



Auditor's Review Report and
Consolidated Interim Financial Statements of

N.D. Rubber Public Company Limited and subsidiaries

For the Three-Month and Nine-Month Periods Ended
30 September 2018



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

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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 September 2018, and the related consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2018, the consolidated statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 2018, and condensed notes to the consolidated interim financial statements of N.D. Rubber Public Company Limited and its subsidiaries. I have also reviewed the accompanying separate statement of financial position as at 30 September 2018, and the related separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2018, the separate statements of changes in shareholders' equity and cash flows for the nine-month period ended 30 September 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.

Narin

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 September 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

8 November 2018

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

(Unit : Baht)

	Consolidated F/S		Separate F/S		
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	
	Notes	(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		136,980,122	51,298,196	28,416,090	40,782,534
Temporary investments	6	17,154,200	3,021,318	17,154,200	3,021,318
Trade accounts receivable - general customers - net	7	113,031,721	87,040,213	55,798,806	77,029,642
- related parties	5, 7	643,300	638,299	34,317,672	12,081,143
Amount due from subsidiary company	5	-	-	321,320	1,059,708
Inventories - net	8	145,443,049	63,408,324	64,229,345	53,816,354
Refundable value added tax		3,927,603	1,852,337	3,789,482	1,542,792
Refundable corporate income tax		11,009,498	721,983	721,983	721,983
Prepaid expense		-	4,795,366	-	3,007,866
Other current assets		10,184,724	2,991,828	4,220,788	2,954,951
Total Current Assets		438,374,217	215,767,864	208,969,686	196,018,291
NON-CURRENT ASSETS					
Investments in subsidiary companies	9	-	-	416,214,932	9,097,800
Property, plant and equipment - net	10	649,764,833	484,337,429	467,533,092	472,976,143
Computer software - net	11	2,489,882	3,327,447	2,257,487	3,234,052
Goodwill	2	89,598,412	-	-	-
Deferred tax assets		2,594,608	119,432	-	-
Total Non-Current Assets		744,447,735	487,784,308	886,005,511	485,307,995
TOTAL ASSETS		1,182,821,952	703,552,172	1,094,975,197	681,326,286

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>					
CURRENT LIABILITIES					
Bank overdraft and short-term loans from banks	12	154,274,346	56,207,632	122,972,146	54,031,633
Trade accounts payable - general suppliers		103,009,134	89,674,486	96,447,958	83,210,126
- related parties	5	794,803	110,327	1,279,818	576,593
Amount due to subsidiary company	5	-	-	65,933	51,578
Accounts payable for purchases of fixed assets		2,829,348	2,695,305	2,829,348	2,695,305
Current portion :					
- Liabilities under finance lease agreements		9,767,284	9,484,149	9,767,284	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	29,457,045	-	29,457,045	-
Accrued income tax		1,741,112	391,444	1,205,076	-
Accrued expenses		46,601,081	11,487,047	8,546,658	10,256,656
Other current liabilities		2,822,916	953,738	2,240,214	495,886
Total Current Liabilities		372,747,069	192,454,128	296,261,480	182,251,926
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements - net		21,315,929	28,596,717	21,315,929	28,596,717
Long-term loan - net	13	17,500,000	32,350,000	17,500,000	32,350,000
Payable for purchase of investment in subsidiary company - net	14	28,954,842	-	28,954,842	-
Employee benefits obligation		4,637,573	4,202,515	4,115,222	3,737,418
Deferred tax liabilities - net		19,584,481	9,443,304	10,012,988	9,443,304
Total Non-Current Liabilities		91,992,825	74,592,536	81,898,981	74,127,439
Total Liabilities		464,739,894	267,046,664	378,160,461	256,379,365

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

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)					
SHAREHOLDERS' EQUITY					
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		89,261,468	99,010,841	84,452,603	91,193,038
Other component of shareholders' equity		(5,996,758)	876,694	-	-
Total Equity of the Company's Shareholders		715,626,843	433,641,418	716,814,736	424,946,921
Non - controlling interests		2,455,215	2,864,090	-	-
Total Shareholders' Equity		718,082,058	436,505,508	716,814,736	424,946,921
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,182,821,952	703,552,172	1,094,975,197	681,326,286

