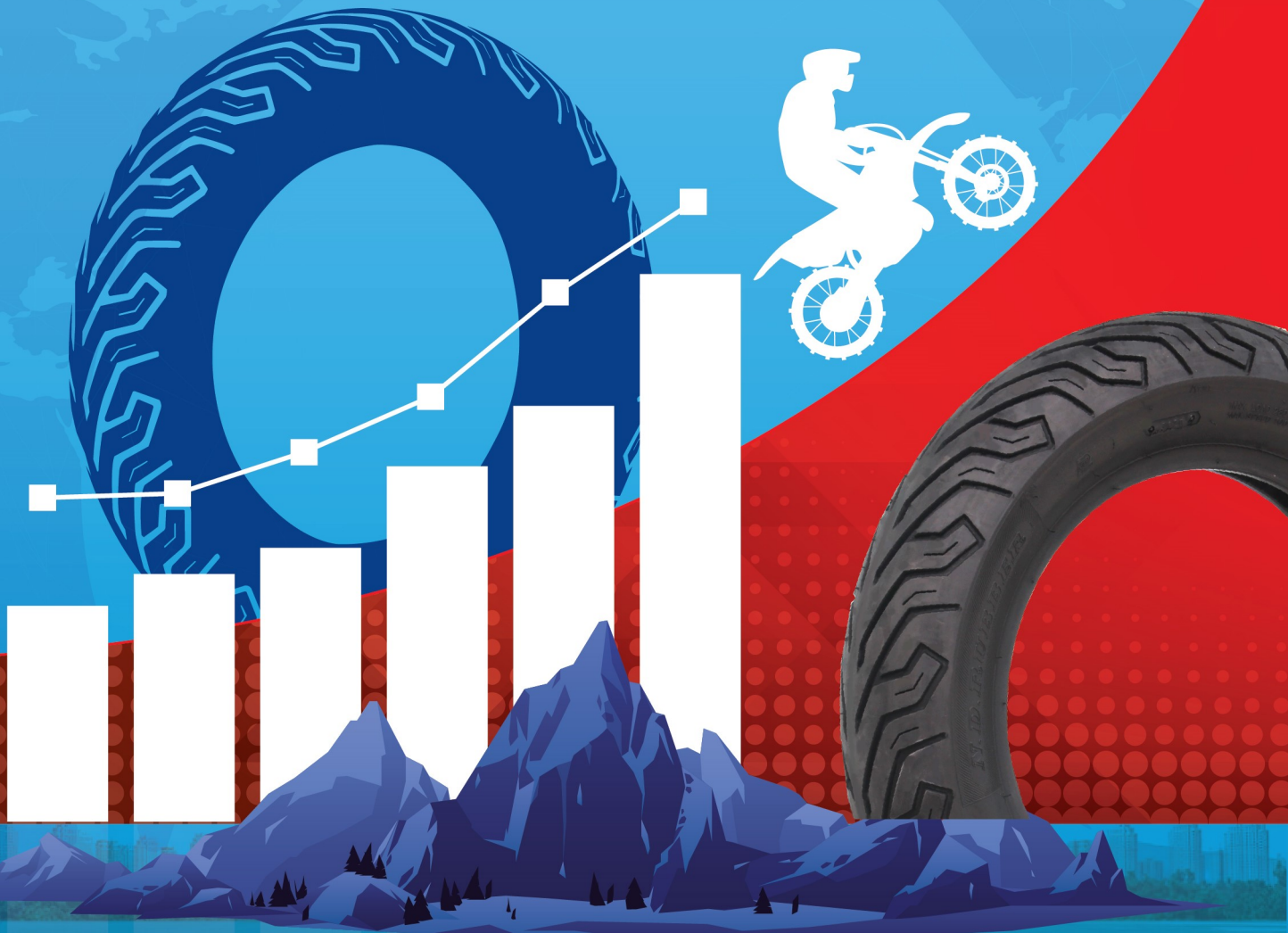


ANNUAL REPORT 2020

N.D. RUBBER PUBLIC COMPANY LIMITED



รายงานประจำปี 2563

บริษัท เอ็น.ดี. รับเบอร์ จำกัด (มหาชน)



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บริษัท เอ็น.ดี.รีบเบอร์ จำกัด (มหาชน)

N.D. RUBBER PUBLIC COMPANY LIMITED

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Messege from the Chairman

Dear Shareholders

In the year 2020, the Company has set a strategy for continuous growth throughout the year. However, the coronavirus (COVID-19) pandemic has subsequently disrupted lives, livelihoods, communities and businesses worldwide in an exceptional manner and will likely be the worst economic slowdown this century. The Company is concerned and tries to find ways to take care of the shareholders and stakeholders of the Company by adjusting its working plans and strategies until the Company was able to overcome this crisis.

Although FY 2020 will be a challenging year for our Motorcycle Tire Manufacturing Business and the Company's results significantly impacted by the second COVID-19 outbreak, but 2020 has been a successful year with more proactive implementation of management strategies, cost reduction activities including the use of automatic machines to increase efficiency and reduce waste in the production process, causing the Company to have a net profit of 39,413,593.62 Baht

In addition, the Company is committed to adhering to good corporate governance and conducting sustainable business for long-term growth and continues to focus on activities related to social and environmental responsibility (CSR) along with various developments of the Company through various projects and activities such as providing face shield and N95 mask to Ban Bueng Hospital and the Moral Rescue Association Center to support the work of the staff and medical personnel in the midst of the COVID-19 crisis.

For the year 2021, the Company aims to grow continuously with a target of about 20% increase in sales from 2020. But no one had predicted that the crisis from the COVID-19 epidemic caused the global economy and the nation to stumble and it was a risk factor affecting the goals of the Company. The main factor to monitor is how long the second COVID-19 outbreak will last and how will government policies affect the overall economy of the country. However, the Company believes that our business is flexible enough to keep going even after the recession will last for a long time. Furthermore, the Company itself has already started implementing plans to cope with the COVID-19 situation as follows:

- Ongoing campaign for cost reduction in the production process by using more automation to increase efficiency and reduce waste in the productin process;
- increasing investment in research and development to improve product quality will create confidence for customers and result in increased of sales volume;
- Design and lauch new products to customers;
- Use management strategies more proactively;
- Accelerate the process of creating partiners in foreign markets;



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- Prioritize investments and choose to invest in the jobs necessary to generate short-term income; and
- More tight control of operating expenses.

On this opportunity, I urge all shareholders and stakeholders to reassure the management of the Company that they will put their energy and afford to lead the organization through this crisis. I also would like to thank you shareholders, and stakeholders who have always trusted and supported the operation of the Company and kindly ensure that the Board of Directors, the Executive Committee and all officers/employees of the Company are committed to the sustainable development of the organization in order to return the most benefits to all shareholders, create happiness and well-being for all employees including to maintain and improve a good environment for the society.

(Mr. Pongsak Sawadwan)

Chairman

Section 1 Business Overview

1. About “NDR”

N.D. Rubber Public Company limited “NDR” was established by Samrittivanicha Family. The company has started production for motorcycle tire and tube since 1994. We have focused on the quality of the product, society, consumer safety and environmental in every company’s activities. We have targeted to be a leader in product development, production technique and social responsibility of motorcycle tire industry in Thailand.

Major Change and Development

Year 2014

- March** Completed tire mixing building and set up a compound mixing machine
- April** Made a memorandum of understanding with Thai Suzuki Motors Co., Ltd. to manufacture and sell motorcycle tire in local OEM is currently under patent registration.
- May** Increase registered capital another 65.0 M. shares share value at 1.0THB Total registered is 215.0 Million THB and registered its conversion into Public Companies.

Year 2015

- January** Share listing with MAI open for public
- May** Completed tire mixing building and set up a compound mixing machine
- May** Made a memorandum of understanding with CEAT Limited a customer in India to manufacture tire under “CEAT” trademarks.

Year 2016

- April** Launching new product. It’s new innovation to replace Tubes, In the name of “AIR LOCK”, of which Safety and saving is better than Tubes.
- October** Installation the Solar Cells System for 99X KW. The purpose is for own consumption.
- November** Making agreement with partners to establish the joint venture company for manufacturing Car Tires.
- December** Established the joint venture company “Mascasey Trading Company limited” for increase sales channel for Motorcycle Tires and Motorcycle Tubes.

Year 2017

- November** Established a subsidiary company in the name of N.D. Energy Fusion Co., Ltd. Its main business is designing, research and development and distributor of electricity transmission equipment both wired and wireless to support all types of applications.
- December** Negotiations on the acquisition of all shares of Fung Keong Rubber Manufactory (Malaya) Sdn Bhd (“FKRMM”). The transaction is expected to be completed by February 2018.



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Year 2018

February Officially holding all shares of Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd.

2. Vision and strategy of the business.

With awareness of the importance of business operations, the Board of Directors has set the vision, strategy, mission and goals of the company to be a guideline for working of the Board of Directors, Executive Director and all staff by aiming to achieve the same goal.

In this regard, the company reviews the vision, strategy, mission and goals of the company annually. In the year 2019, the company still aims in the same direction to make the vision and the company's mission is in line with the current economic conditions.

VISION

"We will be the first leader in motorcycle tire production in the area of product development, production techniques and social responsibility"

STRATEGY

"We will recruit business partners both domestically and internationally to expand the market share of motorcycle tire and tube into market together with the improvement of the production process to be more automated in order to reduce production costs."

MISSION

"We will take into account the quality of the product, social impact, consumers safety Including environmental conservation in all activities of the company"

BUSINESS GOAL

"We aim to be a leader in the motorcycle tire and tube manufacturing industry in Thailand, focusing on producing quality products and environmentally friendly processes which the product must meet customer's standard requirements in order to increase market share both domestically and internationally."



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3. Financial Highlights

Financial Highlights of N.D. Rubber Public Company Limited and Subsidiary.

Unit: Million Baht

	2020	2019	2018
Consolidated Income Statement			
(Million Baht)			
Revenue from sales	775.85	850.63	973.29
Costs and expense	717.21	873.03	975.03
Profit before finance costs, income tax expense, depreciation and amortization and includes dividends from associates (EBITDA)	109.21	35.21	102.93
Profit (Loss) for the year	45.21	(19.88)	28.25
Consolidated Statement of Financial Position			
(Million Baht)			
Assets	1,085.14	1,061.35	1,224.98
Liabilities	331.03	358.69	460.66
Shareholders' equity	754.11	702.66	764.32

Unit: Million Baht

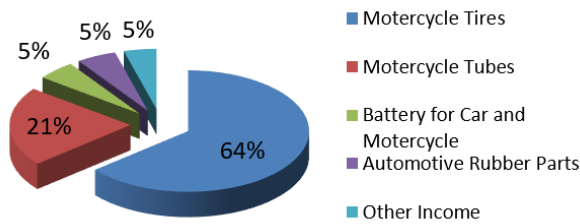
	2020	2019	2018
Financial Ratio			
Total number of shares issued (Million Shares)	315.39	315.39	315.39
Book value per share (Baht)	1	1	1.00
Earnings per share (Baht)	0.14	(0.06)	0.10
Dividends per share (Baht)	0.05	N/A	n/a
Dividends payout ratio on profit for the year (%)	40.00	N/A	n/a
Return on revenue from sales (%)	5.83	-2.33	2.90
Return on equity (%)	6.00	-2.83	3.70
Return on assets (%)	4.17	-1.87	2.31

4. Company and Subsidiary Income Structure

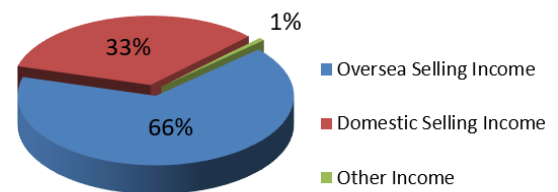
4.1 Income structure

Company income structure as follow by product as follow :

Income structure by product

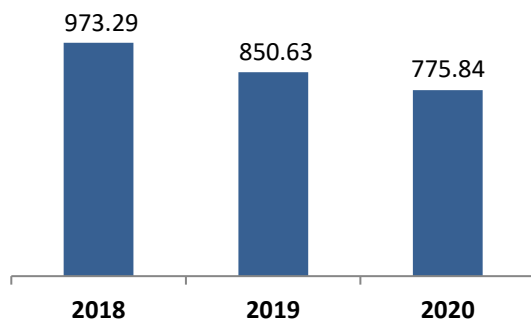


Income structure by geography



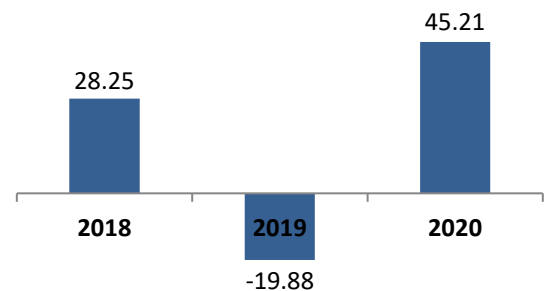
Total Selling Income

Unit: Million Baht



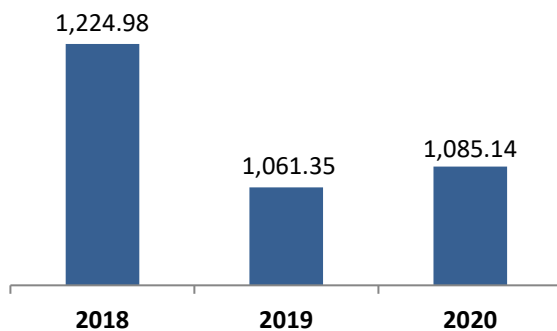
Net Profit Margin

Unit: Million Baht



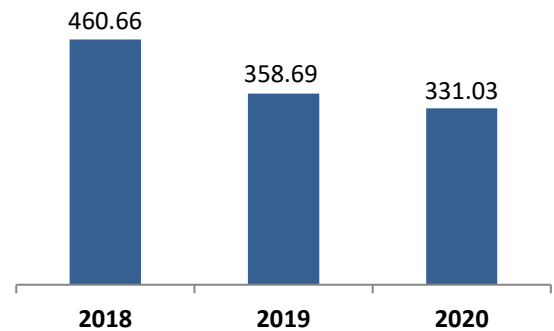
Total Assets

Unit: Million Baht



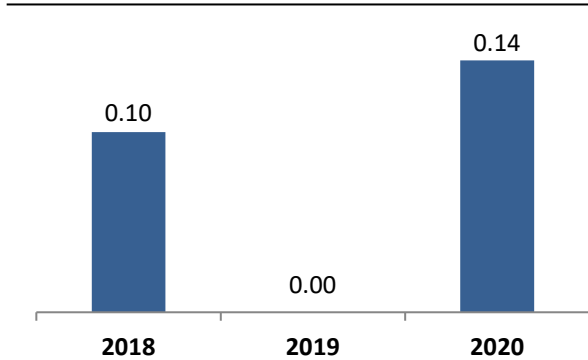
Total Liabilities

Unit: Million Baht



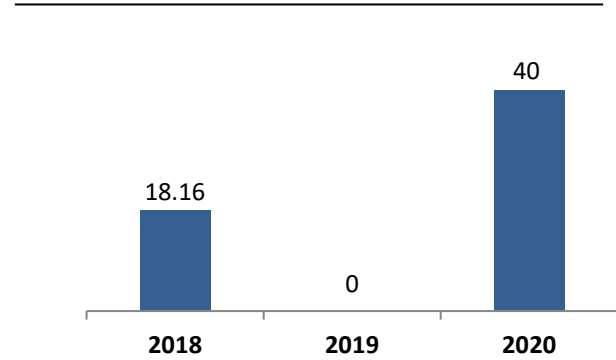
Profit

Unit :Baht per share



Dividends payout ratio on profit for the year*

Unit:Percent



* Profit for the year attributable to owners of the parent.

