



Auditor's Review Report and
Consolidated Interim Financial Statements of

N.D. Rubber Public Company Limited and subsidiaries

For the Three-Month and Six-Month Periods
Ended 30 June 2020



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

Grant Thornton Limited
11th Floor, Capital Tower
All Seasons Place
87/1 Wireless Road
Lumpini, Pathumwan
Bangkok 10330, Thailand

T +66 2 205 8222
F +66 2 654 3339

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

I have reviewed the accompanying consolidated and separate statements of financial position of N.D. Rubber Public Company Limited and subsidiaries as at 30 June 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended 30 June 2020, the related consolidated and separate statement of changes in shareholders' equity and cash flows for the six-month period then ended, and condensed notes to the interim financial statements. 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.

Nanin

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".



Mr. Narin Churamongkol
Certified Public Accountant
Registration No. 8593

Grant Thornton Limited
Bangkok
13 August 2020

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		96,376,926	72,656,164	14,282,719	5,894,619
Temporary investments	6	167,928	254,982	167,928	254,982
Trade accounts receivable - general customers - net	7	80,400,600	114,330,615	47,809,512	45,768,319
- related parties	5, 7	1,077,925	565,654	20,567,379	32,331,010
Other accounts receivable - general customers		2,620,679	3,172,988	-	-
- subsidiary company	5	-	-	-	88,283
Inventories - net	8	96,544,600	120,261,132	41,669,764	43,577,795
Refundable value added tax		6,067,623	4,722,095	6,067,623	4,440,763
Refundable corporate income tax		11,208,831	9,740,135	-	-
Other current assets		6,954,123	4,754,840	6,848,892	4,706,852
Total Current Assets		301,419,235	330,458,605	137,413,817	137,062,623
NON-CURRENT ASSETS					
Investments in subsidiary companies	9	-	-	419,514,932	420,014,932
Property, plant and equipment - net	10	552,416,844	617,393,695	386,047,305	445,609,234
Right-of-use assets - net	11	44,285,169	-	44,285,169	-
Intangible assets - net	12	109,166,371	113,345,928	390,400	887,656
Deferred tax assets		9,665,627	155,646	-	-
Total Non-Current Assets		715,534,011	730,895,269	850,237,806	866,511,822
TOTAL ASSETS		1,016,953,246	1,061,353,874	987,651,623	1,003,574,445

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		30 June 2020	31 December 2019	30 June 2020	31 December 2019
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short-term loans from banks	13	148,225,530	173,045,595	143,493,408	148,032,960
Trade accounts payable - general suppliers		34,735,523	49,820,530	32,742,862	45,459,467
- related parties	5	-	523,245	362,730	926,813
Other payable - subsidiary company	5	-	-	58,589	52,747
Accounts payable for purchases of fixed assets		230,923	480,182	230,923	480,182
Payable for purchases of investments in subsidiary		-	-	2,900,000	2,900,000
Current portion :					
- Liabilities under finance lease agreements		-	10,691,908	-	10,691,908
- Lease liabilities		11,284,082	-	11,284,082	-
- Long-term loan	14	7,600,000	14,200,000	7,600,000	14,200,000
Accrued income tax		495,790	353,110	449,742	-
Accrued expenses		30,349,738	36,141,179	8,602,081	9,598,846
Other current liabilities		10,161,882	8,490,825	10,037,619	8,252,220
Total Current Liabilities		243,083,468	293,746,574	217,762,036	240,595,143
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements - net		-	9,237,464	-	9,237,464
Lease liabilities - net		5,702,254	-	5,702,254	-
Employee benefits obligation		8,908,697	8,358,244	7,635,851	7,167,994
Deferred tax liabilities - net		46,054,297	47,344,571	9,470,471	10,142,737
Total Non-Current Liabilities		60,665,248	64,940,279	22,808,576	26,548,195
Total Liabilities		303,748,716	358,686,853	240,570,612	267,143,338

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

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 June 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY (Continued)				
SHAREHOLDERS' EQUITY				
Share capital - ordinary share, Baht 1 par value				
Authorized - 387,470,188 shares	387,470,188	387,470,188	387,470,188	387,470,188
Issued and fully paid-up - 315,391,514 shares	315,391,514	315,391,514	315,391,514	315,391,514
Premium on share capital	325,711,286	325,711,286	325,711,286	325,711,286
Retained earnings				
- Appropriated for legal reserve	11,911,000	11,911,000	11,911,000	11,911,000
- Unappropriated	95,472,320	89,902,464	94,067,211	83,417,307
Other component of shareholders' equity	(37,137,839)	(41,112,145)	-	-
Total Equity of the Company's Shareholders	711,348,281	701,804,119	747,081,011	736,431,107
Non-controlling interests in subsidiaries	1,856,249	862,902	-	-
Total Shareholders' Equity	713,204,530	702,667,021	747,081,011	736,431,107
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,016,953,246	1,061,353,874	987,651,623	1,003,574,445

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
Net sales	5, 15	157,533,163	221,127,943	115,425,854	160,512,913
Costs of sales	5, 15	(119,854,735)	(187,082,078)	(102,483,501)	(149,295,253)
Gross profit		37,678,428	34,045,865	12,942,353	11,217,660
Gain (loss) on exchange rate		(230,364)	3,248,384	(230,364)	3,248,384
Dividend income	9	-	-	-	16,526,508
Others income	5	754,668	2,023,703	1,048,228	1,072,312
Profit before expenses		38,202,732	39,317,952	13,760,217	32,064,864
Selling expenses		(7,352,265)	(11,328,784)	(1,412,354)	(2,542,380)
Administrative expenses		(19,623,459)	(25,521,984)	(9,209,741)	(10,731,791)
Total expenses		(26,975,724)	(36,850,768)	(10,622,095)	(13,274,171)
Profit before financial costs and income tax		11,227,008	2,467,184	3,138,122	18,790,693
Financial costs	15	(1,899,210)	(2,762,142)	(1,739,479)	(2,667,430)
Profit (loss) before income tax		9,327,798	(294,958)	1,398,643	16,123,263
Income tax benefit (expense)		(472,479)	132,051	(118,287)	(28,457)
Profit (loss) for the period		8,855,319	(162,907)	1,280,356	16,094,806
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		(19,740,484)	(16,208,901)	-	-
Other comprehensive income (loss) for the period - net of income tax		(19,740,484)	(16,208,901)	-	-
Total comprehensive income (loss) for the period		(10,885,165)	(16,371,808)	1,280,356	16,094,806