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

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Net sales	18	271,569,767	212,503,370	194,878,220	195,931,325
Costs of sales	18	(217,042,509)	(194,111,701)	(175,003,901)	(181,344,355)
Gross profit		54,527,258	18,391,669	19,874,319	14,586,970
Gain on exchange rate		2,996,176	342,408	2,935,228	342,408
Other income		645,675	723,260	1,195,110	1,229,343
Profit before expenses		58,169,109	19,457,337	24,004,657	16,158,721
Selling expenses		(11,975,783)	(2,987,298)	(2,268,068)	(2,800,563)
Administrative expenses		(26,920,893)	(10,236,196)	(10,445,081)	(9,407,802)
Total expenses		(38,896,676)	(13,223,494)	(12,713,149)	(12,208,365)
Profit from operations		19,272,433	6,233,843	11,291,508	3,950,356
Equity in loss of associated company		-	(59,583)	-	-
Profit before financial costs and income tax		19,272,433	6,174,260	11,291,508	3,950,356
Financial costs	18	(2,822,673)	(1,348,531)	(2,196,953)	(1,333,603)
Profit before income tax		16,449,760	4,825,729	9,094,555	2,616,753
Income tax		(2,987,941)	(2,968,217)	(1,773,208)	(2,533,466)
Profit for the period		13,461,819	1,857,512	7,321,347	83,287
Other comprehensive income (loss) for the period					
Items that will be reclassified subsequently to profit or loss					
Exchange differences from foreign currency					
financial statements translation - net of income tax		(13,338,387)	-	-	-
Other comprehensive loss for the period		(13,338,387)	-	-	-
Total comprehensive income for the period		123,432	1,857,512	7,321,347	83,287

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

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Baht)

	Note	Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Profit (loss) for the period attributable to:					
Shareholders of the Company		13,756,077	1,703,688	7,321,347	83,287
Non-controlling interests		(294,258)	153,824	-	-
		<u>13,461,819</u>	<u>1,857,512</u>	<u>7,321,347</u>	<u>83,287</u>
Total comprehensive income (loss) for the period attributable to:					
Shareholders of the Company		417,690	1,703,688	7,321,347	83,287
Non-controlling interests		(294,258)	153,824	-	-
		<u>123,432</u>	<u>1,857,512</u>	<u>7,321,347</u>	<u>83,287</u>
Basic earnings per share					
Profit (Baht per share)	17	<u>0.0014</u>	<u>0.0077</u>	<u>0.0237</u>	<u>0.0004</u>
Weighted average number of ordinary shares (share)		<u>308,521,054</u>	<u>222,621,250</u>	<u>308,521,054</u>	<u>222,621,250</u>
Diluted earnings per share					
Profit (Baht per share)	17	<u>0.0013</u>	<u>0.0067</u>	<u>0.0233</u>	<u>0.0003</u>
Weighted average number of ordinary shares (share)		<u>313,700,192</u>	<u>252,546,184</u>	<u>313,700,192</u>	<u>252,546,184</u>

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unaudited but reviewed)

	Note	(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Net sales	18	728,895,221	629,530,953	538,426,376	584,648,398
Costs of sales	18	(601,973,587)	(565,062,217)	(494,928,498)	(529,329,442)
Gross profit		<u>126,921,634</u>	<u>64,468,736</u>	<u>43,497,878</u>	<u>55,318,956</u>
Gain on exchange rate		2,900,413	3,927,156	2,900,413	3,927,156
Other income		3,367,411	3,165,873	4,746,451	4,601,257
Profit before expenses		<u>133,189,458</u>	<u>71,561,765</u>	<u>51,144,742</u>	<u>63,847,369</u>
Selling expenses		(32,852,261)	(9,261,531)	(7,878,233)	(8,700,860)
Administrative expenses		(87,308,630)	(32,241,116)	(33,676,720)	(29,764,465)
Total expenses		<u>(120,160,891)</u>	<u>(41,502,647)</u>	<u>(41,554,953)</u>	<u>(38,465,325)</u>
Profit from operations		<u>13,028,567</u>	<u>30,059,118</u>	<u>9,589,789</u>	<u>25,382,044</u>
Equity in loss of associated company		-	(134,894)	-	-
Profit before finance costs and income tax		<u>13,028,567</u>	<u>29,924,224</u>	<u>9,589,789</u>	<u>25,382,044</u>
Finance costs	18	(8,869,905)	(5,223,775)	(6,923,491)	(5,183,583)
Profit before income tax		<u>4,158,662</u>	<u>24,700,449</u>	<u>2,666,298</u>	<u>20,198,461</u>
Income tax		(6,787,111)	(6,553,480)	(1,876,934)	(5,635,957)
Profit (loss) for the period		<u>(2,628,449)</u>	<u>18,146,969</u>	<u>789,364</u>	<u>14,562,504</u>
Other comprehensive income (loss) for the period					
Items that will be reclassified subsequently to profit or loss					
Exchange differences from foreign currency					
financial statements translation - net of income tax		(6,873,452)	-	-	-
Other comprehensive loss for the period		<u>(6,873,452)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period		<u>(9,501,901)</u>	<u>18,146,969</u>	<u>789,364</u>	<u>14,562,504</u>

