



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 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 September 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended 30 September 2020, the related consolidated and separate statement of changes in shareholders' equity and cash flows for the nine-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.

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Conclusion

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



Mr. Narin Churamongkol
Certified Public Accountant
Registration No. 8593

Grant Thornton Limited
Bangkok
12 November 2020

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

(Unit : Baht)

	Consolidated F/S		Separate F/S		
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	
	Notes	(Unaudited but reviewed)	(Unaudited but reviewed)	(Audited)	
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents		127,253,611	72,656,164	33,525,761	5,894,619
Temporary investments	6	21,034,639	254,982	21,034,639	254,982
Trade accounts receivable - general customers - net	7	85,659,682	114,330,615	42,444,408	45,768,319
- related parties	5, 7	519,632	565,654	23,315,255	32,331,010
Other accounts receivable - general customers		1,782,114	3,172,988	-	-
- subsidiary company	5	-	-	46,545	88,283
Inventories - net	8	104,693,459	120,261,132	41,235,354	43,577,795
Refundable value added tax		7,272,318	4,722,095	7,272,318	4,440,763
Refundable corporate income tax		9,902,011	9,740,135	-	-
Other current assets		5,977,324	4,754,840	5,860,064	4,706,852
Total Current Assets		364,094,790	330,458,605	174,734,344	137,062,623
NON-CURRENT ASSETS					
Investments in subsidiary companies - net	9	-	-	418,367,180	420,014,932
Property, plant and equipment - net	10	554,856,537	617,393,695	381,476,380	445,609,234
Right-of-use assets - net	11	43,661,033	-	43,661,033	-
Intangible assets - net	12	114,828,699	113,345,928	950,897	887,656
Deferred tax assets		245,211	155,646	-	-
Total Non-Current Assets		713,591,480	730,895,269	844,455,490	866,511,822
TOTAL ASSETS		1,077,686,270	1,061,353,874	1,019,189,834	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 September 2020	31 December 2019	30 September 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	134,572,657	173,045,595	129,910,288	148,032,960
Trade accounts payable - general suppliers		63,173,375	49,820,530	56,936,313	45,459,467
- related parties	5	151,733	523,245	609,358	926,813
Other payable - subsidiary company	5	-	-	105,844	52,747
Accounts payable for purchases of fixed assets		967,485	480,182	967,485	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		14,853,143	-	14,853,143	-
- Long-term loan	14	7,600,000	14,200,000	7,600,000	14,200,000
Accrued income tax		2,568,808	353,110	2,430,212	-
Accrued expenses		42,305,403	36,141,179	12,655,843	9,598,846
Other current liabilities		11,292,970	8,490,825	11,163,524	8,252,220
Total Current Liabilities		277,485,574	293,746,574	240,132,010	240,595,143
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements - net		-	9,237,464	-	9,237,464
Lease liabilities - net		1,764,063	-	1,764,063	-
Employee benefits obligation		9,183,923	8,358,244	7,869,779	7,167,994
Deferred tax liabilities - net		41,029,853	47,344,571	8,697,445	10,142,737
Total Non-Current Liabilities		51,977,839	64,940,279	18,331,287	26,548,195
Total Liabilities		329,463,413	358,686,853	258,463,297	267,143,338

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

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(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	113,409,873	89,902,464	107,712,737	83,417,307
Other component of shareholders' equity	(20,087,999)	(41,112,145)	-	-
Total Equity of the Company's Shareholders	746,335,674	701,804,119	760,726,537	736,431,107
Non-controlling interests in subsidiaries	1,887,183	862,902	-	-
Total Shareholders' Equity	748,222,857	702,667,021	760,726,537	736,431,107
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	1,077,686,270	1,061,353,874	1,019,189,834	1,003,574,445