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

FOR THE THREE-MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Profit (loss) for the period attributable to:				
Shareholders of the Company	8,903,432	(211,225)	1,280,356	16,094,806
Non-controlling interests	(48,113)	48,318	-	-
	<u>8,855,319</u>	<u>(162,907)</u>	<u>1,280,356</u>	<u>16,094,806</u>
Total comprehensive income (loss) for the period attributable to:				
Shareholders of the Company	(10,837,052)	(16,420,126)	1,280,356	16,094,806
Non-controlling interests	(48,113)	48,318	-	-
	<u>(10,885,165)</u>	<u>(16,371,808)</u>	<u>1,280,356</u>	<u>16,094,806</u>
Basic earnings (loss) per share				
Profit (loss) (Baht per share)	0.0282	(0.0007)	0.0041	0.0510
Weighted average number of ordinary shares (share)	<u>315,391,514</u>	<u>315,391,514</u>	<u>315,391,514</u>	<u>315,391,514</u>

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
Net sales	5, 15	325,382,134	415,413,298	236,342,270	300,769,350
Costs of sales	5, 15	(257,497,101)	(350,134,476)	(210,913,546)	(282,470,780)
Gross profit		67,885,033	65,278,822	25,428,724	18,298,570
Gain (loss) on exchange rate		(34,249)	3,783,409	(34,249)	3,783,409
Dividend income	9	-	-	11,166,000	16,526,508
Others income	5	3,345,619	4,126,673	2,363,315	2,428,870
Profit before expenses		71,196,403	73,188,904	38,923,790	41,037,357
Selling expenses		(16,485,096)	(22,588,691)	(3,917,487)	(6,983,052)
Administrative expenses		(44,090,655)	(51,256,978)	(19,868,634)	(20,746,582)
Total expenses		(60,575,751)	(73,845,669)	(23,786,121)	(27,729,634)
Profit (loss) before financial costs and income tax		10,620,652	(656,765)	15,137,669	13,307,723
Financial costs	15	(4,012,293)	(4,651,076)	(3,560,580)	(4,335,681)
Profit (loss) before income tax		6,608,359	(5,307,841)	11,577,089	8,972,042
Income tax benefit (expense)		(163,426)	129,161	62,476	(121,025)
Profit (loss) for the period		6,444,933	(5,178,680)	11,639,565	8,851,017
Other comprehensive income (loss)					
Items that will be reclassified subsequently to profit or loss					
Exchange differences from foreign currency					
financial statements translation - net of income tax		3,974,306	(16,742,693)	-	-
Other comprehensive income (loss) for the period - net of income tax		3,974,306	(16,742,693)	-	-
Total comprehensive income (loss) for the period		10,419,239	(21,921,373)	11,639,565	8,851,017

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

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Profit (loss) for the period attributable to:				
Shareholders of the Company	6,559,517	(5,096,455)	11,639,565	8,851,017
Non-controlling interests	(114,584)	(82,225)	-	-
	<u>6,444,933</u>	<u>(5,178,680)</u>	<u>11,639,565</u>	<u>8,851,017</u>
Total comprehensive income (loss) for the period attributable to:				
Shareholders of the Company	10,533,823	(21,839,148)	11,639,565	8,851,017
Non-controlling interests	(114,584)	(82,225)	-	-
	<u>10,419,239</u>	<u>(21,921,373)</u>	<u>11,639,565</u>	<u>8,851,017</u>
Basic earnings (loss) per share				
Profit (loss) (Baht per share)	0.0208	(0.0162)	0.0369	0.0281
Weighted average number of ordinary shares (share)	<u>315,391,514</u>	<u>315,391,514</u>	<u>315,391,514</u>	<u>315,391,514</u>

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

(Unaudited but reviewed)

(Unit : Baht)

	Equity attributable to the Company's shareholders									
	Note	Retained earnings			Other components of shareholders' equity			Total equity attributable to the Company's shareholders		
		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 statements	Total	Non-controlling Interests	Total
Consolidated F/S										
Balance as at 1 January 2019	315,391,514	325,711,286	11,509,585	119,308,192	876,694	(10,892,582)	(10,015,888)	761,904,689	2,422,001	764,326,690
Surplus on change in proportion of investment in subsidiary company	-	-	-	-	(326,225)	-	(326,225)	(326,225)	326,225	-
Decrease in non-controlling interests during the period	-	-	-	-	-	-	-	-	(1,420,001)	(1,420,001)
Dividend payment	-	-	-	(9,461,715)	-	-	-	(9,461,715)	-	(9,461,715)
Dividend payment of subsidiary company	-	-	-	-	-	-	-	-	(123,450)	(123,450)
Transactions with owners	-	-	-	(9,461,715)	(326,225)	-	(326,225)	(9,787,940)	(1,217,226)	(11,005,166)
Loss for the period	-	-	-	(5,096,455)	-	-	-	(5,096,455)	(82,225)	(5,178,680)
Other comprehensive loss for the period	-	-	-	-	-	(16,742,693)	(16,742,693)	(16,742,693)	-	(16,742,693)
Total comprehensive loss for the period	-	-	-	(5,096,455)	-	(16,742,693)	(16,742,693)	(21,839,148)	(82,225)	(21,921,373)
Balance as at 30 June 2019	315,391,514	325,711,286	11,509,585	104,750,022	550,469	(27,635,275)	(27,084,806)	790,277,601	1,122,550	791,400,151
Balance as at 1 January 2020 - as previous reported	315,391,514	325,711,286	11,911,000	89,902,464	550,469	(41,562,614)	(41,112,145)	701,804,119	862,902	702,667,021
Cumulative effect of changes in accounting policy for impairment - financial asset	-	-	-	(989,661)	-	-	-	(989,661)	-	(989,661)
Balance as at 1 January 2020 - adjusted	315,391,514	325,711,286	11,911,000	88,912,803	550,469	(41,562,614)	(41,112,145)	700,814,458	862,902	701,677,360
Sold of investment in subsidiary company	-	-	-	-	-	-	-	-	1,107,931	1,107,931
Transactions with owners	-	-	-	-	-	-	-	-	1,107,931	1,107,931
Profit (loss) for the period	-	-	-	6,559,517	-	-	-	6,559,517	(114,584)	6,444,933
Other comprehensive income for the period	-	-	-	-	-	3,974,306	3,974,306	3,974,306	-	3,974,306
Total comprehensive income (loss) for the period	-	-	-	6,559,517	-	3,974,306	3,974,306	10,533,823	(114,584)	10,419,239
Balance as at 30 June 2020	315,391,514	325,711,286	11,911,000	95,472,320	550,469	(37,666,308)	(37,137,839)	711,346,281	1,856,249	713,202,530