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

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

	Note	(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		2018	2017	2018	2017
Profit (loss) for the period attributable to:					
Shareholders of the Company		(2,219,574)	17,837,964	789,364	14,562,504
Non-controlling interests		(408,875)	309,005	-	-
		<u>(2,628,449)</u>	<u>18,146,969</u>	<u>789,364</u>	<u>14,562,504</u>
Total comprehensive income (loss) for the period attributable to:					
Shareholders of the Company		(9,093,026)	17,837,964	789,364	14,562,504
Non-controlling interests		(408,875)	309,005	-	-
		<u>(9,501,901)</u>	<u>18,146,969</u>	<u>789,364</u>	<u>14,562,504</u>
Basic earnings (loss) per share					
Profit (loss) (Baht per share)	17	(0.0320)	0.0803	0.0028	0.0656
Weighted average number of ordinary shares (share)		<u>284,073,647</u>	<u>222,106,286</u>	<u>284,073,647</u>	<u>222,106,286</u>
Diluted earnings (loss) per share					
Profit (loss) (Baht per share)	17	(0.0314)	0.0708	0.0027	0.0578
Weighted average number of ordinary shares (share)		<u>289,252,785</u>	<u>252,001,220</u>	<u>289,252,785</u>	<u>252,001,220</u>

(Unaudited but reviewed)

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

(Unit : Baht)

	Equity attributable to the Company's shareholders									
	Notes	Retained earnings		Other components of shareholders' equity			Total equity attributable to the Company's shareholders		Non-controlling Interests	Total
		Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated	Surplus on change in proportion of investment in subsidiary company	Exchange differences on translating financial statement	Total		
Consolidated F/S										
Balance as at 1 January 2017		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)
Transactions with owners		215,850,000	106,514,298	10,708,461	82,826,667	876,694	876,694	416,776,120	987,972	417,764,092
Profit for the period		-	-	-	17,837,964	-	-	17,837,964	309,005	18,146,969
Total comprehensive income for the period		-	-	-	17,837,964	-	-	17,837,964	309,005	18,146,969
Balance as at 30 September 2017		215,850,000	106,514,298	10,708,461	100,664,631	876,694	876,694	434,614,084	1,296,977	435,911,061
Balance as at 1 January 2018		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)	-	-	-	-	-
Transactions with owners		92,671,250	205,937,000	-	(7,529,799)	-	-	291,078,451	-	291,078,451
Loss for the period		-	-	-	(2,219,574)	-	-	(2,219,574)	(408,875)	(2,628,449)
Other comprehensive loss for the period		-	-	-	-	-	(6,873,452)	(6,873,452)	-	(6,873,452)
Total comprehensive loss for the period		-	-	-	(2,219,574)	-	(6,873,452)	(9,093,026)	(408,875)	(9,501,901)
Balance as at 30 September 2018		308,521,250	312,451,298	11,389,585	89,261,468	876,694	(5,996,758)	715,626,843	2,455,215	718,082,058

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

(Unaudited but reviewed)

	Notes	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Legal reserve	Unappropriated	
Separate F/S						
Balance as at 1 January 2017		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)
Transactions with shareholders		215,850,000	106,514,298	10,708,461	78,345,503	411,418,262
Profit for the period		-	-	-	14,562,504	14,562,504
Total comprehensive income for the period		-	-	-	14,562,504	14,562,504
Balance as at 30 September 2017		215,850,000	106,514,298	10,708,461	92,908,007	425,980,766
Balance as at 1 January 2018						
Increase in share capital	16.1	215,850,000	106,514,298	11,389,585	91,193,038	424,946,921
Dividend payment	15	85,900,000	205,937,000	-	-	291,837,000
Stock dividend	15	6,771,250	-	-	(758,549)	(758,549)
Transactions with owners		92,671,250	205,937,000	-	(6,771,250)	-
Profit for the period		-	-	-	(7,529,799)	291,078,451
Total comprehensive income for the period		-	-	-	789,364	789,364
Balance as at 30 September 2018		308,521,250	312,451,298	11,389,585	84,452,603	716,814,736