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

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
Net sales	5, 15	225,678,081	212,602,438	167,552,204	156,151,500
Costs of sales	5, 15	(167,465,341)	(174,138,835)	(138,729,465)	(145,072,804)
Gross profit		58,212,740	38,463,603	28,822,739	11,078,696
Gain on exchange rate		1,572,428	479,230	1,572,428	479,231
Others income	5	488,804	1,179,539	1,107,867	1,448,030
Profit before expenses		60,273,972	40,122,372	31,503,034	13,005,957
Selling expenses		(10,951,740)	(14,402,122)	(2,189,485)	(2,352,547)
Administrative expenses		(24,804,781)	(23,517,509)	(13,025,771)	(10,409,505)
Total expenses		(35,756,521)	(37,919,631)	(15,215,256)	(12,762,052)
Profit before financial costs and income tax		24,517,451	2,202,741	16,287,778	243,905
Financial costs	15	(1,479,561)	(2,092,661)	(1,422,281)	(2,067,212)
Profit (loss) before income tax		23,037,890	110,080	14,865,497	(1,823,307)
Income tax expense		(5,069,403)	(2,742,070)	(1,219,972)	(95,402)
Profit (loss) for the period		17,968,487	(2,631,990)	13,645,525	(1,918,709)
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		17,049,840	(6,281,011)	-	-
Other comprehensive income (loss) for the period - net of income tax		17,049,840	(6,281,011)	-	-
Total comprehensive income (loss) for the period		35,018,327	(8,913,001)	13,645,525	(1,918,709)

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

FOR THE THREE-MONTH PERIODS ENDED 30 SEPTEMBER

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Profit (loss) for the period attributable to:				
Shareholders of the Company	17,937,553	(2,720,822)	13,645,525	(1,918,709)
Non-controlling interests	30,934	88,832	-	-
	<u>17,968,487</u>	<u>(2,631,990)</u>	<u>13,645,525</u>	<u>(1,918,709)</u>
Total comprehensive income (loss) for the period attributable to:				
Shareholders of the Company	34,987,393	(9,001,833)	13,645,525	(1,918,709)
Non-controlling interests	30,934	88,832	-	-
	<u>35,018,327</u>	<u>(8,913,001)</u>	<u>13,645,525</u>	<u>(1,918,709)</u>
Basic earnings (loss) per share				
Profit (loss) (Baht per share)	0.0569	(0.0086)	0.0433	(0.0061)
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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
		(Unit : Baht)			
Net sales	5, 15	551,060,215	628,015,736	403,894,474	456,920,850
Costs of sales	5, 15	(424,962,442)	(524,273,311)	(349,643,011)	(427,543,584)
Gross profit		126,097,773	103,742,425	54,251,463	29,377,266
Gain on exchange rate		1,538,179	4,262,639	1,538,179	4,262,639
Dividend income	9	-	-	11,166,000	16,526,508
Others income	5	3,834,423	5,306,212	3,471,182	3,876,900
Profit before expenses		131,470,375	113,311,276	70,426,824	54,043,313
Selling expenses		(27,436,836)	(36,990,813)	(6,106,972)	(9,335,599)
Administrative expenses		(68,895,436)	(74,774,487)	(32,894,404)	(31,156,086)
Total expenses		(96,332,272)	(111,765,300)	(39,001,376)	(40,491,685)
Profit before financial costs and income tax		35,138,103	1,545,976	31,425,448	13,551,628
Financial costs	15	(5,491,854)	(6,743,737)	(4,982,861)	(6,402,893)
Profit (loss) before income tax		29,646,249	(5,197,761)	26,442,587	7,148,735
Income tax expense		(5,232,829)	(2,612,909)	(1,157,496)	(216,427)
Profit (loss) for the period		24,413,420	(7,810,670)	25,285,091	6,932,308
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		21,024,146	(23,023,704)	-	-
Other comprehensive income (loss) for the period - net of income tax		21,024,146	(23,023,704)	-	-
Total comprehensive income (loss) for the period		45,437,566	(30,834,374)	25,285,091	6,932,308

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

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Profit (loss) for the period attributable to:				
Shareholders of the Company	24,497,070	(7,817,277)	25,285,091	6,932,308
Non-controlling interests	(83,650)	6,607	-	-
	<u>24,413,420</u>	<u>(7,810,670)</u>	<u>25,285,091</u>	<u>6,932,308</u>
Total comprehensive income (loss) for the period attributable to:				
Shareholders of the Company	45,521,216	(30,840,981)	25,285,091	6,932,308
Non-controlling interests	(83,650)	6,607	-	-
	<u>45,437,566</u>	<u>(30,834,374)</u>	<u>25,285,091</u>	<u>6,932,308</u>
Basic earnings (loss) per share				
Profit (loss) (Baht per share)	0.0777	(0.0248)	0.0802	0.0220
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 NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unaudited but reviewed)

(Unit : Baht)

