



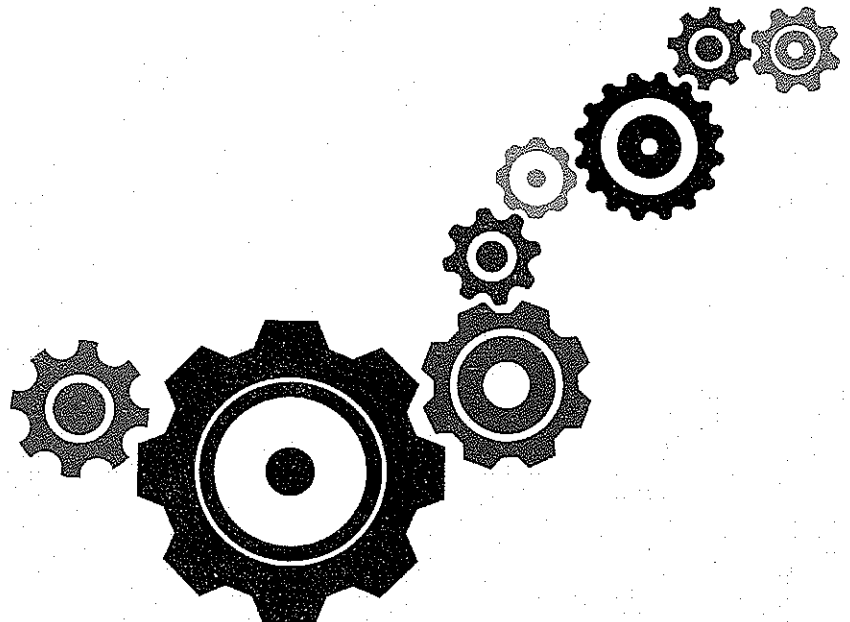
Auditor's Review Report and

Interim Consolidated Financial Statements of

N.D. Rubber Public Company Limited and its subsidiary

For the Three-Month and Nine-Month Periods Ended

30 September 2016





REVIEW REPORT OF INDEPENDENT AUDITOR

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

I have reviewed the consolidated statement of financial position as at 30 September 2016, the related consolidated statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2016, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2016, and condensed notes to the consolidated financial statements of N.D. Rubber Public Company Limited and its subsidiary. I have also reviewed the separate statement of financial position as at 30 September 2016, and the related separate statement of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2016, and the separate statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2016, and condensed notes to the financial statements of N.D. Rubber Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34, "Interim financial reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Standard on Review Engagements Code 2410 "Review of Interim Financial Information performed by the Independent Auditor of the Entity". A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion on the interim financial information.

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Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim financial reporting".

Other matters

The consolidated statement of financial position of N.D. Rubber Public Company Limited and its subsidiary and the separate statement of financial position of N.D. Rubber Public Company Limited as at 31 December 2015, presented as comparative information, were audited by other auditor in the same office as mine, who expressed an unmodified opinion thereon under his report dated 17 February 2016.

The consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2015, and the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2015 of N.D. Rubber Public Company Limited and its subsidiary and the separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2015, and the separate statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2015 of N.D. Rubber Public Company Limited, presented as comparative information, were reviewed by other auditor in the same office as mine, who concluded nothing has come to his attention that causes him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34, "Interim financial reporting" thereon under his report dated 6 November 2015.

Narin Churamongkol

Mr. Narin Churamongkol

Certified Public Accountant

Registration No. 8593

Bangkok, Thailand

11 November 2016

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		38,666,118	51,844,146	38,526,947	51,837,321
Temporary investments	6	15,187,820	2,871,820	15,187,820	2,871,820
Trade accounts receivable - general customers - net	7	89,770,572	82,842,043	79,569,075	73,401,906
- related parties	5, 7	1,262,590	1,180,608	1,268,047	1,183,074
Amount due from subsidiary company	5	-	-	295,320	945,880
Inventories - net	8	65,661,074	66,082,994	62,119,322	62,544,645
Refundable value added tax		5,940,297	4,543,037	5,940,297	4,543,037
Other current assets		3,396,527	3,633,959	3,252,943	3,467,731
Total Current Assets		219,884,998	212,998,607	206,159,771	200,795,414
NON - CURRENT ASSETS					
Restricted deposits with bank	9	-	5,350,000	-	5,350,000
Investment in subsidiary	10	-	-	5,597,800	5,597,800
Property, plant and equipment - net	11	501,441,110	448,008,239	494,329,090	439,716,710
Computer software - net	12	4,568,258	5,125,572	4,433,546	4,966,177
Deferred tax assets		122,983	74,349	-	-
Deposits		61,750	-	61,750	-
Total Non - Current Assets		506,194,101	458,558,160	504,422,186	455,630,687
TOTAL ASSETS		726,079,099	671,556,767	710,581,957	656,426,101