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

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

(Unaudited but reviewed)

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash Flows from Operating Activities				
Profit before income tax	4,158,662	24,700,449	2,666,298	20,198,461
Adjustments to reconcile profit before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	32,978,071	27,329,818	26,599,507	25,563,074
Allowance (reversal of allowance) for doubtful accounts	1,941,465	(252,641)	135,384	(252,641)
Allowance (reversal of allowance) for obsolete and devaluation of inventories	(945,880)	111,872	220,063	51,554
Unrealized gain on exchange rate	(1,943,256)	(208,091)	(1,943,256)	(208,091)
Unrealized gain on changing in value of investment	(7,876)	(4,660)	(7,876)	(4,660)
Realized gain on disposal of temporary investments	(84,448)	(247,523)	(84,448)	(247,523)
Equity in loss of associate company	-	134,894	-	-
Loss (gain) on disposal of fixed assets	2,242	(198,641)	-	(233,900)
Employee benefits obligation expenses	339,240	319,464	293,146	275,794
Interest expense	8,869,905	5,223,775	6,923,491	5,183,583
Cash provided from operations before changes in operating assets and liabilities	45,308,125	56,908,716	34,802,309	50,325,651
Decrease (increase) in operating assets:				
Trade accounts receivable - general customers	26,991,072	914,855	21,095,452	3,221,446
- related parties	(5,001)	(11,375,369)	(22,237,278)	(11,394,477)
Amount due from subsidiary company	-	-	738,389	(163,748)
Inventories	4,928,711	(3,406,917)	(10,633,055)	(3,042,684)
Refundable value added tax	(2,075,266)	6,407,705	(2,246,690)	6,407,705
Other current assets	(1,631,682)	1,125,582	(1,207,078)	1,045,662
Increase (decrease) in operating liabilities:				
Trade accounts payable - general suppliers	12,230,637	(1,422,203)	13,275,118	(3,109,148)
- related parties	684,476	(18,222)	703,224	(76,400)
Amount due to subsidiary company	-	-	14,355	13,854
Accrued expenses	9,559,820	(2,793,259)	(1,841,551)	(2,932,985)
Other current liabilities	1,869,178	(422,882)	1,744,330	(112,165)
Cash provided from operations	<u>97,860,070</u>	<u>45,918,006</u>	<u>34,207,525</u>	<u>40,182,711</u>

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

(Unaudited but reviewed)