	Equity attributable to the Company's shareholders							Total equity attributable to the Company's shareholders	Non-controlling Interests	Total
	Retained earnings		Other components of shareholders' equity			Total	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					
Note										
Consolidated F/S										
Balance as at 1 January 2019	315,391,514	325,711,286	11,509,585	119,306,192	876,694	(10,892,582)	(10,015,888)	751,904,689	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	-	-	-	(7,817,277)	-	-	-	(7,817,277)	6,607	(7,810,670)
Other comprehensive loss for the period	-	-	-	-	-	(23,023,704)	(23,023,704)	(23,023,704)	-	(23,023,704)
Total comprehensive loss for the period	-	-	-	(7,817,277)	-	(23,023,704)	(23,023,704)	(30,840,981)	6,607	(30,834,374)
Balance as at 30 September 2019	315,391,514	325,711,286	11,509,585	102,029,200	550,469	(33,916,286)	(33,365,817)	721,275,768	1,211,392	722,487,150
Balance as at 1 January 2020 - as previous reported	315,391,514	325,711,286	11,911,000	89,902,464	550,469	(41,662,614)	(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	(41,662,614)	(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	-	-	-	24,497,070	-	-	-	24,497,070	(83,650)	24,413,420
Other comprehensive income for the period	-	-	-	-	-	21,024,146	21,024,146	21,024,146	-	21,024,146
Total comprehensive income (loss) for the period	-	-	-	24,497,070	-	21,024,146	21,024,146	45,521,216	(83,650)	45,437,566
Balance as at 30 September 2020	315,391,514	325,711,286	11,911,000	113,409,873	550,469	(20,636,468)	(20,067,999)	746,335,674	1,887,163	748,222,837

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)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Total
				Legal reserve	Unappropriated	
(Unit : Baht)						
Separate F/S						
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		-	-	-	6,932,308	6,932,308
Total comprehensive income for the period		-	-	-	6,932,308	6,932,308
Balance as at 30 September 2019		315,391,514	325,711,286	11,509,585	82,722,732	735,335,117
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		-	-	-	25,285,091	25,285,091
Total comprehensive income for the period		-	-	-	25,285,091	25,285,091
Balance as at 30 September 2020		315,391,514	325,711,286	11,911,000	107,712,737	760,726,537

STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash Flows from Operating Activities				
Profit (loss) before income tax	29,646,249	(5,197,761)	26,442,587	7,148,735
Adjustments to reconcile profit (loss) before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	34,625,371	34,640,675	26,388,876	26,592,729
Allowance (reversal of allowance) for doubtful accounts	3,829,151	(2,011,413)	3,826,627	242,104
Allowance for impairment losses of investment in subsidiary	-	-	1,147,752	-
Allowance (reversal of allowance) for obsolete and devaluation of inventories	(3,163,541)	343,965	(32,567)	143,175
Unrealized gain on exchange rate	(350,486)	(3,552,090)	(232,881)	(3,552,090)
Unrealized gain on temporary investment	(10,298)	(1,468)	(10,298)	(1,468)
Realized gain on disposal of temporary investments	-	(488,773)	-	(488,773)
Loss (gain) on disposal of assets	(47,033)	364	(50,302)	364
Loss on written off assets	571,626	3,800	571,626	-
Loss on written off intangible assets	-	148,789	-	-
Dividend income	-	-	(11,166,000)	(16,526,508)
Employee benefits obligation expenses	618,809	1,968,328	524,369	1,872,953
Loss on written off the non-refundable income tax	-	524,947	-	524,947
Interest income	(10,586)	-	(5,672)	-
Interest expense	5,491,854	6,743,737	4,982,861	6,402,893
Cash provided from operations before changes in operating assets and liabilities	71,201,116	33,123,100	52,386,978	22,359,061
Decrease (increase) in operating assets:				
Trade accounts receivable - general customers	23,415,815	28,910,017	(1,492,377)	15,033,473
- related parties	386,323	(37,334)	9,356,057	(3,612,379)
Amount due from subsidiary company	-	-	41,738	2,251,460
Inventories	11,125,041	4,273,828	2,375,008	607,164
Refundable value added tax	(2,550,223)	(935,923)	(2,831,555)	(738,805)
Other current assets	(107,176)	2,305,843	(1,151,076)	(412,822)
Increase (decrease) in operating liabilities:				
Trade accounts payable - general suppliers	23,647,820	2,106,789	11,418,043	2,464,149
- related parties	(371,512)	(471,887)	(317,455)	(557,453)
Other payable - subsidiary company	-	-	53,097	1,168
Accrued expenses	6,265,088	(6,351,222)	3,056,997	(1,336,418)
Other current liabilities	2,802,412	6,503,438	2,911,304	6,340,574
Cash provided from operations	135,814,704	69,426,649	75,806,759	42,399,172