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

N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 September 2016	31 December 2015	30 September 2016	31 December 2015
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short - term loans from banks	13	92,708,861	57,285,117	89,673,636	52,429,192
Trade accounts payable - general suppliers		90,390,959	106,143,437	85,093,304	101,607,007
- related parties	5	85,351	110,270	676,377	777,699
Amount due to subsidiary company	5	-	-	67,436	62,979
Accounts payable for purchases of fixed assets		13,990,296	1,971,543	13,990,296	1,971,543
Current portion of liabilities under finance lease agreements	14	793,544	230,361	793,544	230,361
Current portion of long - term loan	15	19,800,000	21,450,000	19,800,000	21,450,000
Accrued income tax		4,036,485	687,272	3,823,532	433,540
Accrued expenses	16	10,249,270	7,674,197	9,041,720	7,089,098
Other current liabilities		1,550,407	1,796,642	861,680	1,530,297
Total Current Liabilities		233,605,173	197,348,839	223,821,525	187,581,716
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreements - net	14	3,578,142	-	3,578,142	-
Long - term loan - net	15	57,100,000	71,950,000	57,100,000	71,950,000
Employee benefits obligation	5	3,542,193	3,170,883	3,164,341	2,842,234
Deferred tax liabilities		7,564,682	6,280,168	7,564,682	6,280,168
Total Non - Current Liabilities		71,785,017	81,401,051	71,407,165	81,072,402
Total Liabilities		305,390,190	278,749,890	295,228,690	268,654,118

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

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

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 September 2016 (Unaudited but reviewed)	31 December 2015 (Audited)	30 September 2016 (Unaudited but reviewed)	31 December 2015 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
SHAREHOLDERS' EQUITY				
Share capital - ordinary share, Baht 1 par value				
Authorized - 215,000,000 shares	215,000,000	215,000,000	215,000,000	215,000,000
Issued and fully paid - up - 215,000,000 shares	215,000,000	215,000,000	215,000,000	215,000,000
Premium on share capital	104,814,298	104,814,298	104,814,298	104,814,298
Retained earnings				
- Appropriated for legal reserve	7,958,461	7,958,461	7,958,461	7,958,461
- Unappropriated	91,139,700	63,282,353	87,580,508	59,999,224
Other component of shareholders' equity	876,694	876,694	-	-
Total Equity of the Company's Shareholders	419,789,153	391,931,806	415,353,267	387,771,983
Non - controlling interests	899,756	875,071	-	-
Total Shareholders' Equity	420,688,909	392,806,877	415,353,267	387,771,983
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	726,079,099	671,556,767	710,581,957	656,426,101

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
Net sales	5, 19	217,300,944	200,505,451	203,875,676	189,358,246
Costs of sales	5, 19	(180,033,848)	(166,712,612)	(169,314,824)	(156,990,204)
Gross profit		37,267,096	33,792,839	34,560,852	32,368,042
Gain on exchange rate		3,028,490	-	3,028,382	-
Other income	5	1,059,907	886,073	1,567,661	1,008,213
Profit before expenses		41,355,493	34,678,912	39,156,895	33,376,255
Selling expenses		(3,591,542)	(3,660,337)	(3,414,267)	(3,563,618)
Administrative expenses	5	(12,852,564)	(13,146,981)	(11,957,670)	(12,293,575)
Loss on exchange rate		-	(1,815,568)	-	(1,815,568)
Total expenses		(16,444,106)	(18,622,886)	(15,371,937)	(17,672,761)
Profit before finance costs and income tax		24,911,387	16,056,026	23,784,958	15,703,494
Finance costs		(1,673,821)	(1,724,359)	(1,640,185)	(1,675,195)
Profit before income tax		23,237,566	14,331,667	22,144,773	14,028,299
Income tax		(4,929,335)	(2,755,192)	(4,679,151)	(2,701,070)
Profit for the period		18,308,231	11,576,475	17,465,622	11,327,229
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		18,308,231	11,576,475	17,465,622	11,327,229
Profit for the period attributable to:					
Shareholders of the Company		18,238,884	11,555,955	17,465,622	11,327,229
Non - controlling interests		69,347	20,520	-	-
		18,308,231	11,576,475	17,465,622	11,327,229
Total comprehensive income for the period attributable to:					
Shareholders of the Company		18,238,884	11,555,955	17,465,622	11,327,229
Non - controlling interests		69,347	20,520	-	-
		18,308,231	11,576,475	17,465,622	11,327,229
Basic earnings per share					
Profit (Baht per share)		0.08	0.05	0.08	0.05
Weighted average number of ordinary shares (share)		215,000,000	215,000,000	215,000,000	215,000,000