4.2 The Nature of Business

1) The Nature of Business

1.1) N.D. Rubber Public Company Limited (“NDR”)

The Company manufactures and distributes motorcycle tires and tubes to both Original Equipment Manufacturer (“OEM”) and Replacement Equipment Manufacturer (“REM”) for both domestic and overseas market in various types according to usage.

Motorcycle Tires



Motorcycle Tubes



Air Lock



NDR is also a distributor of FB car and motorcycle batteries which will be sold to the related companies to increase the distribution channels and be traded according to the market price. The motorcycle battery will be sold to the dealer which is mostly a distributor of tires and motorcycle tires.

1.2) N.D. Rubber Interpart Co., Ltd.

Automotive Rubber Parts produce by N.D. Rubber Interpart Co., Ltd. subsidiary company. Main material is synthetic rubber and natural rubber. Part characteristics can be classified by manufacturing method by 2 types as follow;

- **Rubber Compression Method** rubber compression molding process to produce a range of precision rubber molded components. The characteristic of outcome will be the same as original mold. Part in this category is O-ring, seal, rubber sheet and bush.



- **Rubber Extrusion Method** The production of rubber parts by extrusion process through die. Part in this category is door gasket, glass gasket and rubber pipelines



5. Industrial Situation and Competition

1) Rubber Price Situation

From fundamental and technical analysis, rubber prices were supported by trading partners' manufacturing PMI index, which remained above 50 which indicates economic growth. And the second phase of the rubber planters' income insurance which is a measure that the government is committed to helping rubber planters so that rubber farmers have stable income. By paying the second round, crude oil prices are likely to rise, private venture capital to build more rubber glove factories for export including the new policy of China to encourage rural cities in China to buy cars and bringing old cars to exchange for a new car and China's private sector plans to produce more electric cars. In addition, the total production of cars for export has increase. However, from the signal of the foreign futures market, the long-term trend is still in a uptrend but there is an opportunity to shrink according to selling pressure to make short-term profits and the overall stock of rubber rose, Thai baht tends to fluctuate due to the situation of the COVID-19 epidemic in countries where infected people have been infected and spread to many provinces and foreign countries are concerned about the COVID-19 mutation in United Kingdom. Moreover, the problem of shortage of containers, the freight to Qingdao may increase by 100-250 USD and will continue to increase if there is no clear control measure. In addition, the amount of rubber to the market and operators delay rubber trading during the New Year season is a factor that depresses prices during this period. Therefore, it is expected that rubber prices in January 2021 are likely to decline.¹

The world economy in 2021, is expected to continually recover and return to grow after experiencing a momentous contraction in 2020. The growth will be driven by the rebounds of economic activities and the domestic demand after lockdown easing together with support from expansionary fiscal and monetary policies. In the base case scenario, a surge in outbreak is expected to have passed the peak in 2020 and the numbers of infected cases tend to remain low and controllable under the healthcare capacity that have become more effective due to the sanitation and social distancing measures. At the same time, it is expected to witness more travel bubble agreement, particularly among those

¹Source : Thai Rubber Association

countries with low infacted cases as already observed between Australia vs New Zealand and Singapore vs Vietnam, which will help bring about increasing volume of international traveling during the second half of 2021.

The baseline forecast for the world economy and trade volume rests on the following key assumptions: (i) the vaccine development becomes successful by the second quarter of 2021, and thus the vaccine supply will be available in most major economies, particularly US, Eurozone, UK, Japan and China in the third quarter of 2021. Thereafter, the vaccine production capacity is projected to increase, which in turn will make the vaccine price become lower and, thus, will result in widespread vaccination during the last quarter of 2021; consequently, the containment and travel-restrictive measures are expected to be relieved in the latter half of 2021. (ii) There is no second or third wave of sidespread outbreak which lead to more intermittent lockdowns. (iii) The catastrophe in real sector will not escalate to fiscal or monetary crises in major economies. Thus, under these conditions, the world economy and trade volume in 2021 is projected to expand by 4.9 percent and 5.0 percent, respectively, notably improving from a 3.5 percent and 11.0 percent declines in 2020, respectively.²

2) Thai economic overview in 2020 and Economic trend in 2021

- Thai Economic Overview in quarter 3/2020³

Gross Domestic Product (GDP) in the first three quarters of 2020 has dropped by 6.8% comparing to the same period of the year 2019 compared to the same period of the year 2020 which expanded by 2.6%. Agricultural production has decreased by 4.7%, Services industrial has decreased by 6.8%, Private consumption expenditures has decreased by 1.6%, Investment has decreased by 5.6%, Industrial production has decreased by 7.5% and Export of goods and services has decreased by 19.5%.

GDP for the first three quarters of 2020, Industrial sector contracted 7.5%, increased from the first two quarters which had a 8.6% contraction and a significant contraction of 0.2% when comparing to the same period of last year. The slowdown was mainly in the automobile production category. Support factors, however, come from the easing of enforcement of preventive measures and to stop the spread of the COVID-19 including the government's economic stimulus measures resulted in the production of goods and services being resumed in operation and the export of goods began to improve.

In the first ten months of 2020 (January – October), Industrial production index was at 91.92 which has decreased from the same period in 2019 (102.50) by 10.33%. Industries that drive the decrease in index during the same period in 2019 are vehicle engine production, sugar and production of products derived from petroleum refining, etc. For the trend of the year 2021, the industrial production index is expected to gradually increase but it may not be as good as 2019 due

²Source : Office of the National Economic and Social Development Council

³Source : The office of Industrial Economics, Ministry of Industry

to the COVID-19 outbreak that continue to spread throughout the world and waiting for clarity on the use of vaccine against COVID-19.

In the first ten months of 2020 (January – October), Shipment index was at 92.50 which has decreased from the same period in 2019 (102.94) by 10.14%. Industries that drive the decrease in index during the same period in 2019 are vehicle engine production, sugar production, and production of products derived from petroleum refining, etc. For the trend of the year 2021, the shipment index is expected to in line with the industrial production index (value added) above.

In the first ten months of 2020 (January – October), Finished goods Inventory Index was at 128.32 which has decreased from the same period in 2019 (135.87) by 5.56%. Industries that drive the decrease in index during the same period in 2019 are vehicle engine production, brewing and blending liquor, sugar production, etc. For the trend of the year 2021, the shipment index is expected to decrease due to the economy began to recover and there is an increase in product demand, thus reducing inventory.

In the first ten months of 2020 (January – October), Capacity Utilization Index was at 60.44 which has decreased from the same period in 2019 (66.47). Industries that drive the increase in index during the same period in 2019 are vehicle engine production, sugar, motorcycle production, etc. For the trend of the year 2021, the finished goods inventory index is expected to gradually increase from 2020 because the government relax measures to prevent and stop the spread of the COVID-19 enabling production and service activities to resume production.

In the first ten months of 2020 (January – October), Average Index was at 84.24 which has decreased from the same period of 2019 (94.07). The 3-month forecasted confidence index was at 93.66 which was decreased from the same period in 2019 (103.13). For the trend of the year 2021, the industrial confidence index is expected to continued to stabilize from 2020 due to concerns over the uncertainty of the COVID-19 epidemic situation as there was a second epidemic in many countries, especially Europe, announcing a second lockdown resulting in slow down economic activity, orders from overseas fell, entrepreneurs face the problem of lack of liquidity of the business especially SMEs.

- Economic Outlook for 2020⁴

The Thai economy in 2021 tends to continually recover from the latter half of 2020, supported mainly by (1) the success in the COVID-19 containment together with additional supports from government economic management resulting in improving domestic demand, (2) the recovery of the world economy and global trade volume under the assumption that the outbreak passes its peak already in 2020 and becomes well-contained, which will support the recovery of Thai export sector (3) the budget disbursement under the FY2021 annual government budget as well as government economic stimulus measures, and (4) the adjustment from unusually low growth base from 2020. Notwithstanding, there are several risks associated with the 2021 economic recovery, namely an uncertain situation of COVID-19 in several countries which could become more prolonged and more severe and consequently will undermine the global economic and tourism recovery, as

⁴Source : Macroeconomic Strategy and Planning Office

well as employment conditions, the financial positions of both households and businesses, risks of drought, and global economic and financial volatilities.

Supporting factors for the economic growth:

1) **The continued improvement of domestic demand**, contributed by the success in containing and preventing domestic infection of COVID-19, resulted in continual relaxation of restriction and containment measures since the third quarter of 2020 which therefore help revive domestic economic activity and confidence. In addition, the supportive windfall from both monetary and fiscal policies are expected to increasingly encourage the recovery of domestic spending. Relaxation of international travel restrictions for some certain groups, including film production crews, exhibitors, high-income tourists, and Special Tourist Visa (STV) holders, will facilitate some group of foreigners to enter Thailand since the end of 2020 while remains under strict monitoring and quarantine measures. The number of foreign tourists is anticipated to increase especially in the latter half of 2021 when there will be more widely international traveling, under the conditions of the success and accessible of vaccination, which will contribute a positive momentum to domestic spending.

2) **The recovery of the world economy and the global trade volume in 2021**, in line with the better-than-expected recovery in the latter half of 2020, due to the relaxation of containment measures along with large economic stimulus measures in major economies, especially the US, the Eurozone, and China. The recovery is illustrated by both manufacturing and services PMIs which have been improved and returned to pre-pandemic levels. Similarly, retail sale indices started to show positive growth in August and September. Under the baseline scenario, it is expected that the outbreak will pass its peak after 2020 in several countries, and the number of infection cases will not exceed the public health capacity. Together with better containment through better hygiene and social distancing which will result in less strict containment measures, as well as the adapted businesses' and consumers' behaviors, the economic impact will not be as large as the first wave of COVID-19 in 2020.

3) **The government budget disbursement under the annual budgetary framework and additional stimulus package**, consisting of:

i. the FY2021's annual government budget, which is expected under the baseline scenario to be disbursed at 94.4 percent of total budget, where the current and capital expenditure disbursement rates are projected to be 98.0 percent and 80.0 percent, respectively, resulting the FY2021 total government expenditure of 3,103,374 million Baht, a 5.4-percent increase from the total expenditure of 2,943,853 million Baht in the previous fiscal year;

ii. the FY2021's carry-over budget disbursement, which is expected to be 85.0 percent of total budget and have the total amount of 519,418 million Baht, higher than those in FY2020 by 367,916 million Baht;

iii. the budget disbursement under the Emergency Degree Authorizing the Ministry of Finance to Raise Loans to Solve Problems, to Remedy and Restore the Economy and Society as Affected by the Coronavirus Disease Pandemic, B.E. 2563 (2020), with total amount of 1 trillion Baht, which is expected to be disbursed around 403,249 million Baht in FY2021. Therefore, the total budget disbursement in FY2021 (the sum of disbursements from annual budget, carry-

over budget, and the budget under the Emergency Degree) is anticipated to be 3,757,017 million Baht, an increase by 8.3 percent from the FY2020 expenditure of 3,467,967 million Baht;

iv. the FY2021's state-owned enterprises' capital expenditure budget disbursement, especially for the key infrastructure projects, which is expected to be 70 percent of the approved investment budget, compared with 64.9 percent in FY2020; and

v. other key economic stimulating measures, such as low interest loans for effected businesses under the Emergency Decree on Financial Assistance to Small and Medium-sized Enterprises Affected by Coronavirus Pandemic proposed by the Bank of Thailand (BOT), Portfolio Guarantee Scheme proposed by the Thai Credit Guarantee Corporation (TCG), as well as domestic demand stimulus and cost of living reduction measures.

4) **The unusually low growth base in 2020**, as a result of COVID-19 pandemic which affected the Thai economy in the second quarter of 2020 to decline by 12.1 percent, the historic low rate, before recovered in the third quarter with a 6.4 percent contraction rate. Similarly, countries around the world have been also affected by the pandemic and thus experienced economic recessions with the historically low growth rate in many countries. The 2020 global economy is projected to decline by 3.5 percent, which is the lowest rate since the World War II. Under such conditions, it is estimated that the economy in 2021 would recover and be able to expand, driven by the recoveries in domestic demand, export sector, as well as production sector.

Risk and Limitation to Economic Growth:

1) **The uncertainty of the pandemic situation**, which could derail the growth forecasts under the baseline scenario, as shown in the continually increasing number of new infections in several countries, particularly the US, India, and Brazil. Similarly, Japan, Germany, the UK, and France are experiencing the resurgence of the outbreak. Likewise, the situation in neighboring countries, such as Myanmar, Malaysia, Indonesia, and the Philippines seems to face with rising numbers of newly infected cases. At the same time, there are highly uncertainties in the discovery of vaccines and drugs, both uncertainties in terms of their efficiency and timing. Therefore, partial containment and international travel restrictions may be reimplemented. If these downside risks are realized, the world economic and global trade recovery will be different from the baseline assumption and subsequently undermine Thailand's exports and tourism sectors.

2) **Employment and financial conditions of the households and business sectors** which will put pressure on the recovery of household spending and corporate investment. In the third quarter, there were around 737 thousand unemployed persons, compared with 394 thousand people in the same quarter of last year. The unemployment rate in the third quarter was 1.90 percent, close to the previous quarter of 1.95, and higher than the same quarter of last year which was at 1.04 percent. The higher unemployment rate was observed in the severely affected sectors, including the manufacturing and hotel and restaurant sectors. This was in line with the number of employees applied for unemployment benefits rising to 242,114 persons in the third quarter, compared with 32,789 persons and 145,747 persons in the first and second quarters, respectively. In addition, although government measures to aid and resolve liquidity problems through special relief interest loan measures along with debt restructuring programs implemented in 2020, the



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proportion of Special Mention Loans to total loans in the third quarter remained at 7.1 percent, up from 2.7 percent in the third quarter of last year. At the same time, household-debt-to-GDP at the end of the second quarter of 2020 was at 83.8 percent, increasing from 80.2 percent in the first quarter. These factors will become key limitations of the recovery of household spending and corporate investments.