STATEMENT OF CASH FLOWS (CONTINUED)

FOR THE NINE-MONTH PERIODS ENDED 30 SEPTEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash provided from operations (continued)	135,814,704	69,426,649	75,806,759	42,399,172
Interest received	10,586	-	5,672	-
Interest paid	(5,284,984)	(5,263,411)	(4,805,445)	(4,949,989)
Income tax paid	(7,814,276)	(9,078,656)	(172,576)	(840,690)
Refunded of income tax	3,487,406	268,829	-	197,036
Net cash provided from operating activities	126,213,436	55,353,411	70,834,410	36,805,529
Cash Flows from Investing Activities:				
Proceeds from disposal of temporary investments	230,641	65,160,885	230,641	65,160,885
Purchase of temporary investments	(21,000,000)	(58,370,000)	(21,000,000)	(58,370,000)
Payment for purchase of investment in subsidiary	-	(29,403,270)	-	(29,403,270)
Proceeds from disposal of investment in subsidiary	500,000	-	500,000	-
Purchase of fixed assets and computer software	(6,225,438)	(11,810,958)	(5,636,966)	(9,775,980)
Payment for accounts payable for purchases of fixed assets	(480,182)	(893,001)	(480,182)	(893,001)
Proceeds from disposal of fixed assets	111,856	2,000	100,695	2,000
Dividend received	-	-	11,166,000	16,526,508
Net cash used in investing activities	(26,863,123)	(35,314,344)	(15,119,812)	(16,752,858)
Cash Flows from Financing Activities				
Decrease in bank overdraft and short-term loans from banks	(38,521,556)	(32,401,881)	(18,171,290)	(3,439,928)
Repayment of long-term loan	(6,600,000)	(16,500,000)	(6,600,000)	(16,500,000)
Repayment of lease liabilities	(3,312,166)	(7,366,228)	(3,312,166)	(7,366,228)
Dividend payment	-	(9,586,978)	-	(9,463,528)
Net cash used in financing activities	(48,433,722)	(65,855,087)	(28,083,456)	(36,769,684)
Exchange differences from foreign currency financial statements translation	3,680,856	(10,308,867)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	54,597,447	(56,124,887)	27,631,142	(16,717,013)
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	127,253,611	75,114,568	33,525,761	18,929,056
Supplemental disclosures for cash flows information				
Non-cash items				
Accounts payable for purchases of fixed assets	967,485	401,079	967,485	401,079
Payable for purchase of investment in subsidiary	-	28,649,851	2,900,000	31,549,851
Transfer from property, plant and equipment to assets held for sale	2,136	-	2,136	-

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED 30 SEPTEMBER 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 nine-month periods ended 30 September 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 12 November 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 September 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 September 2020 and 31 December 2019 and total revenues for the three-month and nine-month periods ended 30 September 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 September 2020	31 December 2019	For the three-month period ended 30 September		For the nine-month period ended 30 September	
			2020	2019	2020	2019
N.D. Interparts Co., Ltd.	2.11	1.96	3.71	4.54	5.68	4.74
Mascasey Trading Co., Ltd.	-	0.80	-	2.62	-	2.18
N.D. Energy Fusion Co., Ltd.	0.34	0.34	-	-	-	-
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	25.34	25.81	38.56	36.81	38.93	36.28

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 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)

Consolidated 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 have 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) Consolidated and Separated 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 Thai Accounting Standard No.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 nine-month periods ended 30 September 2020 and 2019 are as follows:

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		For the three-month periods ended 30 September			
	Pricing Policy	2020	2019	2020	2019
<u>Sales of goods</u>					
- Subsidiary companies	Agreed price	-	-	22,526	6,937,726
- Indirect subsidiary company	Agreed price	-	-	68,672,420	58,602,557
- Related parties	Agreed price	270,736	865,840	419,054	865,840
Total		270,736	865,840	69,114,000	66,406,123
<u>Purchase of raw materials</u>					
- Subsidiary company	Agreed price	-	-	484,074	707,675
- Related parties	Agreed price	116,138	159,626	109,390	146,854
Total		116,138	159,626	593,464	854,529
<u>Rental and other service income</u>					
- Subsidiary company	Agreed price	-	-	457,500	546,823
<u>Key directors and management personnel compensation</u>					
Short-term benefits		2,727,898	2,896,421	1,706,099	1,644,300
Provision for post-employment benefit		32,999	22,847	28,623	20,324
Total		2,760,897	2,919,268	1,734,722	1,664,624