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2016	2015	2016	2015
Net sales	5, 19	632,165,664	584,328,949	592,768,058	548,115,117
Costs of sales	5, 19	(531,100,475)	(499,507,919)	(499,625,541)	(469,145,725)
Gross profit		101,065,189	84,821,030	93,142,517	78,969,392
Gain on exchange rate		3,046,983	-	3,046,875	-
Other income	5	3,818,641	3,511,659	7,507,573	5,989,824
Profit before expenses		107,930,813	88,332,689	103,696,965	84,959,216
Selling expenses		(13,906,569)	(10,478,665)	(13,510,547)	(10,182,263)
Administrative expenses	5	(35,589,934)	(39,216,370)	(32,925,901)	(36,681,013)
Loss on exchange rate		-	(2,409,728)	-	(2,409,728)
Total expenses		(49,496,503)	(52,104,763)	(46,436,448)	(49,273,004)
Profit before finance costs and income tax		58,434,310	36,227,926	57,260,517	35,686,212
Finance costs		(4,918,100)	(6,116,799)	(4,838,271)	(5,946,660)
Profit before income tax		53,516,210	30,111,127	52,422,246	29,739,552
Income tax		(12,536,090)	(5,109,335)	(11,941,154)	(4,603,592)
Profit for the period		40,980,120	25,001,792	40,481,092	25,135,960
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		40,980,120	25,001,792	40,481,092	25,135,960
Profit for the period attributable to:					
Shareholders of the Company		40,757,155	24,834,337	40,481,092	25,135,960
Non - controlling interests		222,965	167,455	-	-
		40,980,120	25,001,792	40,481,092	25,135,960
Total comprehensive income for the period attributable to:					
Shareholders of the Company		40,757,155	24,834,337	40,481,092	25,135,960
Non - controlling interests		222,965	167,455	-	-
		40,980,120	25,001,792	40,481,092	25,135,960
Basic earnings per share					
Profit (Baht per share)		0.19	0.12	0.19	0.12
Weighted average number of ordinary shares (share)		215,000,000	211,428,571	215,000,000	211,428,571

(Unaudited but reviewed)

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

(Unit : Baht)

	Equity attributable to owners of the Company											
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other components of shareholders' equity			Total equity attributable to owners of the Company	Non-controlling Interests	Total
				Legal reserve	Unappropriated	Surplus on change in proportion of investment in subsidiary company	shareholders' equity	Surplus on change in proportion of investment in subsidiary company				
Consolidated F/S												
Balance as at 1 January 2015		150,000,000	-	6,247,316	47,556,610	654,554	204,458,480	1,088,376	205,546,856			
Increase in share capital		65,000,000	103,728,731	-	-	-	168,728,731	-	168,728,731			
Dividend payment		-	-	-	(17,196,336)	-	(17,196,336)	-	(17,196,336)			
Dividend payment of subsidiary company		-	-	-	-	-	-	(194,525)	(194,525)			
Total comprehensive income for the period		-	-	-	24,834,337	-	24,834,337	167,455	25,001,792			
Balance as at 30 September 2015		215,000,000	103,728,731	6,247,316	55,194,611	654,554	380,825,212	1,061,306	381,886,518			
2016												
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	18	-	-	-	(12,899,808)	-	(12,899,808)	-	(12,899,808)			
Dividend payment of subsidiary company	18	-	-	-	-	-	-	(198,280)	(198,280)			
Total comprehensive income for the period		-	-	-	40,757,155	-	40,757,155	222,965	40,980,120			
Balance as at 30 September 2016		215,000,000	104,814,298	7,958,461	91,139,700	876,694	419,789,153	899,756	420,688,909			