3) **Risk of drought.** As of October 31st, 2020, total level of usable water in all dams and reservoirs was at 13,888 million cubic meters, 14.2 percent of total capacity, and only 48.3 percent of the 10-year average usable water level at the same period of the year. Particularly, the levels of usable water in Ubol Ratana Dam, Bhumibol Dam, and Vajiralongkorn Dam declined to record low at only 7.6 percent, 28.1 percent, and 32.1 percent of the 10-year average, respectively. If the amount of rainfall does not increase during the rest of the year 2020, there will not be sufficient water for the crop year 2020/2021, especially for out-of-season rice which is not growable in some regions.

4) **The fluctuation of the world economy and financial market.** Conditions in the world economy that need to be closely monitored and assessed are as follows:

i. the policy direction under the new administration of the US president, particularly domestic economic stimulus, foreign trade policy, and national security policy, which will affect the global economic recovery, production base reallocation, geopolitical conflicts especially across the Middle East, and international relationships with China and other countries,

ii. the possibility of No-Deal Brexit scenario which will alter global trade volume and investments among the Eurozone, UK, and key trading economies,

iii. the weakened economic stability, especially in countries with weak economic fundamentals due to high government and household debt, which may limit the recovery of domestic demand, and

iv. the fluctuation of global capital flow under the uncertainty of the pandemic which will significantly affect global exchange rates and economic recovery. Under the recovery condition, capital flow is expected to relocate from safe haven, e.g. long-term government bonds and gold, to higher yield assets, particularly those in emerging and developing economies and therefore it is expected to generate an appreciation pressure on foreign exchange rates of emerging countries. Nonetheless, the economic recovery pace might become more fragile if the outbreak situation become more severe and prolonged. Thus, these factors could lead to immediate capital outflow from the emerging countries and thus greatly affect their economies and financial market.



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บริษัท เอ็น.ดี.รีบบอร์ จำกัด (มหาชน)

N.D. RUBBER PUBLIC COMPANY LIMITED

129 หมู่ 3 ถนนหนองซาก-พนัสนิคม ตำบลหนองอิฐ อำเภอบ้านบึง จังหวัดชลบุรี 20220

129 Moo 3 Nongchak-Phanasnikom Rd., Nongeiroom, Banbueng, Chonburi, Thailand 20220 Tel. 038-160707 Fax. 033-047348



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6. General Information

6.1) Company General Information

Name	N.D. Rubber Public Company Limited
Registered Number	0107557000179
Registered Capital	387,470,188.00 Baht (Paid-up 315,391,514.00 Baht)
Head Office	129 Moo 3 Nongchak –Phanasnikom Rd., Nongeiroom, Banbueng, Chonburi Tel: 038-160707 Fax: 033-047348 www.ndrubber.co.th
Business	Motorcycle tires and tubes manufacturing and distribution, car and motorcycle battery distribution, manufacturing and selling automotive rubber parts.
Investor Relations	Tel: 038-160707 ext. 108 E-mail malinee@ndrubber.co.th
Company Secretary	Tel: 038-160707 ext. 112 E-mail nopparat.c@ndrubber.co.th
Chairman of Audit Committee	E-mail auditcom@ndrubber.co.th (For complaints To report fraud And / or non-compliance with the Code of Conduct. And/or good governance)

6.2) General information of subsidiaries

- General information of subsidiaries

Name	N.D. Interpart Company Limited
Head Office	129/2 Moo 3 Nongchak –Phanasnikom Rd., Nongeiroom, Banbueng Chonburi Tel: 038-160707 Fax: 033-047348 www.ndrubber.co.th
Registered Capital	6,100,000 Baht (Fully paid up)
Business	Automotive and electronics rubber parts manufacturing and distribution
Name	N.D. Energy Fusion Company Limited
Head Office	129/2 Moo 3 Nongchak –Phanasnikom Rd., Nongeiroom, Banbueng Chonburi Tel: 038-160707 Fax: 033-047348
Registered capital	6,000,000 Baht (Fully paid up)
Business	Research, development, manufacture and distribution of power transmission equipment.
Name	Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd.
Head Office	No. 2A, Jalan Wawasan 3/Ku7, Sungai Kapar Indah, 42200 Klang, Selangor, Malaysia Tel: +603 3291 1901 Fax: +603 3291 8848
Registered Capital	30,000,000 Malaysian Ringgit (Paid up 20,000,000 Malaysian Ringgit)
Business	Import and distribute motorcycle tire and tube



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- **Reference Persons**

Security Registrar

Thailand Securities Depository Company Limited

93 Ratchadaphisek Road, Dindaeng, Bangkok, 10400

Tel. (66) 2 009 9000 Fax (66) 2 009 9991

- **Auditors**

Grant Thornton Company Limited

11th Floor Capital Tower All Seasons Place

87/1 Wireless Road Lumpini Patumwan Bankok 10330

Tel. (66) 2205 8222 Fax (66) 2654 3339

www.grantthornton.co.th

6.3) Other important information

-None-



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Section 2 Management and Corporate Governance

7. Securities and Shareholders.

7.1) Registered Capital and Paid-up Capital

- Registered Capital 387,470,188.00 Baht.
- Issued and fully paid share capital: 315,391,514.00 Baht, comprising 315,391,514 ordinary shares.
- Ordinary shares at 1 Baht par value.

7.2) Shareholders

List of top 10 largest shareholders (as of 16 March 2020) as follow :

Name of the shareholders	As of 16 March 2020	
	No. (Share)	Percentage
Samrittivanicha Group		
Mrs. Nittaya Samrittivanicha	75,093,202	23.81
Mr. Chaiyasit Samrittivanicha	73,298,612	23.24
Mrs. Thunyarat Samrittivanicha	15,432,300	4.89
Total	163,824,114	51.94
Other shareholders in first top ten		
BAND OF SINGAPORE LIMITED	78,695,100	24.95
Thai NVDR Company Limited	6,372,256	2.02
Mr. Somchai Vichitsaengrat	5,200,000	1.65
Mrs. Kesuree Suntorn	3,217,787	1.02
Mr. Pornsak Ratanalertpaiboon	2,630,400	0.83
Mrs. Supreeda Srisupornpan	1,900,000	0.60
Mrs. Varunee Soontornkijprapai	1,217,400	0.39
Ms. Kanoknart Ratanasuwanchart	1,212,062	0.39
Ms. Kanthima Thasathan	1,182,250	0.37
Mr. Atsadang Srisupornpun	1,000,000	0.32
Total	102,627,255	32.54
Other minority shareholder groups	48,940,145	15.52
Total	315,391,514	100.00

Remark : Samrittivanicha Group Major shareholders has influence to regulated policy, management or even company operations significantly.



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7.3) Issuance of Other Securities

-N/A-

7.4) Dividend Payment Policy

The company declared a policy to pay dividend no less than 40% of the net profit after the deduction of the corporate income tax and legal reserve for the company's financial statement. However, such dividend may changeable depends on future investment plan, liquidity, necessity and other appropriate reason. Thus the board director's resolution approved to pay dividend shall propose to get the approval from shareholder meeting except the dividend during the period which the board of director has the authorize to pay during the period and report to shareholder meeting in the next meeting.

N.D. Interparts Co., Ltd. and N.D. Energy Fusion Co., Ltd. as subsidiary company have defined dividend policy to the company at 100% of the net profit after the deduction of the corporate income tax and legal reserve for the company's financial statement. In case of there is any subsidiary company shall declared a policy to pay dividend no less than 100% of the net profit after the deduction of the corporate income tax and legal reserve for the company's financial statement. However, subsidiary and/or associated company may defined to pay dividend less than the above rate if the company have to spend net profit to expand company business operations.

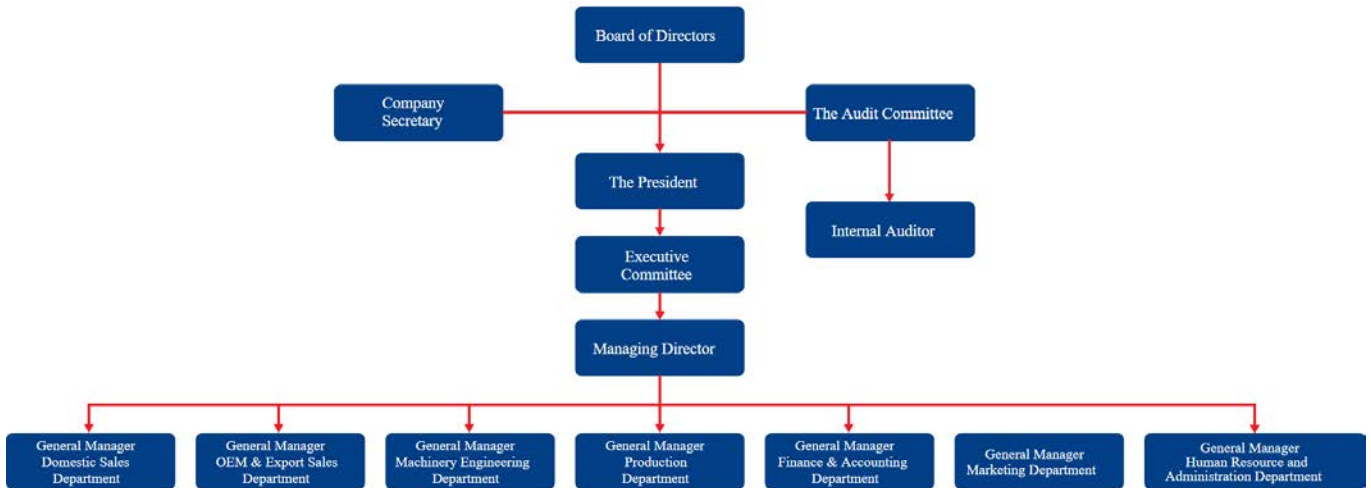
Dividend payment rate for the performance in the past 5 years

Year	Net Profit Ratio (Baht/Share)	Dividend Payout Ratio (Baht/Share)	Dividend Payout Rate		Dividend Payout Ratio Per Net Profit (%)	Total Dividend Value (Baht/Share)
			(Ordinary Share: Stock Dividend)	(Baht)		
2015	0.58	0.080		-	39.13	0.080
2016	0.16	0.060		-	37.70	0.060
2017	0.26	0.097		-	40.00	0.097
2018	0.08	0.025	40:1	0.0028	58.61	0.0278
2019	0.10	0.030		-	18.16	0.030
2020	-	-	-	-	-	-

According to the 2020 Annual General Meeting of Shareholders, it is resolved to approve the omission of dividend payment for the operating results of 2019 because the Company uses cash flow to pay for the acquisition of FKRRM in Malaysia and need to reserve cash flow to support the economic recession in 2020.

8. Management Structure

Management Structure as of 31 December 2020 as follow:



8.1) Board of Directors

The Company forms at least 8 members of the Board of Directors and all of whom never dishonestly committed an offence against property and never entered into any transaction which may cause conflict of interest against NDR during the year

The Board of Directors comprises nationally respected, knowledgeable and competent persons who are responsible for drawing up corporate policy and collaborating with the top executives in making operating plans, financial policy, risk management policy, and monitoring and assessing the performance of the Company and top executives on an independent basis.

Among the Board directors, three have been appointed as authorized directors, namely, Mrs. Nittaya Samrittivanicha, Mr. Chaiyasit Samrittivanicha and Mrs. Thanyarat Samrittivanicha. Any two of the authorized directors are authorized to sign jointly with company seal affix on behalf of the Company.

There are six non-executive directors, and two executive directors who receive a salary from company which are Mr. Chaiyasit Samrittivanicha (Managing Director) and Mrs. Thanyarat Samrittivanicha (Domestic Sales General Manager).

The three independent directors are Dr. Sirada Jarutakanont, Mr. Teerasak Sawangnet and Mr. Kovit Krishanin they are independent directors meet all the requirements specified in the Company's list of qualifications of an independent director, which are more stringent than the qualifications stipulated by the Securities and Exchange Commission.

The Sub-committee

Directors	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee
1. Mr. Pongsak Swadwan	Chairman	-	-
2. Mr. Chaiyasit Samrittivanicha	Member	-	Member
3. Mrs. Nittaya Samrittivanicha	Member	-	-
4. Mrs. Thanyarat Samrittivanicha	Member	-	-
5. Dr. Sirada Jarutakanont	Member	Chairman	Chairman
6. Mr. Teerasak Sawangnet	Member	Member	Member
7. Mr. Kovit Krishanin	Member	Member	-
8. Mr. Marco Low Peng Kiat	Member	-	-

Directors' Term of Service on Board Duration of Each Term

At the Annual General Meeting of Shareholders each year, one-third of the total directors must retire from office. If it is not possible to divide the total number of directors evenly by three, the number closest to one-third must retire from the Company. In choosing those directors who retire, length of service on the Board should be considered, so that those who have served longest are most eligible to retire. Nevertheless, a retiring director is eligible for re-election

Authority, Duties and Responsibilities of the Board of Directors

The Board of Directors has duties and responsibilities for directing the company's operation comply to law Company objectives and regulations as follow

- Review the vision, strategy, mission and goals of the Company annually.
- The Board of Directors shall hold the annual ordinary meeting of shareholders within four months from the date ending the account period of the company.
- Board of Directors meeting at least once every 3 months
- The Board of Directors shall prepare the balance sheet and profit and loss account of the date ending the accounting period of the company to be put forth to the annual ordinary meeting of shareholders for consideration to approve.
- Board of Directors shall authorized any one of director or directors or even others person acting in the name of the Board under controlling of the Board or authorized such person has the authorization as per the board assigned and within a certain period. The Directors may abort or change or change the authorized person.

Moreover, the Board of Director may authorize Executive Committee have the authorization in any operations as per the scope of Duties and Responsibilities of the Executive Committee. The authorization shall

not be the assignee can review and approve. The authorization must not be delegated to the Executive Committee or attorney can review and approval by the Board of Directors or attorney or persons involved or stakeholders or have a conflict of interest with the Company or any subsidiary except the approval is in accordance with policy and guidelines approved by the board according to laws.

- f) Set goals, policies, plans and budget of the Company including acknowledge and consider risk management. To control, supervise and manage the Board of Director as per assigned except The Board of Directors must be approved by the general meeting of shareholders prior to such as capital increase and decrease, bond issue, selling or buying the whole business or in part to other person or buying or transferring business from other company, amendment company regulation or affidavit.