3

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

(Unaudited but reviewed)

(Unit : Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Legal reserve	Unappropriated	
Balance as at 1 January 2019		315,391,514	325,711,286	11,509,585	85,252,139	737,864,524
Dividend payment		-	-	-	(9,461,715)	(9,461,715)
Transactions with owners		-	-	-	(9,461,715)	(9,461,715)
Profit for the period		-	-	-	8,851,017	8,851,017
Total comprehensive income for the period		-	-	-	8,851,017	8,851,017
Balance as at 30 June 2019		315,391,514	325,711,286	11,509,585	84,641,441	737,253,826
Balance as at 1 January 2020 - as previous reported		315,391,514	325,711,286	11,911,000	83,417,307	736,431,107
Cumulative effect of changes in accounting policy for impairment - financial asset	3	-	-	-	(989,661)	(989,661)
Balance as at 1 January 2020 - adjusted		315,391,514	325,711,286	11,911,000	82,427,646	735,441,446
Profit for the period		-	-	-	11,639,565	11,639,565
Total comprehensive income for the period		-	-	-	11,639,565	11,639,565
Balance as at 30 June 2020		315,391,514	325,711,286	11,911,000	94,067,211	747,081,011

Separate F/S

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

STATEMENT OF CASH FLOWS

FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
	(Unit : Baht)			
Cash Flows from Operating Activities				
Profit (loss) before income tax	6,608,359	(5,307,841)	11,577,089	8,972,042
Adjustments to reconcile profit (loss) before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	23,087,360	23,808,351	17,602,942	17,586,853
Allowance (reversal of allowance) for impairment losses	2,006,389	(2,342,016)	2,003,866	(37,735)
Allowance (reversal of allowance) for obsolete and devaluation of inventories	(1,156,130)	121,829	(28,153)	(27,507)
Unrealized gain on exchange rate	(321,739)	(2,842,184)	(321,739)	(2,842,184)
Unrealized gain on temporary investment	-	(158)	-	(158)
Realized gain on disposal of temporary investments	(800)	(488,774)	(800)	(488,774)
Gain on disposal of assets	(44,734)	(260,957)	(48,000)	-
Loss on written off inventories	-	3,884	-	-
Loss on written off assets	571,626	3,863	571,626	-
Loss on written off intangible assets	-	148,789	-	-
Dividend income	-	-	(11,166,000)	(16,526,508)
Employee benefits obligation expenses	412,540	1,809,158	349,580	1,738,375
Interest income	(10,440)	-	(5,672)	-
Interest expense	4,012,293	4,651,076	3,560,580	4,335,681
Cash provided from operations before changes in operating assets and liabilities	35,164,724	19,305,020	24,095,319	12,710,085
Decrease (increase) in operating assets:				
Trade accounts receivable - general customers	30,541,739	21,723,528	(5,034,720)	5,183,397
- related parties	(375,580)	(33,725)	11,913,162	2,137,759
Amount due from subsidiary company	-	65,125	75,443	2,260,201
Inventories	17,713,357	8,764,583	1,936,184	(2,656,711)
Refundable value added tax	(1,345,528)	(154,127)	(1,626,861)	42,991
Other current assets	(1,924,676)	1,064,582	(2,042,041)	(650,967)
Increase (decrease) in operating liabilities:				
Trade accounts payable - general suppliers	(4,731,229)	9,915,275	(12,716,605)	8,894,222
- related parties	(523,245)	(145,905)	(564,083)	(394,016)
Other payable - related parties	-	-	5,842	1,502
Accrued expenses	(5,690,577)	(9,139,608)	(996,764)	(1,062,427)
Other current liabilities	1,671,323	7,686,290	1,785,398	6,104,767
Cash provided from operations	70,500,308	59,051,038	16,830,274	32,570,803

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX-MONTH PERIODS ENDED 30 JUNE

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash provided from operations (continued)	70,500,308	59,051,038	16,830,274	32,570,803
Interest received	10,440	-	5,672	-
Interest paid	(3,874,408)	(3,525,983)	(3,442,303)	(3,210,588)
Income tax paid	(5,995,960)	(5,733,810)	(160,048)	(820,798)
Refunded of income tax	-	72,983	-	-
Net cash provided from operating activities	60,640,380	49,864,228	13,233,595	28,539,417
Cash Flows from Investing Activities:				
Proceeds from disposal of temporary investments	87,854	65,160,885	87,854	65,160,885
Purchase of temporary investments	-	(58,370,000)	-	(58,370,000)
Proceeds from disposal of investment in subsidiary	400,000	-	400,000	-
Purchase of fixed assets and computer software	(2,451,206)	(9,307,620)	(2,171,628)	(7,742,568)
Accounts payable for purchases of fixed assets	(480,182)	(893,001)	(480,182)	(893,001)
Proceeds from disposal of fixed assets	61,151	260,957	50,000	-
Dividend received	-	-	11,166,000	16,526,508
Net cash provided from (used in) investing activities	(2,382,383)	(3,148,779)	9,052,044	14,681,824
Cash Flows from Financing Activities				
Increase (decrease) in bank overdraft and short-term loans from banks	(24,635,017)	(34,440,889)	(4,354,503)	(7,032,550)
Repayment of long-term loan	(6,600,000)	(9,900,000)	(6,600,000)	(9,900,000)
Repayment of lease liabilities	(2,943,036)	(4,883,268)	(2,943,036)	(4,883,268)
Dividend payment	-	(9,586,743)	-	(9,463,293)
Net cash used in financing activities	(34,178,053)	(58,810,900)	(13,897,539)	(31,279,111)
Exchange differences from foreign currency financial statements translation	(359,182)	(8,061,540)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	23,720,762	(20,156,991)	8,388,100	11,942,130
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	72,656,164	131,239,455	5,894,619	35,646,069
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	96,376,926	111,082,464	14,282,719	47,588,199
Supplemental disclosures for cash flows information				
Non-cash items				
Accounts payable for purchases of fixed assets	230,924	752,980	230,924	752,980
Payable for purchase of investment in subsidiary	2,900,000	2,900,000	2,900,000	2,900,000
Accrued dividend payable	152,774	152,525	152,774	152,525