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2018	2017	2018	2017
Cash provided from operations (continued)	97,860,070	45,759,646	34,207,525	40,024,351
Interest paid	(8,774,087)	(5,140,825)	(6,838,833)	(5,110,095)
Income tax refunded	279,681	-	-	-
Income tax paid	(9,477,203)	(8,023,368)	(102,174)	(7,139,140)
Net cash provided from operating activities	79,888,461	32,595,453	27,266,518	27,775,116
Cash Flows from Investing Activities:				
Proceeds from disposal of temporary investments	232,659,442	214,590,157	232,659,442	214,590,157
Purchase of temporary investments	(246,700,000)	(196,370,000)	(246,700,000)	(196,370,000)
Purchase of investment in subsidiary	(42,173,267)	-	(142,576,979)	-
Purchase of fixed assets and computer software	(19,630,839)	(22,125,592)	(17,409,300)	(17,642,909)
Accounts payable for purchases of fixed assets	(2,695,305)	(158,360)	(2,695,305)	(158,360)
Proceeds from disposal of fixed assets	549	386,916	-	386,916
Net cash provided from (used in) investing activities	(78,539,420)	(3,676,879)	(176,722,142)	805,804
Cash Flows from Financing Activities				
Increase (decrease) in bank overdraft and short-term loans from banks	18,946,908	(6,290,756)	69,026,830	(6,028,454)
Repayment of long-term loan	(14,850,000)	(14,850,000)	(14,850,000)	(14,850,000)
Repayment of liabilities under finance lease agreements	(6,997,655)	(6,755,298)	(6,997,655)	(6,755,298)
Dividend payment	(626,995)	(20,866,514)	(626,995)	(20,866,514)
Proceeds from exercise of warrants	90,537,000	2,550,000	90,537,000	2,550,000
Net cash provided from (used in) financing activities	87,009,258	(46,212,568)	137,089,180	(45,950,266)
Exchange differences from foreign currency financial statements translation	(2,676,373)	-	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	85,681,926	(17,135,634)	(12,366,444)	(17,210,986)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	51,298,196	55,673,741	40,782,534	55,578,708
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	136,980,122	38,538,107	28,416,090	38,367,722
Supplemental disclosures for cash flows information				
Non-cash items				
Accounts payable for purchases of fixed assets	2,829,348	393,937	2,829,348	393,937
Payable for purchase of investment in subsidiary	58,411,887	-	58,411,887	-
Other receivable from sales of fixed assets - subsidiary company	-	-	-	2,339,252
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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 nine-month periods ended 30 September 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 8 November 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 September	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 SDN.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 September 2018 and 31 December 2017 and total revenues for the three-month and nine-month periods ended 30 September 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 September 2018	31 December 2017	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
			2018	2017	2018	2017
N.D. Interparts Co., Ltd.	1.82	3.87	4.48	8.15	4.91	7.57
Mascasey Trading Co., Ltd.	0.62	1.62	1.67	-	2.02	-
N.D. Energy Fusion Co., Ltd.	0.35	0.81	-	-	-	-
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	26.54	-	39.33	-	35.60	-

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 follows:

	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 the first installment for investment of MYR 4.20 million or equivalent to Baht 33.29 million and the 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 subsidiaries as at 31 January 2018, which approximate to the value at the acquisition date on 2 February 2018, are summarised below:

	Baht
Assets	
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
Liabilities	
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 nine-month period ended 30 September 2018 as follows:

	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 4.20 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 3rd payment and the 4th 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. CRSB 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 September 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 its subsidiaries for the year ended 31 December 2017, except as below.

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 following new Thai Financial Reporting Standards:

- Thai Financial Reporting Standard No. 15 "Revenue from Contracts with Customers" (TFRS 15)

TFRS 15 is effective from 1 January 2019, and 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 are limited in detail under existing Thai Financial Reporting Standards.

- Thai Financial Reporting Standards for "Financial Instruments"

TFRSs for financial instruments are effective from 1 January 2020 and has new requirements relating to the definition, recognition, classification, measurement, impairment of financial assets and liabilities, as well as providing guidance on hedge accounting.

The Company and subsidiaries will adopt these new standards when they become 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 related 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 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 2018 and 2017 are as follows:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 30 September			
	Pricing Policy	2018	2017	2018	2017
Sales of goods					
-	Subsidiary companies	Agreed price	-	5,288,326	38,763
-	Indirect subsidiary company	Agreed price	-	79,797,469	-
-	Associated company	Agreed price	11,172,061	-	11,172,061
-	Related parties	Agreed price	872,803	777,664	872,803
Total		872,803	11,949,725	85,958,598	11,988,488
Purchase of raw materials					
-	Subsidiary company	Agreed price	-	802,650	2,339,252
-	Related parties	Agreed price	1,013,998	961,984	-
Total		1,013,998	-	1,764,634	2,339,252
Rental and other service income					
-	Subsidiary companies	Agreed price	-	486,898	501,828
-	Associated company	Agreed price	78,000	-	78,000
Total		-	78,000	486,898	579,828
Rental expense					
-	Director	Agreed price	27,000	27,000	27,000
Key directors and management personnel compensation					
	Short-term benefits	3,351,334	1,555,169	1,971,765	1,393,169
	Provision for post - employment benefit	15,499	15,499	13,899	13,899
Total		3,366,833	1,570,668	1,985,664	1,407,068

(Unit : Baht)