The board also has the responsibility for overseeing the Company's compliance with the law on Securities and Exchange Commission. Exchange's regulations, such as the Transaction . And the purchase or sale of significant assets under the rules of the Stock Exchange of Thailand. Or the laws relating to the Company's business.

- g) Consider management structure appoint executive committee, Managing Director and other Directors as appropriate.
- h) Follow up business results as planned continuously.
- i) Approved open/closed all type of bank account with bank or financial institute including defined withdrawing and deposit condition or doing juristic act
- j) Approved investment fund as defined in annual budget
- k) Defined organization structure or assign executive committee to do.
- l) Have power of attorney to assign one or many directors or other person to act under Board of Directors supervisory or might give the authorization the aforesaid person have the authorization as appropriate as the Board agreed and within appropriate time as the Board agreed. The Board might cancel, abolish, change or amend the authorized person or such authority as appropriate. There is not any authorization to a person who has a conflict of interest.
- m) The directors are forbidden to operate a business of the same nature as and in competition with that of the company, or to enter to be a partner in an ordinary partnership or a partner of limited liability in a limited partnership or a director of a private company or other company which operates a business of the same nature as and in competition with that of the company, whether for their own or others' benefit, unless the meeting of shareholders had been notified prior to appointment thereto.
- n) The directors shall inform the company without delay in cases having interests directly or indirectly in any contract entered into the company or hold shares or debentures by specifying the total number increased or decreased.

8.2) The Audit Committee

The Qualification of Audit Committee

The Audit Committee is independent as per its definition

- a) Not holding shares exceeding 1 % of total shares of total voting shares of the Company, mother company, subsidiary, affiliates or juristic which may have conflict of interest, so as will count shares hold by related person.
- b) Not be a Director involved in management / employee / contractor / salary contractor / authorize company controller, mother company, subsidiary, affiliate, subsidiary in the same level or juristic may have conflict of interest (at present and 2 years before appointment)
- c) Not be related to or close relative of any executive director, executive officer or major shareholder, authorized controller or executive nomination or company authorized controller person or subsidiary company.
- d) Not be related to the business with the company big company, subsidiary, co-company or juristic person may have conflict in a character of obstruct the use of independent judgment including shareholder, independent director or management of the business relationship of the company, subsidiary, co-company, or persons who might have conflict.
- e) Not be accounting auditors of the Company, its subsidiaries, affiliate company or juristic person may have conflict in a character of obstruct the use of independent judgment. Including not be a major shareholder, dependent director or management of the business relationship of the company, subsidiary, co-company, or persons who might have conflict.
- f) Not be any professional service provider including legal consultant service or monetary consultant which receive service fee over 2 million baht per year from big company, subsidiary, affiliate company or juristic person may have conflict in a character of obstruct the use of independent judgment a major shareholder, dependent director or management or management partner of such professional service provider.
- g) Not be the appointed director to be a representative of company director, major shareholder or shareholder who has a relationship with major shareholder.
- h) Not have any characteristics that affected to obstruct opinion giving independently.
- i) Not be a director who assigned from Board of Director in making decision in business operations, big company, subsidiary, affiliate, subsidiary in same level or juristic person may have conflict in a character of obstruct the use of independent judgment and not be a director of registered big company, subsidiary, affiliate, subsidiary in same level.
- j) Has the same duty as define by SEC's notification concerning Audit Committee qualification and scope of work.



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Scope of Audit Committee Duties and Responsibilities

- a) Review the company's financial reports to ensure accuracy and adequate disclosures.
- b) Review the company's Internal Control system and Internal Audit system to ensure suitability and efficiency; and determine and internal audit unit's independence, as well as to approve the appointment, transfer and dismissal of the chief of an internal audit unit or any other unit in charge of an internal audit.
- c) Reviewing the company's practice that all complies with the law pertaining to securities and stock market, the regulations of the stock market or any law relevant to the business of the company.
- d) Reviewing and discuss with the management regarding to company significance risk and the measurement that management has taken to monitor and control such risks.
- e) Reviewing, Selection and submit for appointment independent person to be the company auditor, to propose the appropriate compensation including attending the meeting with the accounting audit without management at least once a year.
- f) Examine connected transaction or transactions that may lead to a conflict of interest, and disclosure of those transactions to ensure that they are accuracy; in compliance with laws and the regulations of SET; reasonable and for the optimum benefit of the company.
- g) Prepare an audit committee's report and publish in the company's annual report. The audit committee report must be signed by the chairman of audit committee and contain of at least the following information
 - Opinion on the accuracy, completeness and creditability of the company's financial report.
 - Opinion on the adequacy of the Company's internal control system.
 - Opinion on the compliance with the law on securities and exchange, the regulations of SET, or laws relating to company's business.
 - Opinion on the suitability of an auditor.
 - Opinion on transactions that may lead to conflict of interests.
 - Number of the Audit Committee's meeting and meeting attendance by each committee member.
 - Opinion or overview comments received by the Audit Committee from its duty in accordance with the charter.
 - Any other issues which should be disclosed to shareholders and general investors within the scope of duties and responsibilities designated by the Board of Directors.
- h) Perform any other tasks assigned by the company's Board of Directors within the scope of duties and responsibilities of the Audit Committee.
- i) In officiating the Audit Committee (AC) duties and responsibilities, if the AC notices or suspects of, or for any of the following that could significantly impact the financial position and operation of the company, the AC will inform the Board of Directors to rectify issue(s) within the timeframe the AC deems appropriate:
 - Transactions that may cause conflicts of interest.
 - Fraud or indiscretion or a significant deficiency in internal control system.

- Violation of the law on securities and exchange, or regulations of the Stock Exchange of Thailand (“SET”), or the laws relating to the Company’s business, if the Board of Management fails to make a rectification within a timeframe dictate in paragraph one to the SEC or the SET.
- j) The Audit Committee is entitled to seek advice from an external advisor or expert from time to time as deemed necessary at the cost of the Company.

The Audit Committee holds direct responsibility to the Board of Directors for the scope of duties and responsibilities discussed above and the Board is also responsible to the public regarding the company operation.

8.3) The Nomination and Remuneration Committee

Scope of duty and responsibility of Nomination and Remuneration Committee

- Propose remuneration for Chairman, Director, Chairman of Audit Committee and Audit Committee and other sub-committee (if any) (receive the approval from shareholders meeting later)
- Select the suitable persons to nominate as directors, to review performance, qualification and appropriate of director who retired from office and prompt to re-elected to propose to Board of Director to propose to shareholder meeting to appoint to be the company director accordingly.
- Reviewing and giving the opinion to the Board of Director and follow up vision and strategy operations of Human Resources including management development plan.
- Assess company turnover in order to define bonus scheme and annual increment for the whole company base on appropriate industrial criteria.
- Giving the suggestion regarding to company salary structure including other remuneration package.

8.4) Board of Directors’ Meetings

The Board holds at least every three month meetings per year to consistently attend the Board’s meetings to stay informed of company’s operations and make decisions regarding them. In addition, special meetings might be held to consider urgent matters.

However, the Company was affected by the COVID-19 outbreak therefore, the Company requested for approval to extend deadline in submission of audited financial statement for the three-month period ended 31 March 2020 to the Office of SEC and the Stock Exchange of Thailand and has held a meeting to consider and approve various operations for Q1/2020 and Q2/2020 in the Board of Directors’ Meeting No. 2/2020. In 2020, the 3 Board of Directors Meeting has been scheduled in advance at head office at 10.00 a.m. as follows:

Board of Directors Meeting No. 1/2020	27 February 2020
Board of Directors Meeting No. 2/2020	23 August 2020
Board of Directors Meeting No. 3/2020	12 November 2020

Prior to each meeting, all members received the agenda and supporting documents at least 5 working days in advance to allow adequate time for preparation.

After the Meeting, the secretary to the Board of Directors is responsible for preparing the minutes for all directors. The minutes must then be approved as the first agenda item of the following meeting of the Board, which is duly signed by the Chairman. Directors may make comments, corrections or additions to ensure maximum accuracy and completeness. After approval, minutes of the meeting are stored securely in the corporate secretary's office together with all related documents, which are backed up electronically to facilitate data searches.

In addition, the Board of Directors' Meeting held on 12 November 2020, the Company holds a meeting between non-executive Directors without the Management present to discuss various issues of public interest to allow non-executive Directors to express their opinions independently. The non-executive Directors holds at a meeting at least 1 time per year.

The attendance of the directors in 2020 (January 1, 2020 - December 31, 2020)

Directors	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Meeting of Shareholders
1. Mr. Pongsak Swadwan	3/3	-	-	1/1
2. Mr. Chaiyasit Samrittivanicha	3/3	-	1/1	1/1
3. Mrs. Nittaya Samrittivanicha	1/3	-	-	0/1
4. Mrs. Thunyarat Samrittivanicha	3/3	-	-	1/1
5. Dr. Sirada Jarutakanont	3/3	4/4	1/1	1/1
6. Mr. Teerasak Sawangnet	3/3	4/4	1/1	1/1
7. Mr. Kovit Kristhanin	3/3	4/4	-	1/1
8. Mr. Marco Low Peng Kiat	2/3	-	-	0/1

Due to the COVID-19 epidemic situation, some directors were unable to attend some meetings in order to demonstrate social responsibility and to comply with the Emergency Decree.

8.5) Board of Directors Profile

(1) Mr. Pongsak Swadwan

Age : 69

Appointment Date

- 15 May 2014

No. of Years being the Company's Director

- 6 Years

Education

- Bachelor Degree, Engineering in Mechanical,
King Mongkut's University of Technology North Bangkok

Expertise

- Business and industry relating to NDR

Director Training

- DAP 106/2013 Thai Institute of Directors Association (IOD)

Position in Listed Company

- Chairman of the Board N.D. Rubber Public Company Limited

Position in Non-Listed Company

- Manager White House Plastic Limited Partnership

Experiences (In 5 years) :

- 1996-Present : Manager White House Plastic Limited Partnership

Percentage of Shareholding (%) (as of 16 March, 2020)

- Held personally (None)
- Held by spouse or minor children (None)

Relationship with Company's Executive(s)

- Mrs. Nittaya Samrittivanicha's brother-in-law
- Mr. Chaiyasit Samrittivanicha's uncle-in-law

Meeting Attendance of Board Meeting/Sub-Committee :

- The Annual General Meeting of Shareholders 1/1 Equal to 100%
- Board of Directors Meeting 3/3 Equal to 100%



(2) **Dr. Sirada Jarutakanont**

Age : 42

Appointment Date

- 15 May 2014

No. of Years being the Company's Director

- 6 Years

Education/Seminar

- Doctor of Business Administration , Faculty of Commerce and Accountancy, Thammasat University (The Joint Doctoral Program in Business Administration (JDBA) Chulalongkorn University, Thammasat University and The National Institute of Development Administration (NIDA)
- Master of Accounting, Faculty of Finance and Accountancy, Thammasat University
- Bachelor of Business Administration (1st class honor) Faculty of Humanities and Social Sciences, Burapha University.

Expertise

- Accounting and Finance

Director Training

- DAP 106/2013 Thai Institute of Directors Association (IOD)

Position in Listed Company

- Chairman of Audit Committee/Chairman of the Nomination and Remuneration Committee/Independent Director N.D. Rubber PLC

Position in Non-Listed Company

- Partner Siam Truth Audit Co., Ltd.

Experiences (In 5 years)

- 2016-Present : Lecturer, Accounting and Finance Program, Faculty of Management and Tourism, Burapha University
- 2016-Present : Partner Siam Truth Audit Co., Ltd.
- 2012 –2016 : Vice Dean Faculty of Management and Tourism, Burapha University

Percentage of Shareholding (%) (as of 16 March, 2020)

- Held personally (None)
- Held by spouse or minor children (None)

Relationship with Company's Executive(s)

- (None)

Meeting Attendance of Board Meeting/Sub-Committee:

- The Annual General Meeting of Shareholders 1/1 Equal to 100%
- Board of Directors Meeting 3/3 Equal to 100%
- The Nomination and Remuneration Committee 1/1 Equal to 100%
- The Audit Committee 4/4 Equal to 100%



(3) Mr. Chaiyasit Samrittivanicha

Age: 47

Appointment Date

- 15 May 2014

No. of Years being the Company's Director

- 6 Years

Education/Seminar

- Bachelor of Business Administration Program in Finance and Banking, Assumption University

Expertise

- Business and industry relating to NDR

Director Training

- DAP 106/2013 Thai Institute of Directors Association (IOD)

Position in Listed Company

- Director / Managing Director N.D. Rubber Public Company Limited

Position in Non-Listed Company

- Director N.D. Interparts Co., Ltd.
- Director N.D. Tower Co., Ltd.
- Director Thai Charoen Tire Service Co., Ltd.
- Director T. Thaicharoen Rubber Co., Ltd.
- Director N.D. Energy Fusion Co., Ltd.
- Director Fung Keong Rubber Manufactory (Malaya) Sdn. Berhad
- Director FKR Marketing Sdn. Bhd.
- Director GCB Trading Sdn. Bhd.

Other Position

- Chairman (2020-2022) The Board of Directors of the International Rubber Consortium for the two-year term

Experiences (In 5 years)

- Present: Director / Manaing Director N.D. Rubber Public Company Limited

Percentage of Shareholding (%) (as of 16 March, 2020)

- Held personally 23.24%
- Held by spouse or minor children 4.89%

Relationship with Company's Executive(s)

- Mrs. Nittaya Samrittivanicha's son
- Mrs. Thanyarat Samrittivanicha's husband
- Mr. Pongsak Swadwan's nephew





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Meeting Attendance of Board Meeting/Sub-Committee:

- | | | |
|--|-----|---------------|
| - The Annual General Meeting of Shareholders | 1/1 | Equal to 100% |
| - Board of Directors Meeting | 3/3 | Equal to 100% |
| - The Nomination and Remuneration Committee | 1/1 | Equal to 100% |

(4) Mrs. Nittaya Samrittivanicha

Age: 72

Appointment Date

- 15 May 2014

No. of Years being the Company's Director

- 6 Years

Education/Seminar

- Secondary

Expertise

- Business and industry relating to NDR

Director Training

- DAP 106/2013 Thai Institute of Directors Association (IOD)

Position in Listed Company

- Director N.D. Rubber Public Company Limited

Position in Non-Listed Company

- Director N.D. Interparts Co., Ltd.
- Director Siam Plaswood Co., Ltd.
- Director Wood all Co., Ltd.
- Director Thai Charoen Tire Service Co., Ltd.
- Director T. Thai Charoen Rubber Co., Ltd.
- Director T. Thai Charoen Service Co., Ltd.
- Director Kaset Sumrit Co., Ltd.

Experiences (In 5 years)

- Present: Managing Director T. Thai Charoen Rubber Co., Ltd.