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED 30 JUNE 2020 (Unaudited but reviewed)

1. NATURE OF OPERATIONS

N.D. Rubber Public Company Limited was incorporated as a public company in Thailand, and has been listed in the Market for Alternative Investment. The Company and subsidiaries are engaged in manufacturing and distributing motorcycle tyres and tubes, and distributing battery for automobile and motorcycle, including other related services, and manufacturing and distributing rubber and synthetic products for automobile and motorcycle, and researching, manufacturing and distributing of wireless electrical equipment and system and distributing footwear.

2. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION AND CONSOLIDATION

2.1 Basis for interim financial statements preparation

The interim financial statements are for the three-month and six-month periods ended 30 June 2020 and have been prepared in accordance with Thai Accounting Standard No. 34 (revised 2019), "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 2019.

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 13 August 2020.

2.2 Basis of consolidation

The consolidated interim financial statements are prepared by include the financial statements of N.D. Rubber Public Company Limited and subsidiaries and prepared by applying the same basis as applied for the preparation of consolidated financial statements for the year ended 31 December 2019. There has been no significant change in the subsidiaries during the period except for disclosed in Note 9.

Subsidiaries which the Company can exercise control or holdings shares with voting right more than 50% as follow:

Subsidiary Companies	Percentage of holding (%)		Nature of business
	30 June 2020	31 December 2019	
<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	Distributing tyres and tubes for motorcycle
N.D. Energy Fusion Co., Ltd.	98.33	98.33	Researching, manufacturing and distributing of wireless electrical equipment and system
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	100.00	100.00	Distributing of bicycle motorcycle and tyres and tubes and other rubber related product
<u>Indirect</u>			
FKR MARKETING SND.BHD.	100.00	100.00	Distributing bicycle and motorcycle tyres and tubes
GCB TRADING SDN.BHD.	100.00	100.00	Distributing footwear

Significant transactions with subsidiaries have been eliminated in the consolidated financial statements.

The consolidated financial statements have been prepared with the same accounting policies for the separate financial statements for the same accounting transactions or accounting events.

The total assets of subsidiaries as at 30 June 2020 and 31 December 2019 and total revenues for the three-month and six-month periods ended 30 June 2020 and 2019, as included in the consolidated financial statements presented in term of percentages as follow:

Subsidiary company	Percentage of subsidiary's total assets to consolidated total assets		Percentage of subsidiary's total revenues to consolidated total revenues			
	30 June 2020	31 December 2019	For the three-month period ended 30 June		For the six-month period ended 30 June	
			2020	2019	2020	2019
N.D. Interparts Co., Ltd.	1.84	1.96	2.32	4.38	3.91	4.84
Mascasey Trading Co., Ltd.	-	0.80	-	2.13	-	1.95
N.D. Energy Fusion Co., Ltd.	0.36	0.34	-	-	-	-
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	24.31	25.81	38.84	35.66	37.83	36.00

3. SIGNIFICANT ACCOUNTING POLICIES

These interim financial statements have been prepared using the same accounting policies used in the preparation of the financial statements of the Company and subsidiaries for the year ended 31 December 2019, except for the adoption of the new and revised Thai Financial Reporting Standards, interpretations and guidance effective for annual accounting periods beginning on or after 1 January 2020 as follows:

3.1 Thai Financial Reporting Standards related to "Financial instruments"

TFRS 7	Financial instruments: Disclosure
TFRS 9	Financial instruments
TAS 32	Financial instrument: Presentation
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRS has present new requirements on the classification and measurement of financial assets and financial liabilities, impairment methodology and hedge accounting, replacing the accounting standards, guidance and interpretations relevant to financial instruments which are currently effective.

The Company and subsidiaries management has assessed the potential impact on the financial statement of Thai Financial Reporting Standards related to "Financial instruments" as follow:

Classification and measurement of financial assets and financial liabilities

Financial assets

Financial assets for debt instrument contain three principal classification categories: measured at amortize cost, fair value through profit or loss, fair value through other comprehensive income based on the business model of the Company and its subsidiaries in which they are managed and based on the cash flow characteristics of the financial asset.

Financial assets measured at amortize cost shall be calculated using effective interest rate in statement of profit or loss.

Financial assets for equity instrument are measured at fair value through profit or loss. The Company and subsidiaries considered to recognize financial assets at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss

Financial liabilities

Financial liabilities which classified and measured at amortize cost. Interest expenses calculated by using effective interest rate in statement of profit or loss.

Except for derivative liabilities which classified and measured at fair value through profit or loss unless hedge accounting is applied.

The classification and measurement under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Company's and subsidiaries' financial assets and financial liabilities as at 1 January 2020.

(Unit : Baht)

Consolidate F/S			
Classification under previous standards as at 31 December 2019		Classification under TFRS 9 as at 1 January 2020	
Transactions	Carrying amounts	Fair value through profit or loss	Amortized cost - net
Financial assets			
Cash and cash equivalent	72,656,164	-	72,656,164
Temporary investments	254,982	254,982	-
Trade accounts receivable	114,896,269	-	114,896,269
Other receivables	3,172,988	-	3,172,988
Total	190,980,403	254,982	190,725,421
Financial liabilities			
Bank overdraft and short-term loans from banks	173,045,595	-	173,045,595
Trade accounts payable	50,343,775	-	50,343,775
Accounts payable for purchases of fixed assets	480,182	-	480,182
Long-term loan	14,200,000	-	14,200,000
Liabilities under finance lease agreements	19,929,372	-	19,929,372
Total	257,998,924	-	257,998,924

(Unit : Baht)