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

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

(Unaudited but reviewed)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Legal reserve	Unappropriated	
<u>Separate F/S</u>						
Balance as at 1 January 2015		150,000,000	-	6,247,316	44,371,999	200,619,315
Increase in share capital		65,000,000	103,728,731	-	-	168,728,731
Dividend payment		-	-	-	(17,196,336)	(17,196,336)
Total comprehensive income for the period		-	-	-	25,135,960	25,135,960
Balance as at 30 September 2015		215,000,000	103,728,731	6,247,316	52,311,623	377,287,670
Balance as at 1 January 2016		215,000,000	104,814,298	7,958,461	59,999,224	387,771,983
Dividend payment	18	-	-	-	(12,899,808)	(12,899,808)
Total comprehensive income for the period		-	-	-	40,481,092	40,481,092
Balance as at 30 September 2016		215,000,000	104,814,298	7,958,461	87,580,508	415,353,267

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

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Cash Flows from Operating Activities				
Profit before income tax	53,516,210	30,111,127	52,422,246	29,739,552
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	25,055,776	20,267,542	22,851,614	17,329,178
Unrealized gain on temporary investments	(16,687)	(20,721)	(16,687)	(20,721)
Allowance (reversal of allowance) for doubtful accounts	811,197	(5,000)	811,197	(5,000)
Reversal of allowance for obsolete and devalue of inventories	(1,430)	(468,455)	(36,931)	(468,455)
Unrealized loss (gain) on exchange rate	(781,962)	1,580,079	(781,962)	1,580,079
Loss (gain) on disposal of assets	(432,652)	154,652	(428,561)	154,652
Written off assets	889,708	566,461	888,747	566,461
Dividend income	-	-	(2,210,144)	(2,168,164)
Employee benefits obligation expenses	300,248	358,638	258,935	320,225
Interest income	(50,735)	-	(50,735)	-
Interest expense	4,918,100	6,116,799	4,838,271	5,946,660
Cash provided from operations before changes in operating assets and liabilities	84,207,773	58,661,122	78,545,990	52,974,467
Decrease (increase) in operating assets:				
Trade accounts receivable - general customers	(7,815,386)	(12,839,365)	(7,054,025)	(13,748,522)
- related parties	(81,982)	(57,615)	(84,973)	(20,818)
Other receivable - subsidiary company	-	-	650,560	(1,649,960)
Inventories	423,349	1,571,770	462,253	1,863,891
Refundable value added tax	(1,397,260)	8,424,341	(1,397,260)	8,424,341
Other current assets	906,282	(191,704)	883,636	242,700
Deposits	(61,750)	44,841	(61,750)	9,650
Increase (decrease) in Operating Liabilities:				
Trade accounts payable - general suppliers	(15,755,643)	2,309,892	(16,516,868)	3,337,405
- related parties	(24,919)	(76,317)	(101,322)	(74,431)
Amount due to subsidiary company	-	-	4,457	-
Accounts payable for purchases of fixed assets	(1,971,543)	-	(1,971,543)	-
Accrued expenses	2,856,504	(909,255)	2,234,052	(1,508,556)
Other current liabilities	(246,235)	(664,607)	(668,617)	(773,080)
Cash provided from operations	61,039,190	56,273,103	54,924,590	49,077,087

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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unaudited but reviewed)

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2016	2015	2016	2015
Cash provided from operations (continued)	61,039,190	56,273,103	54,924,590	49,077,087
Interest received	50,735	-	50,735	-
Interest payment	(5,118,056)	(5,995,079)	(5,046,116)	(5,837,750)
Income tax payment	(7,950,999)	(7,304,525)	(7,266,649)	(6,912,958)
Net cash provided from operating activities	48,020,870	42,973,499	42,662,560	36,326,379
Cash Flows from Investing Activities:				
Proceeds from disposal of temporary investments	182,570,687	83,447,967	182,570,687	83,447,967
Purchase of temporary investments	(194,870,000)	(109,760,000)	(194,870,000)	(109,760,000)
Decrease in restricted deposits with bank	5,350,000	-	5,350,000	-
Proceeds from disposal of fixed assets	651,324	1,400,000	647,224	1,400,000
Purchase of fixed assets and computer software	(58,978,917)	(27,005,555)	(57,977,977)	(25,402,763)
Dividend received	-	-	2,210,144	2,168,164
Net cash used in investing activities	(65,276,906)	(51,917,588)	(62,069,922)	(48,146,632)
Cash Flows from Financing Activities				
Increase (decrease) in bank overdraft and short - term loans from banks	35,615,685	(129,115,183)	37,436,385	(126,413,176)
Repayment of liabilities under finance lease agreements	(1,929,176)	(1,737,795)	(1,929,176)	(1,737,795)
Repayment of long - term loan	(16,500,000)	(3,300,000)	(16,500,000)	(3,300,000)
Dividend payment	(13,108,501)	(17,366,033)	(12,910,221)	(17,171,508)
Paid for financial advisor for share distribution	-	(5,427,835)	-	(5,427,835)
Proceeds from share increment	-	175,500,000	-	175,500,000
Net cash provided from financing activities	4,078,008	18,553,154	6,096,988	21,449,686
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(13,178,028)	9,609,065	(13,310,374)	9,629,433
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	51,844,146	7,867,090	51,837,321	7,837,090
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	38,666,118	17,476,155	38,526,947	17,466,523
Supplemental disclosures for cash flows information				
Accounts payable for purchase of fixed assets	13,990,296	-	13,990,296	-
Transferred short - term loan to long - term loan	-	100,000,000	-	100,000,000
Purchase asset under finance lease	6,070,500	-	6,070,500	-