Percentage of Shareholding (%) (as of 16 March, 2020)

- Held personally 23.81%
- Held by spouse or minor children (None)

Relationship with Company's Executive (s)

- Mr. Chaiyasit Samrittivanicha's mother
- Mr. Pongsak Swadwan's sister-in-law
- Mrs. Thunyarat Samrittivanicha's mother-in-law

Meeting Attendance of Board Meeting/Sub-Committee:

- The Annual General Meeting of Shareholders 0/1 Equal to 0%
- Board of Directors Meeting 1/3 Equal to 33.33%



(5) Mr. Teerasak Sawangnet

Age: 47

Appointment Date

- 15 May 2014

No. of Years being the Company's Director

- 6 Years

Education/Seminar

- Bachelor Degree in Finance and Banking, Assumption University
- Master of Business Administration, Assumption University

Expertise

- Accounting and finance

Director Training

- DAP 106/2013 Thai Institute of Directors Association (IOD)

Position in Listed Company

- Director of Audit Committee / Director of the Nomination and Remuneration Committee / Independent Director N.D. Rubber Public Company Limited

Position in Non-Listed Company

- Present: Managing Director Winner Petroleum Co., Ltd.

Experiences (In 5 years)

- Present: Managing Director Winner Petroleum Co., Ltd.

Percentage of Shareholding (%) (as of 16 March, 2020)

- Held personally (None)
- Held by spouse or minor children (None)

Relationship with Company's Executive (s)

- (None)

Meeting Attendance of Board Meeting/Sub-Committee:

- | | | |
|--|-----|---------------|
| - The Annual General Meeting of Shareholders | 1/1 | Equal to 100% |
| - Board of Directors Meeting | 3/3 | Equal to 100% |
| - The Nomination and Remuneration Committee | 1/1 | Equal to 100% |
| - The Audit Committee | 4/4 | Equal to 100% |



(6) Mr. Kovit Krishthanin

Age: 46

Appointment Date

- 15 May 2014

No. of Years being the Company's Director

- 6 Years

Education/Seminar

- Bachelor Degree in Business Management, Bangkok University

Expertise

- Business and industry relating to NDR

Director Training

- DAP 106/2013 Thai Institute of Directors Association (IOD)

Position in Listed Company

- Director of Audit Committee / Independent Director N.D. Rubber Public Company Limited

Position in Non-Listed Company

- Managing Director Winner Insurance Broker Co., Ltd.

Experiences (In 5 years)

- 2001-Present: Managing Director Winner Insurance Broker Co., Ltd.

Percentage of Shareholding (%) (as of 16 March, 2020)

- Held personally (None)
- Held by spouse or minor children (None)

Relationship with Company's Executive (s)

- (None)

Meeting Attendance of Board Meeting/Sub-Committee:

- The Annual General Meeting of Shareholders 1/1 Equal to 100%
- Board of Directors Meeting 3/3 Equal to 100%
- The Audit Committee 4/4 Equal to 100%



(7) Mrs. Thanyarat Samrittivanicha

Age: 46

Appointment Date

- 15 May 2014

No. of Years being the Company's Director

- 6 Years

Education/Seminar

- Bachelor Degree, Hospitality and Tourism Management Program, Assumption University

Expertise

- Business and industry relating to NDR

Director Training

- DAP 106/2013 Thai Institute of Directors Association (IOD)

Position in Listed Company

- Director / General Manager, Domestic Sales Department at N.D. Rubber Public Company Limited

Position in Non-Listed Company

- Director Thai Saengcharoen Service Co., Ltd.

Experiences (In 5 years)

- 2009-Present Director / General Manager, Domestic Sales Department at N.D. Rubber Public Company Limited

Percentage of Shareholding (%) (as of 16 March, 2020)

- Held personally 4.89%
- Held by spouse or minor children 23.24%

Relationship with Company's Executive (s)

- Mr.Chaiyasit Samrittivanicha's wife
- Mrs. Nittaya Samrittivanicha's daughter-in-law

Meeting Attendance of Board Meeting/Sub-Committee:

- The Annual General Meeting of Shareholders 1/1 Equal to 100%
- Board of Directors Meeting 3/3 Equal to 100%



(8) Mr. Marco Low Peng Kiat

Age: 48

Appointment Date

- 2 February 2018

No. of Years being the Company's Director

- 3 Years

Education/Seminar

- Bachelor of Science in Management & Systems, City University, England

Expertise

- Business and industry relating to NDR and real estate

Director Training

- None

Position in Listed Company

- Director N.D. Rubber Public Company Limited
- Managing Director Low Keng Huat (Singapore) Limited, Singapore

Position in Non-Listed Company

- Director Consistent Record Sdn. Bhd., Malaysia

Experiences (In 5 years)

- Present : Director Consistent Record Sdn. Bhd., Malaysia

Percentage of Shareholding (%) (as of 16 March, 2020)

- Held personally (None)
- Held by spouse or minor children (None)

Relationship with Company's Executive (s)

- (None)

Meeting Attendance of Board Meeting/Sub-Committee:

- The Annual General Meeting of Shareholders 0/1 Equal to 0%
- Board of Directors Meeting 2/3 Equal to 66.67%



8.6) Executive Officers

As of December 31, 2020, the Company's has 8 executive officers as follows:

Name	Position
1. Mr. Chaiyasit Samrittivanicha	Managing Director
2. Mrs. Thanyarat Samrittivanicha	General Manager, Domestic Sales Department
3. Ms. Malinee Charoenchaisin	General Manager, Accounting & Finance Department
4. Mr. Boonlai Jumparat	General Manager, Production Department
5. Mr. Damrongkeart Pasroy	General Manager, Mechanical & Engineering Department
6. Mr. Vinai Kajaisai	General Manager, OEM & Export Sales Department
7. Ms. Thitikarn Chai-chonchanok	General Manager, Human Resource & Administration
8. Ms. Nopparat Chumpolkulwong	Company Secretary

8.7) Company Secretary

The resolution of Board of Director meeting of 3/2018 date 10 August 2018 agreed to appoint Ms. Nopparat Chumpolkulwong, who has completed Company Secretary Program No. 83/3017 conducted by Thai Institute of Directors, as a Company Secretary and overlook the Board's activities as well as to coordinate as per the Board's resolution with the following responsibilities

- To advise the Board on the terms, rules and regulations of the company and ensure compliance with the correct time. And identify the major changes to the Board.
- Shareholders and directors meeting arrangement as defined by law, company regulation and other practice.
- Record shareholders and directors meeting including follow up the action as per shareholders and directors meeting resolutions.
- Overlook information disclosure and information report under responsibility comply to SET and SEC's regulations and procedures.
- Overlook and cooperate Board of Directors' activities and Directors' orientation.
- Overlook company important documents such as Director registration book, meeting invitation, meeting report, annual report, shareholder invitation letter, shareholder meeting report, Director and management stakeholder report.

8.8) Remuneration for Director and Management

2020 Annual General Shareholders' Meeting resolution agree to define Director, Audit Committee, Nomination and Remuneration Committee's remuneration as meeting allowance without other compensation as follow:

Title	Remuneration (Baht/Meeting)
Board of Director Meeting	
Chairman	28,000
Member	16,000
Audit Committee Meeting	
Chairman	28,000
Member	16,000
Nomination and Remuneration Meeting	
Chairman	28,000
Member	16,000

2020 Director's Remuneration

Unit : Baht

Directors	Board of Directors	The Audit Committee	The Nomination and Remuneration Committee	The Meeting of Shareholders	Total
1. Mr. Pongsak Swadwan	84,000	-	-	28,000	112,000
2. Mr. Chaiyasit Samrittivanicha	-	-	-	-	-
3. Mrs. Nittaya Samrittivanicha	16,000	-	-	-	16,000
4. Mrs. Thanyarat Samrittivanicha	-	-	-	-	-
5. Dr. Sirada Jarutakanont	48,000	112,000	28,000	16,000	204,000
6. Mr. Teerasak Sawangnet	48,000	64,000	16,000	16,000	144,000
7. Mr. Kovit Krishthanin	48,000	64,000	-	16,000	128,000
8. Mr. Marco Low Peng Kiat	32,000	-	-	-	32,000

2020 Executive Officer Remuneration

	2020	2019	2018
Number of Executive Officer	9	8	9
Remuneration (Baht)	6,985,116	6,285,371	7,530,671
Type of remuneration	Salary/Bonus	Salary/Bonus	Salary/Bonus

8.9) Employee

Total Number of employee classified by major department as of 31 December 2020

Major Department	Number of Employee		
	Full Time	Daily	Total
1. Domestic Sales	8	-	8
2. Export Sales	3	-	3
3. Production	217	197	414
4. Mechanical Engineering	27	-	27
5. Office	37	7	44
Total	292	204	496

Employee Compensation

In 2020, employee received monetary compensate (exclude management) in type of salary, bonus and others such as commission, overtime, allowance, social security contribution as figures below

Details	2020	2019	2018
Number of Employees	498	525	579
Total Remuneration	88,771,946	101,047,230	111,235,376

Provident Fund

The company found provident fund since 21 June 2014 with BBL Asset Management Co., Ltd. The company has joined in the ratio of 2 percent of salary. In 2020, The Company contributions to the provident fund for the staff of 83 people Total Amount 273,894.27 Baht to motivate employee and morale purpose in long term.

Employee Development Policy

The Company recognizes the importance of human resources which is the essential of the business then to establish the human resource development policy by conduct both internal and external training in the session related to employee role and responsibility in each level including open the opportunity to learn and receiving technology transfer from producer directly when purchase new machine.



9. Corporate Governance

9.1 Corporate Governance Policy

The Company has established 5 categories corporate governance policy complied to good corporate governance defined by The Securities and Exchange Thailand for listed company 2006. The provisions set The guidelines are based on a practical level. The Company also brought good corporate governance principles to guide policy development for management and business operations run efficiency and transparency. This will provide protection and increase the confidential to shareholder, investor, employee and all related party.

Section 1 Shareholders' Right

The company has defined the corporate governance policy with the regard of shareholders' right. The company shall not do anything violate or infringe the rights of shareholders and promoted shareholders' right to have their fundamental right such as share selling, share transferring, to get share profit, to get information sufficiently, meeting attending and vote in the meeting for removal director, appoint accounting auditor and other issue that impact to the company such as dividend allocation, to determine whether amendment regulations and memorandum, capital increase and decrease, approval special issue, opinion expression independently, To participate in the important decisions of other companies .All shareholders with voting rights on the shares held. each share is entitled to one vote.

- 1) Publish important news and the need for shareholders regularly. Through the company's website. And press the SET.
- 2) Send the meeting appointment letter mention date, time, venue and related agenda together with reference documents to shareholders such as:
 - a) Map
 - b) Meeting Agenda
 - c) Annual report
 - d) Proxy letter provide the information concerning independent Director, shareholder can decide to assign a person to be a representative to attend the meeting. The details of information concerning documents required was in meeting appointment letter.
 - e) Articles of Association concerning the shareholders' meeting.

The notice of meeting will be sent to shareholders seven days in advance comply to with the Securities and Exchange Commission and the Stock Exchange of Thailand.

In the event that the shareholders unable to attend the meeting in person. The Company allows shareholders to appoint an independent director or any person. Attend the meeting The Proxy Form, one that the company has shipped the meeting.

- 3) Disclosure the shareholders' meeting agenda 30 days in advance through company website in order to let shareholders study meeting information adequately and provide the opportunity to send opinion, suggestion and question before meeting day.

- 4) Before meeting, chairman will clarify meeting regulations concerning number/proration of shareholder Attended both by self and proxy, voting, counting vote, provide vote counting committee compose of Independent Director, Accounting Auditor, Company Officer conduct counting for transparency and showing the result every agenda in that meeting. The chairman shall allocate time for the meeting sufficiently.
- 5) Provide the opportunity for shareholder to participate in the meeting such as question or any propose the opinion before voting and summarize the meeting resolution. Director and Board of Director shall clarify and answer the question to shareholders. Once the meeting is ended, the data shall prepare in the meeting agenda correct. When the meeting finished, the company will prepare a report showing the data correctly to shareholder accountability.
- 6) Provide the opportunity shareholders who come after meeting start have right to vote in the agenda that is not have the resolution.
- 7) All directors attended the AGM shareholders can ask the chairman in related issues.
- 8) Operate effectively in creating sustainable growth for the organization so that shareholders receive a reasonable return.

Section 2 Shareholders' right to equal treatment

The Company recognizes all shareholders, management and non management shareholders the majority shareholder, the minority shareholders, foreigner shareholders to be treated equally and fairly. The action follows.

- 1) Provide shareholders the opportunity to propose to adding the meeting agenda and propose a nomination to receive a Director election in annual shareholders ordinary meeting before sending meeting notification by provide the method and time frame through SET information system.
- 2) Conduct meeting by respective agenda defined in meeting appointment letter (No alternate agenda) and no other additional agenda to review beside the agenda defined in meeting appointment letter.
- 3) Independent Director response to overlook minority shareholders, minority shareholders can giving the suggestion, opinion, complains to Independent Director. The Independent Director shall examine and find the appropriate solution or in case of suggestion which Independent Director reviewed and found that such suggestion is important and will be impact to stakeholder or affected to business operations. The Independent Director shall propose such suggestion to shareholders meeting to determine as the agenda in shareholder meeting.
- 4) Propose the Independent Director's data as the selection for proxy of shareholders and to support usage of proxy letter for direct voting capability.
- 5) Provide a ballot on each agenda for shareholders to vote . Especially for shareholders who opposed and abstained . So that shareholders can vote on each matter independently by the end of the meeting Shareholders may request a review for details.
- 6) Provide shareholders the opportunity the alternate of voting nominate Director to appoint person by person.
- 7) Define the company confidential information in code of ethics to be a practical guideline for Director, management and employee in order to prevent the information disclosure for personal or related personal benefit.

Violation to this will be a serious offense and will be subject to disciplinary action. The Director and management's responsibility to report asset holding as define by law to the Board of Director.

- 8) Define practical guideline for Director, management and employee regarding to conflict of interest in code of ethics to protect company benefits. In shareholders meeting Director and management shall disclosure their information concerning stakeholder in each agenda to the Board of Director to review transaction that may have conflict and ability to making decision for company's overall benefits. The Director and management that have stake holder will not have the right to vote in that meeting.

Section 3 The role of stake holder

The company has defined practical policy to each stakeholder such as shareholders and investors, customers, partners and/or creditor, trade competitor, employee, government, community and society clearly in Code of Ethics and cooperate governance to promote cooperation between the company and stakeholder to create wealth, financial stability and sustainability of the business.