Separate F/S

Classification under previous standards as at 31 December 2019		Classification under TFRS 9 as at 1 January 2020	
Transactions	Carrying amounts	Fair value through profit or loss	Amortized cost - net
Financial assets			
Cash and cash equivalent	5,894,619	-	5,894,619
Temporary investments	254,982	254,982	-
Trade accounts receivable	78,099,329	-	78,099,329
Other receivables	88,283	-	88,283
Total	84,337,213	254,982	84,082,231
Financial liabilities			
Bank overdraft and short-term loans from banks	148,032,960	-	148,032,960
Trade accounts payable	46,386,280	-	46,386,280
Other payable	52,747	-	52,747
Accounts payable for purchases of fixed assets	480,182	-	480,182
Payable for purchases of investments	2,900,000	-	2,900,000
Long-term loan	14,200,000	-	14,200,000
Liabilities under finance lease agreements	19,929,327	-	19,929,327
Total	231,981,496	-	231,981,496

Financial assets and financial liabilities which measured at amortize cost is closed to fair value.

Impairment - Financial assets and contract assets

The Company and subsidiaries have assessed the impairment of financial assets and contract assets by forward-looking 'expected credit loss' (ECL) model. It is no longer necessary for a credit event to have occurred before credit losses are recognizes and judgement about how changes in economic factors affect expected credit loss and probability - weighted basis. However, the new assessment applies to financial assets measured at amortize cost and fair value to other comprehensive income

The Company and subsidiaries has determined that the application of TFRS 9 are as follows:

- Trade and other receivables applied simplified approach for measurement by expected credit loss for the receivable.

This result in the Company and subsidiaries have additional allowance for impairment loss as at 1 January 2020 as follows:

	(Unit : Baht) Consolidate and Separate F/S
Allowance for impairment losses as at 31 December 2019	
- Allowance for doubtful debts - trade accounts receivable	926,183
Additional impairment loss recognized as at 1 January 2020 for trade accounts receivable	989,661
Allowance for impairment losses as at 1 January 2020	1,915,844

The Company and subsidiaries have adopted to recognize the increase of impairment loss as an adjustment to retained earnings as at 1 January 2020.

3.2 Thai Financial Reporting Standards 16 "Lease"

TFRS 16, that describes the new principles for the recognition of leases, replacing Thai Accounting Standard No. 17 "Leases", and several leases-related Interpretations. The new standard defines the requirements for leases will be recorded in the statement of financial position in the form of right-of-use asset and a lease liabilities except short-term leases agreement which period less than 12 months or low value of asset and provides additional guidance in many areas.

Under the Thai Financial Reporting Standard No. 16 "Leases", no significant changes to the accounting for lessors.

However, the adoption of these new standards has no significant impact on the interim financial statements of the Company and subsidiaries.

3.3 Impact on the financial information

The adoption of Thai Financial Reporting Standards No. 9 and Thai Financial Reporting Standards No. 16 has impact to the Company and subsidiaries statements of financial position as of 1 January 2020 are as follows:

Consolidated F/S				(Unit: Baht)
	The previous accounting policies	Adjustments		Restated
		Thai Financial Reporting Standards No. 9	Thai Financial Reporting Standards No. 16	
Statement of financial position				
<u>Current asset</u>				
Trade accounts receivable	114,896,269	(989,661)	-	113,906,608
<u>Non-current assets</u>				
Right-of-use assets	-	-	45,528,983	45,528,983
Property, plant and equipment	617,393,695	-	(45,528,983)	571,864,712
Total assets	<u>732,289,964</u>	<u>(989,661)</u>	<u>-</u>	<u>731,300,303</u>
<u>Current liabilities</u>				
Current portion :				
- Liabilities under finance lease agreements	10,691,908	-	(10,691,908)	-
- Lease liabilities	-	-	10,691,908	10,691,908
<u>Non-current liabilities</u>				
Liabilities under finance lease agreements	9,237,464	-	(9,237,464)	-
Lease liabilities	-	-	9,237,464	9,237,464
Total liabilities	<u>19,929,372</u>	<u>-</u>	<u>-</u>	<u>19,929,372</u>
Retained earnings				
- Unappropriated	89,902,464	(989,661)	-	88,912,803
Shareholders' Equity	<u>89,902,464</u>	<u>(989,661)</u>	<u>-</u>	<u>88,912,803</u>

(Unit: Baht)

Separate F/S

	Adjustments			Restated
	The previous accounting policies	Thai Financial Reporting Standards No. 9	Thai Financial Reporting Standards No. 16	
Statement of financial position				
<u>Current asset</u>				
Trade accounts receivable	45,768,319	(989,661)	-	44,778,658
<u>Non-current assets</u>				
Right-of-use assets	-	-	45,528,983	45,528,983
Property, plant and equipment	445,609,234	-	(45,528,983)	400,080,251
Total assets	<u>491,377,553</u>	<u>(989,661)</u>	<u>-</u>	<u>490,387,892</u>
<u>Current liabilities</u>				
Current portion :				
- Liabilities under finance lease agreements	10,691,908	-	(10,691,908)	-
- Lease liabilities	-	-	10,691,908	10,691,908
<u>Non-current liabilities</u>				
Liabilities under finance lease				
Agreements	9,237,464	-	(9,237,464)	-
Lease liabilities	-	-	9,237,464	9,237,464
Total liabilities	<u>19,929,372</u>	<u>-</u>	<u>-</u>	<u>19,929,372</u>
Retained earnings				
- Unappropriated	83,417,307	(989,661)	-	82,427,646
Shareholders' Equity	<u>83,417,307</u>	<u>(989,661)</u>	<u>-</u>	<u>82,427,646</u>

3.4 Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the Covid-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company and subsidiaries have elected to apply the following temporary relief measures on accounting alternatives:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Company and subsidiaries uses a simplified approach to determine expected credit losses.
- Not to consider the COVID-19 situation as an indication that an asset may be impaired in accordance with TAS 36, Impairment of Assets.

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 2019.

5. TRANSACTIONS WITH RELATED PARTIES

The Company has certain business transactions with its related companies which are related through common shareholding and/or management. Such transactions are made under the conditions and terms of general trade practice with prices approximate the market.

