credit and trust receipts (occasionally)	114,631,200	17,456,424	97,174,776
Bill for collection	33,000,000	-	33,000,000
Hire purchase	44,500,000	30,470,614	14,029,386

(Unit: Baht)

Separate F/S

	Credit line	Used	Balance
<b>Credit facilities</b>			
Bank overdraft	30,000,000	-	30,000,000
Short-term loan	243,000,000	110,000,000	133,000,000
Long-term loan	67,000,000	43,900,000	23,100,000
Forward agreements	260,000,000	-	260,000,000
<b>Contingent liabilities</b>			
Letter of guarantee	11,500,000	5,986,671	5,513,329
Letter of credit and trust receipts (occasionally)	90,000,000	15,526,980	74,473,020
Bill for collection	33,000,000	-	33,000,000
Hire Purchase	44,500,000	30,470,614	14,029,386