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

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

1. NATURE OF OPERATIONS

N.D. Rubber Public Company Limited was incorporated as a public company in Thailand, and has been listed in the 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 nine-month period ended 30 September 2016 and have been prepared in accordance with TAS No. 34 '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 2015.

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

These interim financial statements have been approved by the Company's Board of Directors on 11 November 2016.

2.2 Principles of consolidation

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

Subsidiary Company	Percentage of holding (%)		Nature of business
	30 September	31 December	
	2016	2015	
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 September 2016 and 31 December 2015 and total revenues for the three-month and nine-month periods ended 30 September 2016 and 2015, 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	
	30 September	31 December
	2016	2015
N.D. Interparts Co., Ltd.	3.04	3.34

Subsidiary company	Percentage of subsidiary's total revenues to consolidated total revenues			
	For the three-month periods ended		For the nine-month periods ended	
	30 June		30 June	
	2016	2015	2016	2015
N.D. Interparts Co., Ltd.	6.62	6.06	6.66	6.54

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with the accounting policies and computation adopted in the financial statements for the year ended 31 December 2015.

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

4. ESTIMATES

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

The judgments, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the annual financial statements for the year ended 31 December 2015.

5. TRANSACTIONS WITH RELATED PARTIES

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

Transactions with related parties for the three-month and nine-month periods ended 30 September 2016 and 2015 as follow:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 30 September			
	Pricing Policy	2016	2015	2016	2015
Sales of goods					
- Subsidiary company	Agreed price	-	-	34,400	35,370
- Related parties	Agreed price	2,740,121	2,822,639	2,740,121	2,822,639
Total		2,740,121	2,822,639	2,774,521	2,858,009

(Unit : Baht)

Pricing Policy	Consolidated F/S		Separate F/S	
	For the three-month periods ended 30 September			
	2016	2015	2016	2015
Purchase of raw materials				
- Subsidiary company	Agreed price	-	917,068	999,091
- Related parties	Agreed price	94,846	83,929	59,400
Total		94,846	1,000,997	1,058,491
Rental income				
- Subsidiary company	Agreed price	-	414,000	90,000
Service expense				
- Subsidiary company	Agreed price	-	93,756	-
Rental expense				
- Director	Agreed price	27,000	27,000	117,000
<u>Directors and key management personnel compensation</u>				
Short - term benefits		1,900,699	1,673,349	1,235,599
Post - employment benefit		15,499	13,899	12,592
Total		1,916,198	1,687,248	1,248,191

(Unit : Baht)

Pricing Policy	Consolidated F/S		Separate F/S	
	For the nine-month periods ended 30 September			
	2016	2015	2016	2015
Sales of goods				
- Subsidiary company	Agreed price	-	56,475	43,207
- Related parties	Agreed price	7,884,889	7,884,889	8,686,900
Total		7,884,889	7,941,364	8,730,107
Purchase of raw materials				
- Subsidiary company	Agreed price	-	2,670,055	2,044,894
- Related parties	Agreed price	333,938	238,885	405,422
Total		333,938	2,908,940	2,450,316
Rental income				
- Subsidiary company	Agreed price	-	1,242,000	270,000
Service expense				
- Subsidiary company	Agreed price	-	272,220	-

(Unit : Baht)