Transactions with related parties for the three-month and six-month periods ended 30 June 2020 and 2019 are as follows:

		(Unit : Baht)				
		Consolidated F/S		Separate F/S		
		For the three-month periods ended 30 June				
	Pricing Policy	2020	2019	2020	2019	
Sales of goods						
-	Subsidiary companies	Agreed price	-	-	60,400	7,276,920
-	Indirect subsidiary company	Agreed price	-	-	39,444,314	51,416,089
-	Related parties	Agreed price	1,809,745	873,917	1,809,744	873,917
Total			<u>1,809,745</u>	<u>873,917</u>	<u>41,314,458</u>	<u>59,566,926</u>
Purchase of raw materials						
-	Subsidiary company	Agreed price	-	-	643,895	520,514
-	Related parties	Agreed price	74,400	690,714	74,400	668,414
Total			<u>74,400</u>	<u>690,714</u>	<u>718,295</u>	<u>1,188,928</u>
Rental and other service income						
-	Subsidiary companies	Agreed price	-	-	414,000	546,822
Key directors and management personnel compensation						
	Short-term benefits		2,634,016	2,337,029	1,728,399	1,493,367
	Provision for post-employment benefit		24,122	22,848	21,468	20,324
Total			<u>2,658,138</u>	<u>2,359,877</u>	<u>1,749,867</u>	<u>1,513,691</u>

(Unit : Baht)

Pricing Policy	Consolidated F/S		Separate F/S		
	For the six-month periods ended 30 June				
	2020	2019	2020	2019	
Sales of goods					
- Subsidiary companies	Agreed price	-	-	95,282	12,260,993
- Indirect subsidiary company	Agreed price	-	-	81,529,569	99,866,329
- Related parties	Agreed price	2,789,739	1,757,111	2,789,739	1,757,111
Total		2,789,739	1,757,111	84,414,590	113,884,433
Purchase of raw materials					
- Subsidiary company	Agreed price	-	-	1,210,705	1,098,526
- Related parties	Agreed price	221,345	1,196,805	221,345	1,174,505
Total		221,345	1,196,805	1,432,050	2,273,031
Rental and other service income					
- Subsidiary companies	Agreed price	-	-	970,496	1,039,526
Rental expense					
- Director	Agreed price	-	27,000	-	27,000
Key directors and management personnel compensation					
Short-term benefits		5,487,992	4,739,016	3,488,418	2,991,621
Provision for post-employment benefit		48,245	45,696	42,936	40,647
Total		5,536,237	4,784,712	3,531,354	3,032,268

As at 30 June 2020 and 31 December 2019, the significant outstanding balances with related parties are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	31			
	30 June 2020	December 2019	30 June 2020	31 December 2019
Trade accounts receivable - related parties				
- Subsidiary companies	-	-	64,628	13,122,039
- Indirect subsidiary company	-	-	19,424,826	18,643,317
- Related parties	1,077,925	565,654	1,077,925	565,654
Total	1,077,925	565,654	20,567,379	32,331,010

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<u>Other account receivable - subsidiary</u>				
<u>Company</u>	-	-	-	88,283
<u>Trade accounts payable - related parties</u>				
- Subsidiary companies	-	-	362,730	431,819
- Related parties	-	523,245	-	494,994
Total	-	523,245	362,730	926,813
<u>Other payable - subsidiary company</u>	-	-	58,589	52,747
<u>Key management</u>				
Employee benefits obligation	1,461,310	1,275,006	1,252,519	1,076,833

6. TEMPORARY INVESTMENTS

	(Unit : Baht)	
	Consolidated and Separate F/S	
	30 June 2020	31 December 2019
Temporary investments		
Mutual Fund	167,928	252,458
Unrealized gain on changing in value of investment	-	2,524
Total	167,928	254,982

During the six-month period ended 30 June 2020, movements of temporary investments are as follows:

	(Unit : Baht)
	Consolidated and Separate F/S
Fair value as at 1 January 2020	254,982
Refund from mutual fund	(87,054)
Fair value as at 30 June 2020	167,928

On 27 March 2020, TMB Asset Management Company Limited announced the closure of the fund and on 5 June 2020, it announced the refund to unitholders in each period according to a rate specified in the such announcement.

7. TRADE ACCOUNTS RECEIVABLE - NET

As at 30 June 2020 and 31 December 2019, the aged of trade accounts receivable are as follows :

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
<u>Trade accounts receivable - general customers</u>				
Not yet due	57,398,539	98,000,430	33,606,323	33,936,107
Over due :				
Less than 3 months	12,473,303	13,208,971	4,929,591	10,546,477
3 - 6 months	3,492,996	387,358	3,617,185	387,358
6 - 12 months	8,156,076	914,653	8,183,906	535,702
Over 12 months	3,585,224	4,331,200	1,392,217	1,288,858
Total	<u>85,106,138</u>	<u>116,842,612</u>	<u>51,729,222</u>	<u>46,694,502</u>
<u>Less</u> Allowance for impairment losses	(4,705,538)	(2,511,997)	(3,919,710)	(926,183)
Net	<u>80,400,600</u>	<u>114,330,615</u>	<u>47,809,512</u>	<u>45,768,319</u>
 <u>Trade accounts receivable - related parties</u>				
Not yet due	538,425	266,154	20,027,879	21,234,048
Overdue:				
Less than 3 months	539,500	299,500	539,500	4,978,706
3 - 6 months	-	-	-	6,118,256
Total	<u>1,077,925</u>	<u>565,654</u>	<u>20,567,379</u>	<u>32,331,010</u>

During the six-month period ended 30 June 2020, the movements in allowance for impairment losses are as follows:

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2020 - as previous reported	2,511,997	926,183
Impact of first-time adoption of new accounting standard	989,661	989,661
Balance as at 1 January 2020 - adjusted	<u>3,501,658</u>	<u>1,915,844</u>
Decrease from disposal of investment in subsidiary	(790,638)	-
<u>Add</u> Allowance for impairment losses	2,006,389	2,003,866
Exchange differences from financial statements translation	(11,871)	-
Balance as at 30 June 2020	<u>4,705,538</u>	<u>3,919,710</u>