- Stakeholder Management

1) Shareholders and Investor

The company has policy to conduct the business with honesty, integrity and ethics and effort to develop the business to grow progressively, with good performance to generate a reasonable return on investment to shareholders and investor continuously and sustainable by adhering to treat shareholders equally including disclosure truly information regularly and completely.

2) Customer

The company recognize the importance of customer satisfaction therefore the company initiate ISO 9001 to implement in the organization, such as the company policy "Development commitment, Maintain standard, Product and Service Innovation, Moving International" Product pricing reasonably, keep customer's secret confidentially and constantly, seeking way how to benefit customer continuously and comply to customers' requirement seriously.

3) Business partners and/or Creditor

The company has the policy to create good business relationships with business partnerships and /or Creditor. Operate business with fair and support with both party. Treat with business partners and/or creditor equally with regards of the highest interest of the company. To avoid the situation that cause conflicts of interest including strictly comply to covenants to achieve the benefits together no matter financial objectives, payouts, quality monitoring, mortgage and other related issue as agreed with creditor.

4) Trade Competitor

Trade competitor policy is based on the rules of fair competition not find the competitor confidential untrustworthy or inappropriate and not to discredit competitors by accused without fact.

5) Employee

Employee is the most important asset of the company which help to promote and push the company to achieve business target. Therefore, the company has the policy to take care of employee to have a good quality of life by have a fair employment, have appropriate welfare, have the opportunity to progress their development, have a safe and hygiene work environment, strictly practice with employee compliance to law and regulations including practice with employee with gentle and give respect to human dignity.

6) Government

The company operate the business in order to promote and develop the country by compliance practice with law, regulations, rules and related regulations and as per general business traditional.

7) Community and Society

The company recognize in community and society responsibility by giving the respect to practice compliance to safety, security, hygiene and environment appropriately and recognize to the impact of natural resource and environment. Seeking the opportunity to support social activities. Also seeking the opportunity to support social activities, building social responsibilities awareness among all employee continuously and seriously.

Section 4 Transparency and Information Disclosure

The Company places strong emphasis on disclosure of its important information related to the Company both financial information and non-financial information accuracy, completely, timely and transparency both Thai and English such as Annual Report, Report of 56-1, Invitation letter and shareholders meeting minutes through SEC and Company's website. The information is updated regularly.

The company has to abide by the laws, regulations or ordinances as defined by the SEC and SET and other government units strictly.

1) Financial information disclosure especially financial statement is accurate according to the general accepted accounting standard. The selection of appropriate accounting policies, booking records are accuracy and complete enough to cover and maintain the assets and to identify the weakness to prevent fraud or other abnormal operation significantly. Including adequate disclosure Important information as financial statement notes and financial was audited and certified from independent accounting auditor that correct and approve by Audit Committee and the Board of Director before disclosure to public.

2) Transparency – the Director has appointed Audit Committee to audit financial statement, related party transaction, internal control system. The Audit Committee shall report result of audit to the Board of Director meeting. The report of Board of Director, Audit Committee and Accounting Auditor has shown in Annual Report.

3) Directors and executive officers to disclose personal stakeholder information and related person.

4) Disclosure role and responsibility of Directors and sub-Directors, number of meeting attendant and number of each Directors attend the meeting in Annual Report.

Disclosure Directors' remuneration policy including type, category and amount of remuneration received by each of the board committee.

Section 5 Responsibilities of the Board of Directors

1) Composition of the Board of Directors

The Board of Directors composed of qualified person who has a major roles and responsibilities in regulate company policy with cooperation with top executive preparing both short-term and long-term operations plan including to define monetary policy, risk management and organization overview. The Board of Directors responsible to a major role in supervise, audit and assess company and top executive's performance as per planning independently.

The Board of Directors acquisitions from shareholders' meeting appointed consist of 8 director. There's 2 Directors hold the position of management. Another 3 directors are not the management but engage to stakeholder and be a Directors or executive of major shareholders and the 3 remaining are independent directors who are not be the executive or engage to major shareholders.

The Chairman is not the same person as President and Chief of Executive and Managing Director. In order to create a balance and to review the administration. The Company has clearly determined the scope of duties and responsibilities of Directors, Executive Directors and Managing Director to prevent Directors, Executive Directors and Managing Director have excess authority approve cash unlimited.

2) Sub-Committee

The Board of Director appointed sub-committee in order to assure shareholders that the Company has the procedure and screening cautiously such as Audit Committee, Remuneration Committee and executive Committee to execute special duty and propose the issue to Board of Director to review and acknowledge.

2.1) Audit Committee Composed of at least one of three Independent Directors or not less than 3 and defined the qualifications of independent Director as regulated by SEC as follow

- a) Not holding shares exceeding 5% of total voting shares of the Company, Mother Company, Subsidiary, Affiliates or juristic that may have conflict of interest.
- b) Not be an employee, staff, salary consultant or authorized personal of the company, mother company, subsidiary, affiliated or juristic person that may have conflict of interest.
- c) Not be a person who have a family relationship or by legal registration as father, mother, spouse, brother, sister, child including executive officer's spouse and child, major shareholders, authorize controller or Directors nominate person or the Company authorize controller or subsidiary.
- d) Not have a business relationship with the Company, Mother Company, Subsidiary, Affiliate or juristic that may have conflict of interest.
- e) Not have other characteristics that might obstruct providing independent opinion related to company business operations.

Audit Committee has the responsibilities to review the Company to have correctness financial report accuracy and openly with external accounting auditor and responsibility executive officer including to review the Company have internal control and internal audit system and concisely, appropriate, update and efficiency risk management system such as BK IA and IC Company Limited is internal audit firm of the Company direct report to company internal audit direct report to Audit Committee – the operations unit.

- 2.2) Remuneration Committee Compose of 3 company directors which have 1 independent director responsible to assess Directors, sub-Director and Managing Director's performance. Follow-up annual performance including review remuneration of Director, sub-Director and Managing Director with reasonable and structural method.
- 2.3) Executive Officers Compose of 8 executive officers which are 2 Directors and 6 non-Directors responsible for planning and define policy, directions, strategies, budget planning, organization structure and management structure, the principle of business operations to comply to general economics and competition condition in the market to Board of Director to review and approve by the Board of Directors including analyzing and management risks in the organization and/or giving consent including to review and follow-up company operations result as regulated policy.

3) Roles, Duties and Responsibilities of the Board of Director

The Board of Directors has the responsibility to manage the company as defined by laws objectives and company regulations including the resolution from shareholders' meeting honestly and concisely. Roles, Duties and Responsibilities of the Board of Directors are as follow

- 3.1) Supervise the Company to practice comply to SEC laws, regulations such as related party transaction and selling and buying important assets as per regulated by SET laws or other laws that related company business.
- 3.2) Set target, directions, policy, plan and company budget, control, supervise management and minister of Board of Directors as per assigned policy except the issue require to have the approval resolution from shareholders' meeting such as capital decrease and increase, bond issue, selling or transferring the whole business or in part to other person or buying or receive business transferring from other company, company affidavit or regulations amendment.
- 3.3) Review management structure, appoint executive officer, chief of executive officer, and other committee as appropriate.
- 3.4) Follow-up performance as plan and budget continuously.
- 3.5) Conduct ordinary shareholder meeting within 4 months after ending the account period of the company.
- 3.6) Provide balance sheet and financial statement as of ending the account period of the company propose to shareholder meeting to review and approve.

- 3.7) The Directors shall not conduct the same business as the Company and to compete with the Company business or be join in ordinary share or unlimited liability partner in limited partnership or being a Director of private company or other company which has same business and to compete with the company. No matter for self benefit or for other benefit except inform shareholder before to have resolution to appoint.
- 3.8) The Director shall immediate inform the Company if have engage with stakeholder direct or indirect in any bidding company contract, hold shares or bonds, increasing or decreasing in the company or affiliate company.

4) The Board of Director Meeting

The company recognize the important responsibility as Company Board of Director to join the meeting regularly to consent and making decision concerning to company business as least 3 months/time. There will be the agenda clearly preparation and may sometime to have an extra meeting if necessary.

The Board of Director and Managing Director meeting – Managing Director shall response to define meeting agenda and review the topic to bring to meeting agenda by provide the opportunity to each Director able to propose the topic to review to be the meeting agenda. In each meeting, the Company shall send meeting document to Director at least 5 working days in advance so as they can have enough time to study the information adequacy.

When reviewing the issues, the President response to chairman of the meeting provide the opportunity to the Director to have chance to giving their opinion independently. Board of Director meeting voting shall count the decision of the majority vote, one director count one vote. The Stakeholder Director shall not vote in this issue. If vote counted is equal, the chairman of the meeting shall provide additional vote as final vote.

In the Board of Directors' meeting, the Executive officer will attend the meetings to provide useful information and acknowledge policies directly to be able to perform effectively.

After the meeting, the Board of Directors' secretary shall response to making report to propose to the meeting to get approval in the first agenda of the next meeting. The President response to certified the correctness. The Board can express the opinion request to correct add meeting report for more accuracy and correctness.

5) Report

Audit Committee shall response to review financial report by meeting with accounting and finance department and accounting auditor and present financial report to Board of Director quarterly. Board of Director shall response to company financial statement, financial information (Report Board of Directors' Responsibilities to Financial Report) as shown in annual report. Such financial statement prepare as per accounting standards, certified and audit by company accounting auditor choosing from appropriate and acceptable accounting policy and regularly practice including using discretion carefully when preparation and take care. There's adequate information disclosure in financial statement.

6) Remuneration

The Company review the appropriate remuneration for the Board of Director and executive officer by propose to get approval to shareholders meeting in payout the remuneration to the Board of Director. The amount to pay was review in comparison with other company in the same group of industrial. Top Executive remuneration shall review by the Board of Director base on responsibilities and each performance together with the company performance.

Beside normal remuneration the company has the policy to pay a special remuneration as follow

- 6.1) Bonus for employee and management every 4 months base on working and company performance with the approval from Board of Director Meeting.
- 6.2) Bonus for Board of Director as per the approval resolution from shareholder meeting base on working and company performance.

7) Development for The Director and Executive Officer

The Board of Directors promoted and facilitated to have training and knowledge to related personal under the company governance such as Director, Audit Committee, Executive Officer so as they can improve and practice continuously. The above training may take place inside the company or outsource service.

Every time when there's a change in new Director, there will be a useful document and information to support new Director including introduction to nature of business and business direction to new Director.

8) Recruitment and Appointment of Directors and Top Management

In appointing a director for Nomination and Remuneration Committee must consist of 2 independent directors from the 3 directors of the Nomination and Remuneration Committee to responsible for considering the qualified persons by allowing the directors and shareholders to participate in nominating qualified persons. Then, will nominate such person for approval from the committee and then propose to the shareholders' meeting to approve the appointment.

8.1) Supervision the operations of subsidiary companies

Supervision the operations of subsidiary and affiliated companies, the executives shall assign company director or select the executive officer who has appropriate qualification and experiences with the business of subsidiary and affiliated companies to be a management representative to define important policy and control business operations.

Since 2015 on ward, in order to supervise the operations of subsidiary and affiliated companies being more effectiveness and transparency. The Company has defined the procedure to propose name and right for voting in appoint personal to be Director in subsidiary shall have the approval from Board of Director. The appointed person who was appointed as Director in subsidiary and affiliated companies has responsibilities do the best benefits of subsidiary and affiliated companies as per strategies, business plan under the approval policy from Board of Director including practice with good governance. The appointed Director shall have the approval from Board of Director before voting or voting for important issue shall have the approval from Board of Director.

Sending Director to be a representative in subsidiary and affiliated companies shall be a proportion of share holding.

Furthermore, the subsidiary – the Company has defined the regulations the appointed person shall overlook the subsidiary to have the regulations concerning assets transaction, acquisition or selling or other important transaction of the company accuracy and completely and use the criteria of information disclosure same as the Company practice including to control data collection, accounting record of the subsidiary available for auditing and for financial statement preparation.

8.2) Control of internal Information Policy

The company has the policies and procedure to audit Director and executive manage internal information which shall be disclose to the public to use for personal gain as follows

- 1) Educating directors and executives about the duty to report their securities holding and the holding of their spouse and minor children to SEC pursuant to Section 59 and penalty provisions under section 275 of the Securities and Exchange Act B.E.2535 (include the amendment) and to report the acquisition or disposition of the holding of their spouse and minor children to SEC under Section 246 and the penalty provisions under Section 298 of the Securities and Exchange Act B.E.2535.
- 2) The Company defined the Director to report the acquisition and disposition of the holding to SET as per section 59 of the Securities and Exchange Act B.E.2535 and as per a notification of SET notification of Office of the Securities and Exchange Commission No. SorChor 12/2522 Re:Preparation and Disclosure of Report on Securities Holding of Director, Executive and Auditor so as the Company can audit share selling and buying of all executive.

The Executives who received the important information that result to shares price shall cease selling and buying in a period of one month before disclose the information to public and prohibited to disclose the information to others. If found to disclose the internal information in a way to spoil the company or shareholder reputation by the Company executive, Board of Director. The Board of Director shall take appropriate action. If the offender is the executives at lower level Board of Director shall take action to review the punishment accordingly.

8.3) Audit fee

For the fiscal year 2020, the company and its associates and subsidiaries paid for audit fees amounting to 1,776,000 Baht and 92,500 Ringgit Malaysia to Grant Thornton Company Limited, Grant Thornton Malaysia and Ms. Sawisyaporn Tungchinsujee, which the company and its subsidiaries do not use other services from the said auditors. The auditors worked for, and to persons or businesses related to the auditors and audit firm do not have any relationships or interests involving the company, management, including their related persons.

The Company and its subsidiaries paid audit fee as follows:

Company	Reviewed F/S fee (Quarterly)	Audit F/S (Yearly)	Total
N.D. Rubber Public Company Limited	750,000 Baht	686,000 Baht	1,436,000 Baht
N.D. Interparts Company Limited	30,000 Baht	245,000 Baht	335,000 Baht
N.D. Energy Fusion Company Limited	-	5,000 Baht	5,000 Baht
Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd.	39,000 Ringgit	53,500 Ringgit	92,500 Ringgit
Total	1,776,000 Baht and 92,500 Ringgit Malaysia		

Remark : N.D. Energy Fusion Co., Ltd. was audited by Ms. Sawisyaporn Tungchinsujee.

9) Anti-Corruption Policy

N.D. Rubber Public Company Limited (the Company) has a guideline of doing business with transparency, Corporate Social Responsibility and every stakeholder groups according to the principle of corporate governance. In addition, to do the business with transparency and have clear guidelines for prevention and the decision to conduct the business may be at risk of corruption. The company has established a written "Anti-corruption Policy" with the approval of the Board of Directors.