		(Unit : Baht)				
		Consolidated F/S		Separate F/S		
		For the nine-month periods ended 30 September				
	Pricing Policy	2020	2019	2020	2019	
<u>Sales of goods</u>						
-	Subsidiary companies	Agreed price	-	-	117,808	19,198,719
-	Indirect subsidiary company	Agreed price	-	-	150,201,989	158,468,886
-	Related parties	Agreed price	3,060,475	2,622,951	3,208,793	2,622,951
Total			<u>3,060,475</u>	<u>2,622,951</u>	<u>153,528,590</u>	<u>180,290,556</u>
<u>Purchase of raw materials</u>						
-	Subsidiary company	Agreed price	-	-	1,694,779	1,806,201
-	Related parties	Agreed price	337,483	1,356,431	330,735	1,321,359
Total			<u>337,483</u>	<u>1,356,431</u>	<u>2,025,514</u>	<u>3,127,560</u>
<u>Rental and other service income</u>						
-	Subsidiary companies	Agreed price	-	-	1,427,996	1,586,349
<u>Rental expense</u>						
-	Director	Agreed price	-	27,000	-	27,000
<u>Key directors and management personnel compensation</u>						
	Short-term benefits		8,255,750	7,635,437	5,194,517	4,635,921
	Provision for post-employment benefit		98,997	68,543	85,871	60,972
Total			<u>8,354,747</u>	<u>7,703,980</u>	<u>5,280,388</u>	<u>4,696,893</u>

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

		(Unit : Baht)			
		Consolidated F/S		Separate F/S	
		30 September	31 December	30 September	31 December
		2020	2019	2020	2019
<u>Trade accounts receivable - related parties</u>					
-	Subsidiary companies	-	-	19,651	13,122,039
-	Indirect subsidiary company	-	-	22,775,972	18,643,317
-	Related parties	519,632	565,654	519,632	565,654
Total		<u>519,632</u>	<u>565,654</u>	<u>23,315,255</u>	<u>32,331,010</u>

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
<u>Other account receivable - subsidiary</u>				
<u>Company</u>	-	-	46,545	88,283
<u>Trade accounts payable - related parties</u>				
- Subsidiary companies	-	-	496,345	431,819
- Related parties	151,733	523,245	113,013	494,994
Total	151,733	523,245	609,358	926,813
<u>Other payable - subsidiary company</u>	-	-	105,844	52,747
<u>Key management</u>				
Employee benefits obligation	1,374,003	1,275,006	1,162,704	1,076,833

6. TEMPORARY INVESTMENTS

	(Unit : Baht)	
	Consolidated and Separate F/S	
	30 September 2020	31 December 2019
Temporary investments		
Mutual Fund	21,024,341	252,458
Unrealized gain on changing in value of investment	10,298	2,524
Total	21,034,639	254,982

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

	(Unit : Baht)
	Consolidated and Separate F/S
Fair value as at 1 January 2020	254,982
Purchased during the period	21,000,000
Refund from mutual fund	(230,641)
Fair value adjustment	10,298
Fair value as at 30 September 2020	21,034,639

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 September 2020 and 31 December 2019, the aged of trade accounts receivable are as follows :

	Consolidated F/S		Separate F/S	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
(Unit : Baht)				
<u>Trade accounts receivable - general customers</u>				
Not yet due	71,532,310	98,000,430	30,878,400	33,936,107
Over due :				
Less than 3 months	7,357,538	13,208,971	6,794,828	10,546,477
3 - 6 months	268,817	387,358	-	387,358
6 - 12 months	6,325,703	914,653	5,569,814	535,702
Over 12 months	6,747,694	4,331,200	4,943,837	1,288,858
Total	92,232,062	116,842,612	48,186,879	46,694,502
<u>Less</u> Allowance for impairment losses	(6,572,380)	(2,511,997)	(5,742,471)	(926,183)
Net	85,659,682	114,330,615	42,444,408	45,768,319
<u>Trade accounts receivable - related parties</u>				
Not yet due	407,832	266,154	23,203,455	21,234,048
Overdue:				
Less than 3 months	111,800	299,500	111,800	4,978,706
3 - 6 months	-	-	-	6,118,256
Total	519,632	565,654	23,315,255	32,331,010