	Pricing Policy	Consolidated F/S		Separate F/S	
		For the nine-month periods ended 30 September			
		2018	2017	2018	2017
Sales of goods					
- Subsidiary companies	Agreed price	-	-	70,801,560	94,572
- Indirect subsidiary company	Agreed price	-	-	135,032,178	-
- Associated company	Agreed price	-	19,134,405	-	19,134,405
- Related parties	Agreed price	2,550,467	4,523,109	2,550,467	4,523,109
Total		2,550,467	23,657,514	208,384,205	23,752,086
Sales of assets					
- Subsidiary companies	Agreed price	-	-	-	2,339,252
Purchase of raw materials					
- Subsidiary company	Agreed price	-	-	2,164,140	2,686,555
- Related parties	Agreed price	1,631,668	371,264	1,525,518	282,917
Total		1,631,668	371,264	3,689,658	2,969,472
Rental and other service income					
- Subsidiary companies	Agreed price	-	-	1,460,692	1,505,016
- Associated company	Agreed price	-	234,000	-	234,000
Total		-	234,000	1,460,692	1,739,016
Rental expense					
- Director	Agreed price	81,000	81,000	81,000	81,000
Key directors and management personnel compensation					
Short-term benefits		8,406,177	4,695,835	5,551,857	4,133,556
Provision for post-employment benefit		46,497	46,497	41,698	41,698
Total		8,452,674	4,742,332	5,593,555	4,175,254

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

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Trade accounts receivable – related parties</u>				
- Subsidiary companies	-	-	10,079,974	11,443,593
- Indirect subsidiary company	-	-	23,594,398	-
- Related parties	643,300	638,299	643,300	637,550
Total	<u>643,300</u>	<u>638,299</u>	<u>34,317,672</u>	<u>12,081,143</u>
<u>Amount due from subsidiary company</u>	<u>-</u>	<u>-</u>	<u>321,320</u>	<u>1,059,708</u>
<u>Trade accounts payable – related parties</u>				
- Subsidiary companies	-	-	527,136	495,945
- Related parties	794,803	110,327	752,682	80,648
Total	<u>794,803</u>	<u>110,327</u>	<u>1,279,818</u>	<u>576,593</u>
<u>Amount due to subsidiary company</u>	<u>-</u>	<u>-</u>	<u>65,933</u>	<u>51,578</u>
<u>Key management</u>				
Employee benefits obligation	<u>479,687</u>	<u>363,444</u>	<u>373,423</u>	<u>331,574</u>

6. TEMPORARY INVESTMENTS

	(Unit : Baht)	
	Consolidated and Separate F/S	
	30 September 2018	31 December 2017
Temporary investments		
Mutual Fund	17,146,324	3,019,104
Unrealized gain on changing in value of investment	7,876	2,214
Total	<u>17,154,200</u>	<u>3,021,318</u>

During the nine-month period ended 30 September 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	246,700,000
Disposals	(232,574,994)
Fair value adjustment	7,876
Fair value as at 30 September 2018	17,154,200

7. TRADE ACCOUNTS RECEIVABLE – NET

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

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<u>Trade accounts receivable – general customers</u>				
Not yet due	84,758,041	69,752,964	39,280,633	60,286,996
Over due :				
Less than 3 months	23,153,447	15,989,214	15,549,797	15,592,089
3 - 6 months	5,435,551	437,140	483,777	289,662
6 - 12 months	267,642	75,073	16,590	75,073
Over 12 months	3,867,112	1,547,057	1,364,628	1,547,057
Total	117,481,793	87,801,448	56,695,425	77,790,877
<u>Less</u> Allowance for doubtful accounts	(4,450,072)	(761,235)	(896,619)	(761,235)
Net	113,031,721	87,040,213	55,798,806	77,029,642
<u>Trade accounts receivable – related parties</u>				
Not yet due	293,200	348,249	26,992,027	3,298,624
Overdue:				
Less than 3 months	350,100	290,050	7,325,645	8,762,238
3 - 6 months	-	-	-	20,281
Net	643,300	638,299	34,317,672	12,081,143

During the nine-month period ended 30 September 2018 and, the movements in allowance for doubtful accounts are as follows:

	(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	1,941,465	135,384
Exchange differences from financial statements translation	(93,186)	-
Balance as at 30 September 2018	4,450,072	896,619

8. INVENTORIES – NET

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Raw materials	25,534,401	18,600,429	25,300,066	18,156,931
Work in process	13,208,502	11,626,184	11,598,312	9,526,867
Finished goods	95,878,635	23,262,802	20,489,115	16,098,145
Supply inventories	3,342,174	3,049,190	2,849,941	2,697,263
Fuel	413,014	423,318	413,014	423,318
Packaging	4,097,035	3,087,618	4,014,698	3,087,618
Goods in transit	5,587,884	4,041,950	-	4,041,950
Total	148,061,645	64,091,491	64,665,146	54,032,092
<u>Less</u> Allowance for obsolete and devaluation of inventories	(2,618,596)	(683,167)	(435,801)	(215,738)
Inventories – net	145,443,049	63,408,324	64,229,345	53,816,354