Anti-Corruption Policy

"The corrupt" means the exercise of authority acquired, requested or any other type of doing to acquire property or other benefits for government officer, government unit, private sector officer or stakeholders whether direct or indirect to exercise such people in seeking their personal benefits and/or N.D. Rubber Public Company Limited Unless the laws, regulations, notifications, rules, local traditions or trading conventions are permitted. The corruption in this means including bribery and corruption.

Political Support The Company adhere to the neutral political policy will not support or commit any act interested in any one political party or person. The Employee must give support to any political party with care to avoid misunderstanding that the company be a sponsorship.

Charitable Contribution and being the sponsor The company promote charitable contribution for to promote company positive image without any aim of the business in return. The donation to charity and sponsorship will be performed as defined by the company operations manual.

Gift, Souvenir and Entertainment To build a good relationship with business alliances, gift, entertainment and leisure activities is acceptable with appropriate and truthful as defined by the company operations manual. Employee must fill in entertainment requisition form by complete full details and submit to supervisor for approval.



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Whistle blowing, Investigation and Whistleblower Protection Policy

To provide the opportunity to employee to report misconduct activities or fraud in the company confidently. And protect employee from any kind of affected or unfair practice from misconduct activities or fraud reporting. To prevent and combat corruption and reduce damage caused by such event. The Company has set the following guidelines.

Misconduct activities or fraud report

- Verbal or written report direct to supervisor when found clue of misconduct activities or fraud.
- If not convenience report to supervisor may report clue through other channel as follow:

Company Secretary

Tel : 038-160707 ext 112

E-mail: nopparat.c@ndrubber.co.th

Mailing Address : N.D. Rubber Public Company Limited 129 Moo 3 Nongchak-Panusnikhom, Nong-Irun Subdistrict, Banbeung, Chonburi 20220

Head of Human Resource Section

Tel : 038-160707

E-mail: thitikarn@ndrubber.co.th

Mailing Address : N.D.Rubber Public Company Limited 129 Moo 3 Nongchak-Panusnikhom, Nong-Irun Subdistrict, Banbeung, Chonburi 20220

Chairman of Audit Committee (Outside Independent Committee)

E-mail: auditcom@ndrubber.co.th

Mailing Address : N.D.Rubber Public Company Limited 129 Moo 3 Nongchak-Panusnikhom, Nong-Irun Subdistrict, Banbeung, Chonburi 20220

Investigation Procedure

- 1) Information Recipients verify data then consider to appoint audit committee to investigate and gathering facts. Investigation committee must perform their duty with fairness regardless of working position, working period or any significant of suspected person or fraud.
- 2) Investigation committee must conduct their investigation and finished the report within 45 days.
- 3) When complete the investigation, the investigation shall report a result of investigation to the Chairman of the Board of Director, Head of Finance, Head of Accounting, Head of Human Resource, Head of Legal and other related party.
- 4) After investigation and found employee misconducted according to the investigation. The company shall carry out the punishment in accordance with regulations. The penalties range from verbal or written

warning, suspension until termination. The management should consider disciplinary action against the offender within 30 days upon receipt the investigation report.

Whistleblower Protection

The Company shall protect and employee or management shall not terminate, suspension, penalty or intimidate for giving misconduct activities or fraud information.

In case of employee giving information with good faith and found no wrongdoing later after investigation according to complaint. The company shall not carry any penalty to the employee who provide the information. However, the result of investigation found any facts according to complaint and intend to malice or causing harmful or providing false information. The Company is considering to carry on penalty action the employee as define by company regulation from verbal warning, written warning, suspension until termination.

Handling of data and disclosure

During the investigation, the Chairman of investigation committee responsible for handling the document evidence and all wording record. The original wording record and supporting document must send to head of Human Resource as a keeper when complete the investigation.

The company declared the intent to join the Private Sector Collective Action Coalition Against Corruption (CAC) since May 13, 2015.

10. Corporate Social Responsibilities

NDR is aim for business operation concerning environment and communities around the factory. Also, many activities have been done for developing network and sustainable coexistence between communities and NDR. In addition, NDR does activities to develop society with other organizations.

10.1 Environment care



Water Treatment System

The company invested and installed Water treatment system and water supply production system in order to utilize water supply internally. After the system installation, there is no waste to external community.

Environment pollution management

The company protects dust spreading in the factory by installing vacuum system and pass filters before release to outside. In addition, the protection of air relief from boiler will be checked and evaluated once a year by specialists.

The company determines to evaluate environment in the factory including air relief from boiler, dust level, heat, light density and noise every year.



Installation of solar cell

The company installed solar cell on factory's roof which can generate electricity 1 megawatt. A Solar cell was initially used in October 2016.

10.2 The delivery of good quality of life toward society.

In 2020, the company initiated projects to develop quality of life and society by joining activities with many organizations as follows.

- 1) The Company representative brought face shields and N95 masks to Ban Bueng Hospital and Moral Association Rescue Centre to support the work of the staff and medical personnel in the midst of the COVID-19 crisis at Ban Bueng District, Chonburi Province on 15 April 2020.



- 2) The Company participated in the maiA Virtual Run 2020 project to raise funds, bringing a donation of 2 Million Baht to the Thai Red Cross Society for Somdej Phraborom Ratchathewi Hospital at Sriracha which held from 1 September to 31 October 2020.



- 3) The Company has brought mask dryer or sterilizer incubator given to Ban Bueng Hospital and Phanat Nikhom Hospital in Chonburi Province for reuse for healthcare personnel which can safely reuse the mask after sterilization with UVC light for 15 minutes.



- 4) The Company has joined as a volunteer coach to develop business potential for the Sufficiency Economy Community Company Limited, a social enterprise that solves social problems in social development. The Sufficiency Economy Community Company Limited has operated a business for society, providing moral and ethical assessment services and providing transparency levels for trading partners, government agencies and contract parties in order to solve the image of corruption in Thailand which affects the sustainable national development by promoting the upholding of the sufficiency economy philosophy for organizations to apply in operations.

Participated by	Performance	Output	SE Results by SDGs Goal
The Sufficiency Economy Community Company Limited			
Provide knowledge and advice	SET Social Impact Gym 2020 for 8 weeks starting from August 2020 (36 hours)	<ol style="list-style-type: none"> The Company understands the goals of doing business through Business Model Canvas and shares experiences in business both in-depth and basic skills in each type of business. The Company has learned to identify the strengths of the business and to see the business opportunities in the current situation, laying a timeline to develop the business according to the short and long term plans to achieve the goals through the views, experiences and visions of the recommended coaches. 	<p>Goal 11: Sustainable Cities and Communities</p> <p>Goal 16: Peace Justice and Strong Institution</p>

11. Internal Control and Risk Management

11.1 Internal Control Policy and Risk Management

Internal Control

The Company aware and recognize to internal control system so as the company can operate smoothly and effective to appointed the Audit Committee responsible to review internal audit system as per internal audit system is comply to the principle of good governance through the meeting of the Audit Committee which compose of accounting auditor, internal auditor and executive officer, to propose the information to the Audit committee to review and acknowledge, follow up progressive, find corrective and preventive action as notification immediately.

The Company assigned independent outside auditor to be internal auditor – BK IA and IC Co., Ltd. by Ms. Boonnee Kusolsopit CPA who has good accounting knowledge and internal controlling ability, as a consultant of setting internal control system and to review risk and abnormal issue propose to Audit Committee quarterly.

Risk Management

The Company has appointed the Board of Director to be Risk Management Committee responsibility to define the risk appetite, to assess the affected of risk and seeking the prevention and report risk analysis to the committee to review every quarter as define by risk management policy as follow

Risk Management Policy

- 1) The Company shall operate under acceptable risk so as the company can drive and growth stability.
- 2) The management and all employees of the company are responsible for the identification including determining appropriate guidelines to deal with such risks.
- 3) Risk significantly and impact to company objectives must be manage as follows
 - Identify risks in a timely manner.
 - Assess consequence and affected of such event occur.
 - Manage risk accordingly.
 - Monitoring to ensure that risks are handled appropriately.

Responsibility

- 1) The Board of Director: Responsible to overall company risk management
- 2) Audit Committee: To ensure the company has effective risk management system including risk was manage accordingly.
- 3) The executive committee: acts as a risk management committee, the managing director as a chairman has following responsibility
 - Establish risk management policy and review periodically.
 - Assess the likelihood and consequences occur.
 - Review risk and guidelines for risk management as stated as well as giving suggestion for improvement.
 - Report risk found to the audit committee.
 - Conduct risk management committee at least quarterly.

4) Internal Auditor: Responsible for reviewing the effectiveness of risk management controls including follow up improvement.

5) Management and employees: Risk identification ability and giving appropriate risk management guidelines and propose to the Board of Director or supervisor.

11.2 Risk Management for the year 2020

For the year 2020, the Risk Management Committed held a total of 9 meetings and found that there are important risk as follows:

- 1) The risk that employees may be infected with the COVID-19.

Risk Management HR announces preventive measures which are prohibiting employees from leaving rest areas and at the Company. International travelling is prohibited. Everyone must pass a screening point before entering the Company and must wear a surgical mask at all times including raising awareness and campaigning for employees to wear masks, wash hands regularly and keep social distancing.

Result The employees cooperate very well and no infected person was found.

- 2) The risk that the Company may not comply with the relevant laws.

Risk Management HR requested each division to submit related legal or any requirements as required by law to HR and Internal Auditor is responsible for inspecting and monitoring in order to prevent non-compliance with the law.

Result There was no non-compliance with the relevant laws.

Financial risk

In 2020, foreign exchange rates still fluctuate in both the US dollar and Malaysian ringgit, as a result, the cost of production and income of the company are uncertain and do not meet the target. However, the company uses financial tools to manage risk. And closely monitor the exchange rate movements in order to keep up with the current situation.

Risk of fluctuation of raw material price

One of our main raw material is natural rubber of which price is fluctuated along with the world commodity price. It is difficult for the company to control the price which can cause our product cost becomes higher when its price is higher. On the other hand, when its price is lower, our product cost will also be lower too. Although in the year 2020, the price of natural rubber is relatively stable, the company continuously control this risk by advance purchasing to fix our cost. To less the impact, our R&D focus on developing new formulation to reduce the product cost.

12. The Related Transaction

12.1 The related transaction

The related transaction was products trading, rental area and guaranteed. The Audit Committee has reviewed such transactions was reasonable owing to regular operations, normal trading with general pricing and cause beneficiary to business operations to NDR Group as related transaction Policy as following

The procedure for approval of the transaction.

Transaction with a person who may have conflict of interest shall propose to Audit committee to review and approve transaction whether highest beneficiary to the company and to prevent investor and other related person. The transaction shall comply to SET Act, regulations and notification, order or SET's regulations. Transaction stakeholder shall not allow joining in approval process.

Regular trading transaction such as products and services buying, products and services selling. The Company has policy to define the condition as per regular trading and pricing can compare with outside or having independent expert against the transaction shall have the Audit committee review and giving comments quarterly. In reasonably, shall review from market price including condition, and necessity that impact to business operation such as delivery lead time, products special characteristics so as to the highest beneficiary of the Company.

Related Transaction Trend

The company expected the transaction trend is the guarantees for company loan by Directors or Director's assets for the beneficiary in requesting monetary support from financial institute as necessity. In the past, the company never paid remuneration to the guarantee Director. Moreover, there will be rental, selling, buying, servicing in general in related transaction shall arise in the future. Any conditioning shall comply to general trading by refers to reasonable market price and condition.

The Company shall assigned Audit Committee and/or Independent Director giving comment concerning remuneration rate including the necessity of such transaction. If any transaction occur with person may have conflict of interest in the future, the Company shall follow rules, notifications and/or SEC's regulations and/or SET. The Company may assign the Independent Expert or the company Auditor giving the comments on such transactions for Directors or Shareholder as a reference for making decision depends on the situation. The group of company shall disclosure related transactions in accounting audit certified financial statement's notes.

12.2 Summary of Related Company Transactions

Summary of Related Company Transactions as to Holding Stock and / or Sharing Directors For Fiscal Year 2020 (1 January – 31 December 2020)



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N.D. Rubber Public Company Limited Related Party Transaction Report as of December 31, 2020

Connected Parties / Type of Relationship	Type of Transaction	Amount (Baht)		Type of Connected Transaction
		FY 2019	FY 2020	
Mr. Chaiyasit Samrittivanicha - Director and Shareholder	Office Rental Fee	27,000		Service Fee Rented the building for Marketing and Sales department. Rental fee was assessed by independent assessor.
N.D. Interparts Co., Ltd. (NDI) - The Company's subsidiary hold by the Company 91.77% and have the Co-Director Mr. Chaiyasit Samrittivanicha and Mrs. Nittaya Samrittivanicha.	Sales Revenue	154,055	167,150	Normal Business Transaction Determine the selling price with the market price or the cost price plus gross profit by product type. Use the same practice as the transaction with third parties.
	Office Supplies Revenue	-	43,500	Support Normal Business Transaction NDR sold computer for use in business as per market prices.
	Spare Part Expenses	2,389,640	2,316,758	Normal Business Transaction Price close to the price from third parties and use the same practices with third parties.
	Location Services	1,656,000	1,656,000	Service Fee NDR has location services (factory) for manufacturing which been assessed by independent assessor.
	Electricity Expenses	344,152	411,675	Normal Business Transaction NDR uses NDI electricity for use in offices, warehouses and canteens by using the same electricity price as the Provincial Electricity Authority.
	Labor Income	-	142,496	Support Normal Business Transaction NDI employs NDR staff to produce products by providing remuneration at the rate specified in NDI Employment contract.

Connected Parties / Type of Relationship	Type of Transaction	Amount (Baht)		Type of Connected Transaction
		FY 2019	FY 2020	
	Labour Cost	-	18,690	Support Normal Business Transaction NDR hires a maid from NDI at the rate specified NDI Employment contract.
T. Thaicharoen Rubber Co., Ltd. - Mr. Prasert, Mrs. Nittaya and Mr. Chaiyasit Samrittivanicha are T. Thaicharoen Rubber Co., Ltd.'s Director. - Mr. Prasert and Mrs. Nittaya Samrittivanicha jointly hold 90% of share in T. Thaicharoen Rubber Co., Ltd. - Mr. Chaiyasit and Mrs. Thanyarat Samrittivanicha jointly hold 4.5% of share in T. Thaicharoen Rubber Co., Ltd.	Purchasing Goods and Raw Material	1,621,007	296,903	Support Normal Business Transaction NDR buy Car's Tires for spare parts and the price is not lower than market price.
Whitehouse Plastics Partnership - Mrs. Mukda Swasdwan (Mr.Pongsak Swadwan's spouse) is the managing partner and hold 50% share in Whitehouse Plastics	Goods expenses	219,666	216,373	Normal Business Transaction There is a general plastic bag purchasing use in normal business operation by estimate price is not lower than market price.
Mascasey Trading Co., Ltd. - The Company's subsidiary hold by the Company 50% of share and having Mr. Chaiyasit Samrittivanicha as the Co-Directors.	Sales Revenue	22,676,427	269,347	Normal Business Transaction There is Motorcycle Tires and Tubes sell under cost-plus margin determination by product type.
Remarks: On 3 March 2020, NDR has already withdrawn the investment funds.	Location Services	112,149	-	Location Services Factory services contract for manufacturing. Service fee can be compared with the surrounded area.
	Professional Accounting Income	179,439	-	Service Fee NDR receive monthly professional fee based on current salary structure of the company.