During the nine-month period ended 30 September 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 financial reporting standard	989,661	989,661
Balance as at 1 January 2020 - adjusted	3,501,658	1,915,844
Decrease from disposal of investment in subsidiary	(790,638)	-
<u>Add</u> Allowance for impairment losses	3,829,151	3,826,627
Exchange differences from financial statements translation	32,209	-
Balance as at 30 September 2020	6,572,380	5,742,471

8. INVENTORIES - NET

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Raw materials	17,299,811	13,227,519	16,815,710	13,076,373
Work in process	7,040,439	8,760,841	4,966,379	7,512,755
Finished goods	81,605,363	99,598,831	14,664,339	17,064,219
Supply inventories	2,289,841	2,620,943	1,882,259	1,985,048
Fuel	149,210	608,988	149,210	608,988
Packaging	3,279,413	3,856,273	3,234,816	3,811,652
Goods in transit	1,274,392	2,669,159	36,845	65,531
Total	112,938,469	131,342,554	41,749,558	44,124,566
<u>Less</u> Allowance for obsolete and devaluation of inventories	(8,245,010)	(11,081,422)	(514,204)	(546,771)
Inventories - net	104,693,459	120,261,132	41,235,354	43,577,795

During the nine-month period ended 30 September 2020, 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 2020	11,081,422	546,771
Decrease from disposal of investment in subsidiary	(5,619)	-
<u>Add</u> Allowances for obsolete inventories	712,399	-
<u>Less</u> Reversal of allowances for obsolete inventories	(3,875,940)	(32,567)
Exchange differences from financial statements translation	332,748	-
Balance as at 30 September 2020	<hr/> 8,245,010 <hr/>	<hr/> 514,204 <hr/>

9. INVESTMENTS IN SUBSIDIARIES - NET

(Unit : Thousand Baht)

Type of business	Separate F/S				Dividend income during the year	
	Paid-up share capital		Percentage of shareholding		Cost method	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	2019
Direct subsidiaries						
N.D. Interparts Co., Ltd.	6,100	6,100	91.77	91.77	5,598	1,377
Mascasey Trading Co., Ltd.	-	1,000	-	50.00	-	-
N.D. Energy Fusion Co., Ltd.	6,000	6,000	98.33	98.33	5,900	-
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	161,028	161,028	100.00	100.00	408,017	15,150
Total					419,515	16,527
Less Allowance for impairment losses					(1,148)	-
Investments in subsidiaries - Net					418,367	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 nine-month period ended 30 September 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 financial reporting standard	(45,528,983)	(45,528,983)
Decrease from disposal of investment in subsidiary	(39,061)	-
Purchase of assets	6,494,423	5,971,101
Disposals of assets	(64,823)	(50,393)
Written off	(571,626)	(571,626)
Transfer to assets held for sale	(2,136)	(2,136)
Depreciation for the period	(29,066,786)	(23,950,817)
Exchange differences from financial statements translation	6,241,834	-
Net book value as at 30 September 2020	<u>554,856,537</u>	<u>381,476,380</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 nine-month period ended 30 September 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 financial reporting standard	45,528,983
Depreciation for the period	(1,867,950)
Net book value as at 30 September 2020	<u>43,661,033</u>

12. INTANGIBLE ASSETS - NET

During the nine-month period ended 30 September 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
Purchase of Intangible Assets	698,500	633,350
Amortization for the period	(3,690,635)	(570,109)
Exchange differences from financial statements translation	4,474,906	-
Net book value as at 30 September 2020	<u>114,828,699</u>	<u>950,897</u>

13. BANK OVERDRAFT AND SHORT-TERM LOANS FROM BANKS

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Bank overdraft	-	26,447,326	-	26,447,326
Short-term loan	4,662,369	25,012,635	-	-
Promissory note	120,000,000	115,000,000	120,000,000	115,000,000
Liabilities under trust receipts	9,910,288	6,585,634	9,910,288	6,585,634
Total	<u>134,572,657</u>	<u>173,045,595</u>	<u>129,910,288</u>	<u>148,032,960</u>

As at 30 September 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 September 2020, the overseas subsidiary company has short-term loans from bank bear interest rate at market rate and collateralized 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 September 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 nine-month period ended 30 September 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 September 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 granting postpone payment of long-term loans 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.