During the nine-month period ended 30 September 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	774,361	220,063
<u>Less</u> Reversal of allowances for obsolete inventories	(1,720,241)	-
Exchange differences from financial statements translation	(47,412)	-
Balance as at 30 September 2018	<hr/> 2,618,596 <hr/>	<hr/> 435,801 <hr/>

9. INVESTMENTS IN SUBSIDIARIES

(Unit : Thousand Baht)

	Type of business	Paid-up share capital				Separate F/S			
		30 September 2018		31 December 2017		Percentage of shareholding		Cost method	
		2018	2017	30 September 2018	31 December 2017	30 September 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		

12. BANK OVERDRAFT AND SHORT-TERM LOANS FROM BANKS

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Bank overdraft	-	2,175,999	-	-
Short-term loan	31,302,200	-	-	-
Promissory note	112,000,000	45,000,000	112,000,000	45,000,000
Liabilities under trust receipts	10,972,146	9,031,633	10,972,146	9,031,633
Total	154,274,346	56,207,632	122,972,146	54,031,633

As at 30 September 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 September 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 September 2018, the overseas 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)

	Interest rate per annum	Principal repayment conditions	Consolidated and Separate F/S	
			30 September 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.	38,950,000	53,800,000
<u>Less</u> Current portion			(21,450,000)	(21,450,000)
Long-term loan – net			<u>17,500,000</u>	<u>32,350,000</u>

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

	(Unit: Baht) Consolidated and Separate F/S
	<hr/>
Balance as at 1 January 2018	53,800,000
<u>Less</u> Repayment	(14,850,000)
Balance as at 30 September 2018	<hr/> <hr/> 38,950,000

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 September 2018 is as follow:

	(Unit : Baht) Consolidated and Separate F/S
	<hr/>
Payable for purchase of investment in subsidiary company	61,901,580
<u>Less</u> Deferred finance cost	(3,489,693)
	<hr/> 58,411,887
<u>Less</u> Current portion	(29,457,045)
Payable for purchase of investment in subsidiary company – net	<hr/> <hr/> 28,954,842

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 are as follows:

- 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 0.028 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 nine-month period ended 30 September 2018, movements in number of warrants are as follows:

	Number of warrants (Units)
Balance as at 1 January 2018	106,649,454
Exercise of warrants	(30,000,000)
Balance as at 30 September 2018	<u>76,649,454</u>

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 mentioned 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 nine-month periods ended 30 September 2017 were changed as follows;

	(Unit: Baht)			
	Consolidated F/S		Separate F/S	
	For the three-month period ended 30 September 2017			
	Previously reported	Revised	Previously reported	Revised
Basic earnings per share				
Profit for the period portion of the Company's shareholders	1,703,688	1,703,688	83,287	83,287
Weighted average number of ordinary shares (share)	215,850,000	222,621,250	215,850,000	222,621,250
Earnings per share (Baht)	0.0079	0.0077	0.0004	0.0004
Diluted earnings per share				
Profit for the period portion of the Company's shareholders	1,703,688	1,703,688	83,287	83,287
Weighted average number of ordinary shares (share)	245,774,934	252,546,184	245,774,934	252,546,184
Earnings per share (Baht)	0.0069	0.0067	0.0003	0.0003

(Unit: Baht)

	Consolidated F/S		Separate F/S	
	For the nine-month period ended 30 September 2017			
	Previously reported	Revised	Previously reported	Revised
Basic earnings per share				
Profit for the period portion of the Company's shareholders	17,837,964	17,837,964	14,562,504	14,562,504
Weighted average number of ordinary shares (share)	215,335,036	222,106,286	215,335,036	222,106,286
Earnings per share (Baht)	0.0828	0.0803	0.0676	0.0656
Diluted earnings per share				
Profit for the period portion of the Company's shareholders	17,837,964	17,837,964	14,562,504	14,562,504
Weighted average number of ordinary shares (share)	245,229,970	252,001,220	245,229,970	252,001,220
Earnings per share (Baht)	0.0727	0.0708	0.0594	0.0578