Pricing Policy	Consolidated F/S		Separate F/S		
	For the nine-month periods ended 30 September				
	2016	2015	2016	2015	
Dividend income					
- Subsidiary company					
	At shareholder meeting resolution	-	-	2,210,144	2,168,164
Rental expense					
- Director	81,000	351,000	81,000	351,000	
<u>Directors and key management personnel compensation</u>					
Short - term benefits	4,672,663	3,563,825	4,072,013	3,364,375	
Post - employment benefit	46,497	39,473	41,698	37,775	
Total	4,719,160	3,603,298	4,113,711	3,402,150	

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

(Unit : Baht)

Relationship	Consolidated F/S		Separate F/S		
	30 September	31 December	30 September	31 December	
	2016	2015	2016	2015	
<u>Trade accounts receivable - related parties</u>					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	5,457	2,466
T.Thai Charoen Service Co., Ltd.	Co-director	2,330	35,800	2,330	35,800
T.Thai Charoen Rubber Co., Ltd.	Co-director	12,270	18,370	12,270	18,370
Thai Saengareon Interpart Co., Ltd.	Co-director	622,400	634,000	622,400	634,000
S.M.K. Industry Co., Ltd.	Co-director	619,160	489,938	619,160	489,938
Siam Plast Wood Co., Ltd.	Co-director	2,350	2,500	2,350	2,500
Siam San Sin Co., Ltd.	Co-director	2,030	-	2,030	-
Thai Charoen Yang Service Co., Ltd.	Co-director	2,050	-	2,050	-
Total		1,262,590	1,180,608	1,268,047	1,183,074
<u>Amount due from subsidiary company</u>					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	295,320	945,880
<u>Trade accounts payable - related parties</u>					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	608,057	678,471
Thai Charoen Yang Service Co., Ltd.	Co-director	-	300	-	300
Thai Toyo Rubber Co., Ltd.	Family member of director	-	11,042	-	-
White House Plastic Limited Partnership	Family member of director	62,367	73,670	50,686	73,670
T.Thai Chareon Rubber Co., Ltd.	Co-director	22,984	25,258	17,634	25,258
Total		85,351	110,270	676,377	777,699

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
Relationship		30 September 2016	31 December 2015	30 September 2016	31 December 2015
<u>Amount due to subsidiary company</u>					
N.D. Interparts Co., Ltd.	Subsidiary	-	-	67,436	62,979
<u>Key management personnel compensation</u>					
Employee benefits obligation		329,250	239,452	303,026	220,382

6. TEMPORARY INVESTMENTS

		(Unit : Baht)	
		Consolidated and Separate F/S	
Temporary investments		30 September 2016	31 December 2015
Mutual Fund		15,171,133	2,869,146
Unrealized gain from changing in value of investment		16,687	2,674
Total		15,187,820	2,871,820

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

		(Unit : Baht)
		Consolidated and Separate F/S
Fair value as at 1 January 2016		2,871,820
Purchases		194,870,000
Disposals		(182,570,687)
Fair value adjustment		16,687
Fair value as at 30 September 2016		15,187,820

7. TRADE ACCOUNTS RECEIVABLE – NET

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

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
<u>Trade accounts receivable – general customers</u>				
Not yet due	69,982,126	65,839,718	59,790,301	56,429,033
Over due :				
Less than 3 months	17,963,084	11,544,616	17,953,412	11,515,164
3 - 6 months	397,253	4,260,586	397,253	4,260,586
6 - 12 months	381,152	1,124,962	381,152	1,124,962
Over 12 months	1,275,208	242,354	1,275,208	242,354
Total	89,998,823	83,012,236	79,797,326	73,572,099
Less Allowance for doubtful accounts	(228,251)	(170,193)	(228,251)	(170,193)
Net	89,770,572	82,842,043	79,569,075	73,401,906
<u>Trade accounts receivable – related parties</u>				
Not yet due	1,022,473	911,932	1,027,930	911,932
Over due :				
Less than 3 months	240,117	268,676	240,117	271,142
Net	1,262,590	1,180,608	1,268,047	1,183,074

8. INVENTORIES - NET

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Raw materials	15,224,240	14,569,149	14,882,321	14,285,937
Work in process	12,063,472	16,031,724	11,092,844	14,590,944
Finished goods	25,893,661	25,980,096	23,662,638	24,220,364
Supply inventories	2,709,225	2,968,663	2,306,737	2,545,233
Fuel	408,228	408,099	408,228	408,099
Packaging	2,863,328	2,673,251	2,863,328	2,673,251
Goods in transit	6,934,632	3,889,154	6,934,632	3,889,154
Total	<u>66,096,786</u>	<u>66,520,136</u>	<u>62,150,728</u>	<u>62,612,982</u>
<u>Less</u> Allowance for obsolete and devaluation of inventories	(435,712)	(437,142)	(31,406)	(68,337)
Inventories – net	<u>65,661,074</u>	<u>66,082,994</u>	<u>62,119,322</u>	<u>62,544,645</u>