8. INVENTORIES - NET

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Raw materials	16,784,642	13,227,519	16,558,101	13,076,373
Work in process	6,970,834	8,760,841	6,148,695	7,512,755
Finished goods	73,322,360	99,598,831	14,207,812	17,064,219
Supply inventories	2,257,934	2,620,943	1,851,317	1,985,048
Fuel	173,964	608,988	173,964	608,988
Packaging	3,290,108	3,856,273	3,248,493	3,811,652
Goods in transit	3,550,310	2,669,159	-	65,531
Total	106,350,152	131,342,554	42,188,382	44,124,566
<u>Less</u> Allowance for obsolete and devaluation of inventories	(9,805,552)	(11,081,422)	(518,618)	(546,771)
Inventories - net	96,544,600	120,261,132	41,669,764	43,577,795

During the six-month period ended 30 June 2020, the movements of allowances for obsolete and devaluation of inventories are as follows:

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Balance as at 1 January 2020	11,081,422	546,771
Decrease from disposal of investment in subsidiary	(5,619)	-
<u>Add</u> Allowances for obsolete inventories	470,477	-
<u>Less</u> Reversal of allowances for obsolete inventories	(1,626,607)	(28,153)
Exchange differences from financial statements translation	(114,121)	-
Balance as at 30 June 2020	9,805,552	518,618

9. INVESTMENTS IN SUBSIDIARIES

	Type of business	Separate F/S									
		Paid-up share capital		Percentage of shareholding		Cost method		Dividend income			
		30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December	2020	2019
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
<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			-	1,377
Mascasey Trading Co., Ltd.	Distributing rubber products for automobile	-	1,000	-	50.00	-	500			-	-
N.D. Energy Fusion Co., Ltd.	Research, manufacture and distribute of wireless electrical equipment and system	6,000	6,000	98.33	98.33	5,900	5,900			-	-
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	Distributing rubber products for bicycle and motorcycle	161,028	161,028	100.00	100.00	408,017	408,017	408,017	11,166	11,166	15,150
Total investment in subsidiaries						419,515	420,015	420,015	11,166	11,166	16,527

On 27 February 2020, at the Board of Directors No. 1/2020, passed a resolution to disposal investment in Mascasey Trading Company Limited of Baht 500,000 which equal its book value in the separate financial statements which have 5 installments, each Baht 100,000. The Company had transfer shares of said subsidiary on 2 March 2020.

10. PROPERTY, PLANT AND EQUIPMENT - NET

During the six-month period ended 30 June 2020, the condensed movements in property, plant and equipment are as follows :

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2020	617,393,695	445,609,234
Impact of first-time adoption of new accounting standard	(45,528,983)	(45,528,983)
Decrease from disposal of investment in subsidiary	(39,061)	-
Purchase of assets	2,682,130	2,402,552
Disposals of assets	(16,417)	(2,000)
Written off	(571,626)	(571,626)
Depreciation for the period	(19,255,243)	(15,861,872)
Exchange differences from financial statements translation	(2,247,651)	-
Net book value as at 30 June 2020	<u>552,416,844</u>	<u>386,047,305</u>

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

11. RIGHT-OF-USE ASSETS - NET

During the six-month period ended 30 June 2020, the condensed movements in right-of-use assets are as follows:

	(Unit : Baht)
	Consolidated F/S and Separate F/S
Net book value as at 1 January 2020	-
Impact of first-time adoption of new accounting standard	45,528,983
Depreciation for the period	(1,243,814)
Net book value as at 30 June 2020	<u>44,285,169</u>

12. INTANGIBLE ASSETS - NET

During the six-month period ended 30 June 2020, the condensed movements in intangible assets are as follows:

	(Unit : Baht)	
	Consolidated F/S	Separate F/S
Net book value as at 1 January 2020	113,345,928	887,656
<u>Less</u> Amortization for the period	(2,588,303)	(497,256)
Exchange differences from financial statements translation	(1,591,254)	-
Net book value as at 30 June 2020	<u>109,166,371</u>	<u>390,400</u>

13. BANK OVERDRAFT AND SHORT-TERM LOANS FROM BANKS

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 June 2020	31 December 2019	30 June 2020	31 December 2019
Bank overdraft	-	26,447,326	-	26,447,326
Short-term loan	4,732,122	25,012,635	-	-
Promissory note	135,000,000	115,000,000	135,000,000	115,000,000
Liabilities under trust receipts	8,493,408	6,585,634	8,493,408	6,585,634
Total	<u>148,225,530</u>	<u>173,045,595</u>	<u>143,493,408</u>	<u>148,032,960</u>

As at 30 June 2020 and 31 December 2019, the Company has short-term loans credit facility comprise of bank overdraft, promissory note and liabilities under trust receipts bear interest rates at market rate and collateralized by the mortgages of the Company's land and construction as mentioned in Note 10 and personal guaranteed by certain Company's directors.

As at 30 June 2020, 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 and guaranteed by the Company.

14. LONG-TERM LOAN

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

			(Unit : Baht)	
			Consolidated and Separate F/S	
	Interest rate per annum	Principal repayment conditions	30 June 2020	31 December 2019
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 January 2021.	7,600,000	14,200,000
<u>Less</u> Current portion			(7,600,000)	(14,200,000)
Long-term loan – net			-	-

Movements in the long - term loan for the six-month period ended 30 June 2020 is as follow:

	(Unit: Baht)
	Consolidated and Separate F/S
Balance as at 1 January 2020	14,200,000
<u>Less</u> Repayment	(6,600,000)
Balance as at 30 June 2020	7,600,000

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

On 22 April 2020, the Company has received a letter from the bank for postpone payment of long-term loans by the Company has been granted for 5-installment since May 2020 and will repay the long-term loan in October 2020. However, the Company still pays the same interest rate throughout the grace period.

Under the term of loan agreement, the Company requires to maintain loan covenants as specified in the agreement such as debt to equity and debt service coverage ratios, etc.