(Unit : Thousand Baht)

Consolidated F/S

For the three-month period ended 30 September 2019

	Tires		Tubes		Battery	Rubber part	Shoes	Lube oil & rubber sundries		Eliminated	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Overseas	Overseas	Others		
Sales											
At point in time	51,987	129,730	24,874	34,648	12,886	12,781	7,883	1,554	3,612	(67,352)	212,603
Over the time	-	-	-	-	-	-	-	-	-	-	-
	<u>51,987</u>	<u>129,730</u>	<u>24,874</u>	<u>34,648</u>	<u>12,886</u>	<u>12,781</u>	<u>7,883</u>	<u>1,554</u>	<u>3,612</u>	<u>(67,352)</u>	<u>212,603</u>
Cost of sales											(174,139)
Gross profit											<u>38,464</u>
Interest expenses											(2,093)
Depreciation and amortization											(10,833)
Profit before income tax											110
Trade accounts receivable - general customers - net											97,594
Property plant and equipment - net											624,619
Other assets											374,259
Total assets											<u>1,096,472</u>
Total liabilities											<u>373,985</u>

(Unit : Thousand Baht)

Consolidated F/S

For the nine-month period ended 30 September 2020

	Tires		Tubes		Battery	Rubber part	Shoes	Lube oil & rubber sundries		Eliminated	Others	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Overseas	Overseas				
Sales												
At point in time	113,581	350,502	53,444	107,661	30,253	26,218	14,833	2,606	2,606	(152,014)	3,976	551,060
Over the time	-	-	-	-	-	-	-	-	-	-	-	-
	<u>113,581</u>	<u>350,502</u>	<u>53,444</u>	<u>107,661</u>	<u>30,253</u>	<u>26,218</u>	<u>14,833</u>	<u>2,606</u>	<u>2,606</u>	<u>(152,014)</u>	<u>3,976</u>	<u>551,060</u>
Cost of sales												(424,962)
Gross profit												<u>126,098</u>
Interest expenses												(5,492)
Depreciation and amortization												(34,625)
Profit before income tax												29,646
Trade accounts receivable - general customers - net												85,660
Property plant and equipment - net												554,857
Other assets												437,170
Total assets												<u>1,077,686</u>
Total liabilities												<u>329,463</u>

(Unit : Thousand Baht)

Consolidated F/S

For the nine-month period ended 30 September 2019

	Tires		Tubes		Battery	Rubber part		Shoes	Lube oil & rubber sundries		Others	Eliminated	Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Overseas	Overseas	Overseas				
Sales													
At point in time	156,016	358,662	78,232	98,012	38,616	38,659	38,659	22,423	3,849	13,002	(179,455)		628,016
Over the time	-	-	-	-	-	-	-	-	-	-	-	-	-
	156,016	358,662	78,232	98,012	38,616	38,659	38,659	22,423	3,849	13,002	(179,455)		628,016
Cost of sales													(524,273)
Gross profit													103,743
Interest expenses													(6,744)
Depreciation and amortization													(34,641)
Loss before income tax													(5,198)
Trade accounts receivable - general customers - net													97,594
Property plant and equipment - net													624,619
Other assets													374,259
Total assets													1,096,472
Total liabilities													373,985

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 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 September 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 5.48 million for electricity usage.

17.3 The Company and subsidiaries have credit facilities and contingent liabilities from financial institution as at 30 September 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	214,518,950	124,662,369	89,856,581
Long-term loan	38,950,000	7,600,000	31,350,000
Forward agreements	260,000,000	-	260,000,000
Bill for collection	3,000,000	-	3,000,000
Hire-purchase	28,312,050	16,617,206	11,694,844
Contingent liabilities			
Letter of guarantee	16,000,000	5,485,000	10,515,000
Letter of credit and trust receipts (occasionally)	90,000,000	9,910,288	80,089,712

(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	120,000,000	45,000,000
Long-term loan	38,950,000	7,600,000	31,350,000
Forward agreements	260,000,000	-	260,000,000
Bill for collection	3,000,000	-	3,000,000
Hire-purchase	28,312,050	16,617,206	11,694,844
Contingent liabilities			
Letter of guarantee	16,000,000	5,485,000	9,515,000
Letter of credit and trust receipts (occasionally)	90,000,000	9,910,288	80,089,712