9. RESTRICTED DEPOSITS WITH BANK

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

10. INVESTMENT IN SUBSIDIARY

Company	Type of business	(Unit : Thousand Baht)					
		Paid - up Shares capital		Percentage of Shareholding (%)		Separate F/S (Cost method)	
		30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015	30 Sep 2016	31 Dec 2015
N.D. Interparts Co., Ltd.	Manufacturing and distributing rubber and synthetic products for motorcycle and automobile	6,100	6,100	91.77	91.77	5,598	5,598

13. BANK OVERDRAFT AND SHORT TERM LOANS FROM BANK

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Bank overdraft	3,157,564	4,855,925	122,339	-
Promissory note	46,000,000	46,000,000	46,000,000	46,000,000
Liabilities under trust receipts	43,551,297	6,429,192	43,551,297	6,429,192
Total	92,708,861	57,285,117	89,673,636	52,429,192

As at 30 September 2016 and 31 December 2015, the Company and its subsidiary have credit facilities in form of bank overdraft, promissory note, liabilities under trust receipt agreements, letter of credit, and others totalling Baht 290 million. These short - term loans bear interest rates ranging from 2.90% - 6.40% per annum and 3.65% - 3.80% per annum, respectively, and are collateralized by the mortgages of the Company's land and construction as mentioned in Note 11 and personal guaranteed by certain Company's directors.

14. LIABILITIES UNDER FINANCE LEASE AGREEMENTS

	(Unit : Baht)	
	Consolidated and Separate F/S	
	30 September 2016	31 December 2015
Liabilities under finance lease agreements		
Due within one year	1,189,992	233,004
Due later than one year but not over three years	4,363,304	-
Total	5,553,296	233,004
<u>Less</u> Deferred interest	(1,181,610)	(2,643)
	4,371,686	230,361
<u>Less</u> Current portion	(793,544)	(230,361)
Liabilities under finance lease agreements – net	3,578,142	-

15. LONG – TERM LOAN

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

			(Unit : Baht)	
			Consolidated and Separate F/S	
	Interest rate per annum	Principal repayment conditions	30 September 2016	31 December 2015
Credit line of Baht 100 million	Years 1 - 5 : MLR – 3.00% p.a.	Monthly instalments by Baht 1.65 million from August 2015 to June 2020, the remaining will final payment within July 2020.	76,900,000	93,400,000
<u>Less</u> Current portion			(19,800,000)	(21,450,000)
Long - term loan - net			<u>57,100,000</u>	<u>71,950,000</u>

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

	(Unit: Baht)
	Consolidated and Separate F/S
Balance as at 1 January 2016	93,400,000
<u>Less</u> Repayment	(16,500,000)
Balance as at 30 September 2016	<u>76,900,000</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 is required to maintain covenants as specified in the agreement such as debt to equity and debt service coverage ratios, etc.

16. ACCRUED EXPENSES

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

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Accrued dividend	14,415	24,828	14,415	24,828
Accrued electricity expense	3,251,371	3,593,618	2,788,467	3,189,202
Accrued bonus	1,165,319	-	1,072,814	-
Other	5,818,165	4,055,751	5,166,024	3,875,068
Total	<u>10,249,270</u>	<u>7,674,197</u>	<u>9,041,720</u>	<u>7,089,098</u>

17. SHARE CAPITAL AND WARRANTS

At the Board of Directors Meeting No. 5/2016 held on 26 September 2016, the Board of Directors had the following resolutions;

Registered share capital

The Board of Directors passed the resolution to increase the Company's registered share capital from Baht 215,000,000 to Baht 322,500,000 by issuing 107,500,000 new ordinary shares at Baht 1 par value to support the exercise rights warrants (NDR-W1).

Warrants

The Board of Directors passed the resolution to issue 107,500,000 units of the warrants to the existing shareholders on 7 December 2016, at an offering ratio of 2 ordinary shares to 1 unit of free warrant. The warrants are issued for specific holders and transferable. The terms of the warrants do not exceed 2 years from the date of which they are granted with the exercise ratio of 1 warrant to 1 new ordinary share. The exercise price is Baht 3 per share, unless the exercise ratio is adjusted under the conditions of the rights adjustment. The warrant holders can exercise their warrants in June and December of each year. The first exercise date will be on 15 June 2017 and the last exercise date will be 22 December 2018.