18. SEGMENTAL FINANCIAL INFORMATION

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

Consolidated F/S

For the three-month period ended 30 September 2018

(Unit : Thousand Baht)

	Tires		Tubes		Battery		Rubber part		Shoe	Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas				
Sales	55,773	167,997	32,562	50,652	15,308	16,015	11,010	8,141	(85,888)			271,570
Cost of sales												(217,043)
Gross profit												<u>54,527</u>
Interest expenses												(2,823)
Depreciation and amortization												(11,497)
Profit before income tax												16,450
Trade accounts receivable – general customers – net												113,032
Property plant and equipment – net												649,765
Other assets												420,025
Total assets												<u>1,182,822</u>
Total liabilities												<u>464,740</u>

(Unit : Thousand Baht)

Consolidated F/S

For the three-month period ended 30 September 2017

	Tires		Tubes		Battery	Rubber part	Shoe	Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Domestic	Overseas			
Sales	59,600	65,521	46,914	12,267	16,989	17,311	-	9,705	(15,804)	212,503
Cost of sales										(194,111)
Gross profit										18,392
Interest expenses										(1,349)
Depreciation and amortization										(9,205)
Profit before income tax										4,826
Trade accounts receivable – general customers – net										93,032
Property plant and equipment – net										489,792
Other assets										130,161
Total assets										712,985
Total liabilities										277,074

(Unit : Thousand Baht)

Consolidated F/S

For the nine-month period ended 30 September 2018

	Tires		Tubes		Battery		Rubber part		Shoe	Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas				
Sales	159,836	451,957	96,862	106,186	36,765	45,985	26,798	12,504	(207,998)	728,895	(601,974)	
Cost of sales											126,921	
Gross profit												
Interest expenses											(8,870)	
Depreciation and amortization											(32,978)	
Profit before income tax											4,159	
Trade accounts receivable – general customers – net											113,032	
Property plant and equipment – net											649,765	
Other assets											420,025	
Total assets											<u>1,182,822</u>	
Total liabilities											<u>464,740</u>	

(Unit : Thousand Baht)

Consolidated F/S

For the nine-month period ended 30 September 2017

	Tires		Tubes		Battery	Rubber part	Shoe	Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Domestic	Overseas			
Sales	156,978	209,663	122,167	41,427	41,890	47,664	-	27,589	(17,847)	629,531
Cost of sales										(565,062)
Gross profit										64,469
Interest expenses										(5,224)
Depreciation and amortization										(27,330)
Profit before income tax										24,700
Trade accounts receivable – general customers – net										93,032
Property plant and equipment – net										489,792
Other assets										130,161
Total assets										712,985
Total liabilities										277,074

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 nine-month periods ended 30 September 2018.

19. COMMITMENTS AND CONTINGENT LIABILITIES

19.1 As at 30 September 2018, the Company has commitments for construction factory building and machinery under installation of Baht 12.08 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	272,400
Over 1 year not later than 5 years	127,400
Total	399,800

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 subsidiaries have credit facilities and contingent liabilities from financial institution as at 30 September 2018 as follows :

	(Unit: Baht)		
	Consolidated F/S		
	Credit line	Used	Balance
Credit facilities			
Bank overdraft	39,500,000	-	39,500,000
Short-term loan	220,644,925	143,302,200	77,342,725
Long-term loan	38,950,000	38,950,000	-
Forward agreements	63,912,775	-	63,912,775
Contingent liabilities			
Letter of guarantee	12,000,000	6,457,666	5,542,335
Letter of credit and trust receipts (occasionally)	113,476,650	22,304,443	91,172,207
Bill for collection	33,000,000	-	33,000,000
Hire purchase	28,312,050	28,312,050	-

(Unit: Baht)

Separate F/S

	Credit line	Used	Balance
Credit facilities			
Bank overdraft	30,000,000	-	30,000,000
Short-term loan	115,000,000	112,000,000	3,000,000
Long-term loan	38,950,000	38,950,000	-
Forward agreements	60,000,000	-	60,000,000
Contingent liabilities			
Letter of guarantee	11,500,000	5,979,066	5,520,934
Letter of credit and trust receipts (occasionally)	90,000,000	22,304,443	67,695,557
Bill for collection	33,000,000	-	33,000,000
Hire Purchase	28,312,050	28,312,050	-