15. SEGMENTAL FINANCIAL INFORMATION

The financial information classified by products, for the three-month and six-month periods ended 30 June 2020 and 2019 are presented as follow :

		Consolidated F/S																			
		For the three-month period ended 30 June 2020										(Unit : Thousand Baht)									
		Tires		Tubes		Battery		Rubber part		Shoe		Lube Oil & Rubber Sundries		Others		Eliminated		Total			
		Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas		
Sales																					
At point in time		33,049	99,008	17,570	28,281	10,384	28,281	4,554	1,933	1,933	820	820	952	(39,018)						157,533	
Over the time		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
		<u>33,049</u>	<u>99,008</u>	<u>17,570</u>	<u>28,281</u>	<u>10,384</u>	<u>28,281</u>	<u>4,554</u>	<u>1,933</u>	<u>1,933</u>	<u>820</u>	<u>820</u>	<u>952</u>	<u>(39,018)</u>						<u>157,533</u>	
Cost of sales																					(119,855)
Gross profit																					<u>37,678</u>
Interest expenses																					(1,899)
Depreciation and amortization																					(11,485)
Profit before income tax																					9,328
Trade accounts receivable - general customers - net																					80,401
Property plant and equipment - net																					552,417
Other assets																					384,135
Total assets																					<u>1,016,953</u>
Total liabilities																					<u>303,749</u>

(Unit : Thousand Baht)

Consolidated F/S

For the three-month period ended 30 June 2019

	Tires		Tubes		Battery Domestic	Rubber part Domestic	Shoe Overseas	Lube Oil & Rubber Sundries		Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas				Overseas	Overseas			
Sales												
At point in time	54,916	121,138	30,873	33,078	14,175	12,463	5,851	2,295	4,430	(58,091)		221,128
Over the time	-	-	-	-	-	-	-	-	-	-	-	-
	<u>54,916</u>	<u>121,138</u>	<u>30,873</u>	<u>33,078</u>	<u>14,175</u>	<u>12,463</u>	<u>5,851</u>	<u>2,295</u>	<u>4,430</u>	<u>(58,091)</u>		<u>221,128</u>
Cost of sales												(187,082)
Gross profit												<u>34,046</u>
Interest expenses												(2,762)
Depreciation and amortization												(11,077)
Loss before income tax												(295)
Trade accounts receivable - general customers - net												104,979
Property plant and equipment - net												635,678
Other assets												408,798
Total assets												<u>1,149,455</u>
Total liabilities												<u>418,055</u>

(Unit : Thousand Baht)

Consolidated F/S

For the six-month period ended 30 June 2020

	Tires		Tubes		Battery	Rubber part		Shoe	Lube Oil & Rubber Sundries		Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas		Overseas	Overseas		Overseas	Overseas			
					Overseas			Overseas					
Sales													
At point in time	67,629	196,277	34,180	58,439	19,779	15,962	9,956	9,956	1,694	3,171	(81,705)		325,382
Over the time	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>67,629</u>	<u>196,277</u>	<u>34,180</u>	<u>58,439</u>	<u>19,779</u>	<u>15,962</u>	<u>9,956</u>	<u>9,956</u>	<u>1,694</u>	<u>3,171</u>	<u>(81,705)</u>		<u>325,382</u>
Cost of sales													(257,497)
Gross profit													<u>67,885</u>
Interest expenses													(4,012)
Depreciation and amortization													(23,087)
Profit before income tax													6,608
Trade accounts receivable - general customers - net													80,401
Property plant and equipment - net													552,417
Other assets													384,135
Total assets													<u>1,016,953</u>
Total liabilities													<u>303,749</u>

(Unit : Thousand Baht)

Consolidated F/S

For the six-month period ended 30 June 2019

	Tires		Tubes		Battery Domestic	Rubber part Overseas	Shoe Overseas	Lube Oil & Rubber Sundries		Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas				Overseas	Overseas			
Sales												
At point in time	104,029	228,932	53,358	63,364	25,730	25,878	14,540	2,295	2,295	9,390	(112,103)	415,413
Over the time	-	-	-	-	-	-	-	-	-	-	-	-
	<u>104,029</u>	<u>228,932</u>	<u>53,358</u>	<u>63,364</u>	<u>25,730</u>	<u>25,878</u>	<u>14,540</u>	<u>2,295</u>	<u>2,295</u>	<u>9,390</u>	<u>(112,103)</u>	<u>415,413</u>
Cost of sales												(350,134)
Gross profit												<u>65,279</u>
Interest expenses												(4,651)
Depreciation and amortization												(23,808)
Loss before income tax												(5,308)
Trade accounts receivable - general customers - net												104,979
Property plant and equipment - net												635,678
Other assets												408,798
Total assets												<u>1,149,455</u>
Total liabilities												<u>418,055</u>

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

Major customer

The Company does not have any major customer for the three-month and six-month periods ended 30 June 2020.

16. 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: no observable inputs for the asset or liability.

During the period, there are no transfer transactions between in each level.

Fair value of financial instruments which are not traded in an active market, measured based on a valuation technique. These valuation techniques maximize the use of observable market data where it is available and rely as little possible on the group's specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

17. COMMITMENTS AND CONTINGENT LIABILITIES

17.1 As at 30 June 2020, the Company has commitments for construction machinery under installation of Baht 2.17 million.

17.2 The Company has commitment under letter of guarantees issued by bank of Baht 5.96 million for electricity usage.

- 17.3 The Company and subsidiaries have credit facilities and contingent liabilities from financial institution as at 30 June 2020 as follows :

(Unit : Baht)

	Consolidated F/S		
	Credit line	Used	Balance
Credit facilities			
Bank overdraft	30,000,000	-	30,000,000
Short-term loan	212,594,300	139,732,122	72,862,178
Long-term loan	38,950,000	7,600,000	31,350,000
Forward agreements	60,000,000	-	60,000,000
Bill for collection	3,000,000	-	3,000,000
Hire-purchase	28,312,050	16,986,337	11,325,713
Contingent liabilities			
Letter of guarantee	12,000,000	5,963,000	6,037,000
Letter of credit and trust receipts (occasionally)	90,000,000	8,493,408	81,506,592

(Unit : Baht)

	Separate F/S		
	Credit line	Used	Balance
Credit facilities			
Bank overdraft	30,000,000	-	30,000,000
Short-term loan	165,000,000	135,000,000	30,000,000
Long-term loan	38,950,000	7,600,000	31,350,000
Forward agreements	60,000,000	-	60,000,000
Bill for collection	3,000,000	-	3,000,000
Hire-purchase	28,312,050	16,986,337	11,325,713
Contingent liabilities			
Letter of guarantee	11,500,000	5,485,000	6,015,000
Letter of credit and trust receipts (occasionally)	90,000,000	8,493,408	81,506,592