The said increase the registered share capital and issue the warrants must be approved at the shareholders meeting.

18. DIVIDEND PAID

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

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

19. SEGMENT REPORTING

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

(Unit: Thousand Baht)

	Consolidated F/S							
	For the three-month periods ended 30 September							
	2016				2015			
	Domestic	Export	Eliminated	Total	Domestic	Export	Eliminated	Total
Sales	111,920	106,332	(951)	217,301	106,507	94,998	(999)	200,506
Cost of sales				180,034				(166,713)
Gross profit				<u>37,267</u>				<u>33,793</u>
Gain (loss) on exchange rate				3,029				(1,816)
Depreciation and amortization				(8,728)				(7,697)
Finance costs				(1,674)				(1,725)
Profit before income tax				<u>23,238</u>				<u>14,332</u>

(Unit: Thousand Baht)

	Consolidated F/S							
	For the nine-month periods ended 30 September							
	2016				2015			
	Domestic	Export	Eliminated	Total	Domestic	Export	Eliminated	Total
Sales	329,474	305,419	(2,727)	632,166	323,203	263,110	(1,984)	584,329
Cost of sales				(531,101)				(499,508)
Gross profit				<u>101,065</u>				<u>84,821</u>
Gain (loss) on exchange rate				3,047				(2,410)
Depreciation and amortization				(25,056)				(20,268)
Finance costs				(4,918)				(6,117)
Profit before income tax				<u>53,516</u>				<u>30,111</u>
Trade accounts receivable – general customers - net				89,771				97,818
Property plant and equipment - net				501,441				450,148
Other assets				134,867				129,281
Total assets				<u>726,079</u>				<u>677,247</u>
Total liabilities				<u>305,390</u>				<u>295,360</u>

20. INVESTMENT PROMOTION PRIVILEGES

The Company has received privileges under the Promotion of Investment Act B.E. 2520, as follows:

<u>Certificate No.</u>	<u>Date</u>	<u>Promoted activity types</u>	<u>Commencing date of revenues generated</u>	<u>Expire date</u>
59-0712-1-014-1-0	25 April 2016	manufacturing vehicle tires	1 October 2016	30 September 2019

The privileges include the following:

- Exemption from import duty on approved imported machinery.
- Exemption from corporate income tax on profits from the promoted activities not exceeding Baht 27,750,000 for a period of three years, commencing the date that income was first derived.
- Exemption from income tax on dividends paid to the shareholders from the profit of the promoted operations during the period in which the corporate income tax is exempted.

As a promoted company, the Company must comply with certain conditions and restrictions provided for in the promotional certificates.

21. FAIR VALUE MEASUREMENT

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

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

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

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

	(Unit : Thousand Baht)			
	30 September 2016			
	Level 1	Level 2	Level 3	Total
Financial assets				
Fixed income fund	15,188	-	-	15,188
Forward foreign exchange contracts	-	669	-	669
Total	15,188	669	-	15,857

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

	Foreign currencies	Contracts rates
SGD	2,109,612	25.8200-25.9500

23. COMMITMENTS

23.1 As at 30 September 2016, the Company has commitments for machinery under installation of Baht 1.23 million.

23.2 The Company has entered into sales office rental and advertising with Js.100. Under the terms of agreements, the Company is committed to pay as follows :

<u>Years</u>	<u>Baht</u>
Not later than 1 year	326,400
Over 1 year not later than 5 years	726,200
Total	<u>1,052,600</u>

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

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

24. OTHER

At the Board of Directors Meeting No. 5/2016 held on 26 September 2016, the Board of Directors passed the resolution to jointly establish a company with other two business partners to manufacture passenger car tire and truck tire. Currently, the Company is in the process of negotiation for mutual agreement.

25. EVENT AFTER THE REPORTING PERIOD

At the Board of Directors Meeting No. 6/2016 held on 11 November 2016, the Board of Directors passed the resolution to jointly establish a company with other two business partners, with the register share capital of Baht 1,000,000 (10,000 ordinary shares, at Baht 100 par value) for distributing motorcycle tires. Under the mutual agreement, the Company will have 50% shareholding in said company (50,000 ordinary shares, at Baht 100 par value, totalling Baht 500,000).



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Confidentiality statement