Connected Parties / Type of Relationship	Type of Transaction	Amount (Baht)		Type of Connected Transaction
		FY 2019	FY 2020	
T. Thaicharoen Service Co., Ltd. - Mr. Prasert and Mrs. Nittaya Samrittivanicha are Director and jointly hold 10% in T.Thaiacharoen Service Co., Ltd.	Sales Revenue	-	2,491	Normal Business Transaction NDR sold motorcycle tire for use in delivery vehicle. Trading price is not less than the cost plus margin.
- Mr. Chaiyasit and Mrs. Thunyarat Samrittivanicha jointly hold 10% of share in T.Thaiacharoen Service Co., Ltd.	Cost of Auto Parts	-	22,056	Support Normal Business Transaction NDR purchased car tire for the Company's executive which set its price not less than market price.
FKR Marketing Sdn. Bhd. - The Company's subsidiary of Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. hold by the Company 100% of share and having Mr. Chaiyasit Samrittivanicha as the Co-Directors.	Sales Revenue	213,088,749	214,715,913	Normal Business Transaction There is Motorcycle Tires and Tubes sell under cost-plus margin determination by product type.
N.D. Energy Fusion Co., Ltd. - The Company's subsidiary hold by the Company 50% of share and having Mr. Chaiyasit Samrittivanicha as the Co-Directors	Sales Revenue	4,611	-	Support Normal Business Transaction NDR has sold car battery to N.D. Energy Fusion Co., Ltd. under cost-plus margin determination by product type.
Saengcharoen Tools Center Co., Ltd. - Mr. Prasert Samrittivanicha is the director and hold 70% of share of Thai Saengcharoen Service Co., Ltd.	Sales Revenue	2,921,308	3,115,122	Support Normal Business Transaction NDR sold car's battery for spare parts and the price is not lower than market price.
Siam Sansin Co., Ltd. - Mr. Prasert Samrittivanicha is the director. - Mrs. Nittaya Samrittivanicha hold 10% of shares.	Goods Expenses	-	6,600	Support Normal Business Transaction NDR purchased coolant which the price not less than market price.
Mr. Tanapol Samrittivanicha - Mr. Tanapol Samrittivanicha is the son of Mr. Chaiyasit Samrittivanicha (Director and Shareholder)	Sales Revenue	582,234	1,027,258	Normal Business Transaction There is Motorcycle Tires and Tubes sell under cost-plus margin determination by product type.

N.D. Interparts Co., Ltd. (NDI) Related Party Transaction Report as of December 31, 2020

Connected Parties / Type of Relationship	Type of Transaction	Amount (Baht)		Type of Connected Transaction
		FY 2019	FY 2020	
Mrs. Nittaya Samrittivanicha - Director Remarks: On March 2020, Mrs. Nittaya Samrittivanicha has terminated the guarantee.	Overdraft Facilities (OD)	9,500,000	9,500,000	Support Normal Business Transaction Mrs. Nittaya Samrittivanicha guaranteed the company's directors without receiving any compensation.
	Company Guarantee	500,000	500,000	Support Normal Business Transaction Mrs. Nittaya Samrittivanicha guaranteed the company's directors without receiving any compensation.
N.D. Rubber Public Company Limited (NDR) - The mother company and has jointly directors Mrs.Nitaya Samrittivanicha and Mr.Chaiyasit Samrittivanicha.	Sales Revenue	2,389,640	2,316,758	Normal Business Transaction There are goods for tires packing in normal business operation under cost-plus margin determination by product type.
	Goods and Material expenses	154,055	167,150	Normal Business Transaction There are materials for manufacturing by estimate price not lower than market price.
	Location Services	1,656,000	1,656,000	Service Fee The company has location services (factory) for manufacturing. location services fee assessed by independent assessor.
	Electricity Income	344,152	411,675	Normal Business Transaction Transaction under the price from Provincial Electricity Authority (PEA).
	Office Supplies Expenses	-	43,500	Support Normal Business Transaction NDI purchased computer for use in operation as per market price.
	Labor Income	-	18,690	Support Normal Business Transaction NDR hires a maid of NDI at the rate specified in NDI employment contract.



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Connected Parties / Type of Relationship	Type of Transaction	Amount (Baht)		Type of Connected Transaction
		FY 2019	FY 2020	
	Labor Cost	-	123,650	Support Normal Business Transaction NDI employs NDR staff to produce products by providing remuneration at the rate specified in NDI Employment contract.
T. Thaicharoen Rubber Co., Ltd. - Mr. Prasert, Mrs. Nittaya and Mr. Chaiyasit Samrittivanicha are T. Thaicharoen Rubber Co., Ltd.'s Director. - Mr. Prasert and Mrs. Nittaya Samrittivanicha jointly hold 90% of share in T. Thaicharoen Rubber Co., Ltd. - Mr. Chaiyasit and Mrs. Thanyarat Samrittivanicha jointly hold 4.5% of share in T. Thaicharoen Rubber Co., Ltd.	Spare Parts Expenses	19,683	22,440	Support Normal Business Transaction Transaction NDI purchasing tires for spare part estimate price not lower than market price
Thai Toyo Rubber Co., Ltd. - Mr. Prasert Samrittivanicha is the Director and hold 46% shares in Thai Toyo Rubber Co., Ltd.	Goods and Material Expenses	31,300	-	Normal Business Transaction Operation by estimate price not lower than market price.
Whitehouse Plastic Partnership - Mrs. Mukda Sawadwan (Mr. Pongsak Swadwan's spouse) is the managing partner and hold 50% share in Whitehouse Plastics	Goods expenses	72,339	69,749	Normal Business Transaction There is a general plastic bag purchasing use in normal business operation by estimate price not lower than market price.

Mascasey Trading Company Limited (MAS) Related Party Transaction Report as of December 31, 2020

Connected Parties / Type of Relationship	Type of Transaction	Amount (Baht)		Type of Connected Transaction
		FY 2019	FY 2020	
N.D. Rubber Public Company Limited (NDR) - The mother company and has jointly directors. Remarks: On 3 March 2020, NDR has already withdrawn funds.	Goods and Material Expenses	22,676,427	269,347	Normal Business Transaction There is Motorcycle Tires and Tubes buy under cost-plus margin determination by product type.
	Location Services	112,149	-	Location Services Factory services contract for manufacturing. Service fee can be compared with the surrounded area.
	Professional Accounting Expenses	179,439	-	Service Fee MAS pays monthly professional fee based on current salary structure of the company.

FKR Marketing Sdn. Bhd. (FKRM) Related Party Transaction Report as of December 31, 2020

Connected Parties / Type of Relationship	Type of Transaction	Amount (Baht)		Type of Connected Transaction
		FY 2019	FY 2020	
N.D. Rubber Public Company Limited (NDR) - The mother company has jointly director Mr. Chaiyasit Samrittivanicha.	Goods and Material Expenses	213,088,749	214,715,913	Normal Business Transaction There is Motorcycle Tires and Tubes buy under cost-plus margin determination by product type.

N.D. Energy Fusion Co., Ltd. (NDEF) Related Party Transaction Report as of December 31, 2020

Connected Parties / Type of Relationship	Type of Transaction	Amount (Baht)		Type of Connected Transaction
		FY 2019	FY 2020	
N.D. Energy Fusion Co., Ltd. (NDEF) - The mother company has jointly director Mr. Chaiyasit Samrittivanicha.	Spare Parts Expenses	4,611	-	Normal Business Transaction There is car battery buy with estimated price not lower than market price.



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Section 3 Financial Position and Operating Performance

13. Report of the Board of Directors' Responsibility for the Financial Reports

The Board of Directors is responsible for the financial statements of the Company and its subsidiaries and the financial information as presented in the annual report of the Company. The financial statements of the Company and its subsidiaries as of 31 December 2020, have been prepared with careful consideration, in conformity with generally accepted accounting principles in Thailand, and using appropriate accounting policies and best estimation. All material information has been sufficiently disclosed in the notes to financial statements. The financial statements have been duly audited by independent authorized auditors who have provided unqualified opinions. The financial statements therefore reflect the Company's financial condition and results of operation that is true, transparent and reasonable for the benefits of all shareholders and investors.

The Board of Directors has established and maintained an appropriate and efficient internal control system and internal audit system to ensure that all accounting records are accurate, complete and sufficient to safeguard the Company's assets and prevent corruptions and materially irregular practices.

The Board of Directors has appointed an Audit Committee, which consists of independent directors who are responsible for the accuracy and adequacy of the financial reports, the appropriateness and efficiency of the internal control system and internal audit system, and compliance with laws and regulations related to the Company's business. The opinion of the Audit Committee is provided in the Report of the Audit Committee as presented in this annual report.

The Board of Directors is of the opinion that the Company's overall internal control system is satisfactory and provides reasonable assurance to the credibility of the financial statements of the Company and its subsidiaries as of 31 December, 2020.

On behalf of the Board of Directors

N.D. Rubber Public Company Limited

Mr.Pongsak Sawadwan

(Chairman of the Board)

Mr.Chaiyasit Samrittivanicha

(Managing Director)

14. Audit Committee Report

N.D. Rubber Public Company's Audit Committee consists of 3 Independent Directors - Dr.Sirada Jaruttakanont, Chairman of Audit Committee, Mr.Teerasak Sawangnet and Mr.Kovit Kristanin. They are not only qualified and experienced in finance and accounting, marketing; organization management including motorcycle tires business but also has the qualification comply to the good requirements and regulations of audit committee defined by the Securities and Exchange Commission and the Stock Exchange of Thailand.

The Audit Committee has performed their duty under the scope and responsibility assigned from the Board of Director. In 2020, the Audit Committee conducted 4 meetings with the Management Team, The internal auditors and Auditors. In addition, have been jointly Auditors and The internal auditor to discussions on issues that are important to the financial statement audit. The following activities had been discussed in the meeting;

Review Financial Statements – The Audit Committee conducted financial statement review for the quarter of 2020 with the auditor and the management to ensure the financial statement prepare according to the general certified accounting standards in adequate, accuracy and accountability information disclosure comply to law and related notification including consideration new accounting standard, new financial report, new financial and accounting standard interpretation, and the revision of accounting principle that related to the Company.

Review Connected Transactions – The Audit Committee has considered the disclosure of the Company, associated Companies and subsidiaries Companies In the event of a transaction or any conflicts of interest between stakeholders for accuracy and adequacy to ensure the audit process is comply to the Stock Exchange of Thailand's good governances.

Review Internal Control System – The Audit Committee has reviewed the adequacy of internal control systems of the Company in 2020 by review internal auditor and accounting auditor's report which given the suggestion there's no significance conformance found. So that, the audit committee give the comment the internal control system still adequate and appropriate to the management's operation and comply to policy and the authority defined.

Oversee the Internal Control – Consider and approved the scope of internal audit year plan for 2021 based on the principles of internal control assessment and the scope that covered major important process including review audit results which is directly report from the auditor to ensure independent of the auditor.

Review Risk Assessment Management – To review Risk Management with the Management and follow up the implementation including propose the effectiveness of risk management process to ensure the Company shall have risk management continuously and to consider the preventive and the eliminate important business risk both existing and in the future including setting additional measurement for better improvement.

To review the Company's compliance with the law on securities and exchange, the Exchange's regulations, and the laws relating to the Company's business – The Audit Committee has reviewed the Company's compliance with the



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notification of the Securities and Exchange Commission and the Stock Exchange of Thailand and the laws relating to the Company's business regularly for the purpose of extremely efficiency and effectiveness. Including any action with stakeholders with fairness and transparency can be trace according to good governance best practice so that to creditability to our investor and stakeholders.

Consider, select and nominate an independent person to the Company's auditor – The Audit Committee has considered and selected the auditor for 2021 by review the auditor's qualification from business knowledge and experiences including the appropriation of remuneration and propose the resolution to the Board for approve from the annual general meeting of shareholder in 2010 to appoint the following auditors:

- **Grant Thornton Limited** by Mr. Somckid Tiatragul Certified Public Account No. 2785, Ms. Kanyanat Sriratchaval Certified Public Account No. 6549, Mr. Teerasak Chuasrisakul Certified Public Account No. 6624 or Mr. Narin Churamongkol Certified Public Account No. 8593 or Ms. Amornjid Baolorpet Certified Public Account No. 10853 or Ms. Lakshmi Deetrakulwattanaphol Certified Public Account No. 9056, to be the auditing firm of the Company and its subsidiaries which is N.D. Interpart Co., Ltd. (NDI);
- **Grant Thornton Malaysia** by Mr. Kho Kim Eng to be auditor for Fung Keong Rubber Manufactory (Malaya) Sdn. Bhd. (FKRMM); and
- **Ms. Wisayaporn Tungchinsujee**, Certified Public Account No. 09870 to be auditor for N.D. Energy Fusion Co., Ltd.

Dated: 23 February 2021

On behalf of the Audit Committee

Dr. Sirada Jaruttakanon

(The Chairman of Audit Committee)

15. Management Discussion and Analysis

Overall performance of 2020 is lower than our expectation due to:

Revenue

Unit : Million Baht

		2019	2020	Change (+/-)	
				YoY	%
Consolidated Statement	Sales Revenue	850.63	775.85	-74.78	-8.79
	Profit/Loss from Exchange rate	4.60	2.55	-2.05	-44.57
	Other Revenue	6.63	3.03	-3.6	-54.30
	Total	861.86	781.43	-80.44	-9.33
Separated Statement	Sales Revenue	604.99	562.71	-42.28	-6.99
	Profit/Loss from Exchange rate	4.61	2.55	-2.06	-44.69
	Other Revenue	22.30	14.07	-8.22	-36.86
	Total	631.90	579.33	-52.56	-8.32

- Total revenue of 2020 is decreased by 9.33% comparing with 2019 because of country lockdown during Q2/2020 which less the company's revenue.
- Although, our subsidiaries in Malaysia continue implement the condition movement policy in Q4/2020, the business still be able to operate, except the shoe business which continue struggle from the school closing.

Cost and Expenses

Unit : Million Baht

		2019	2020	Change (+/-)	
				YoY	%
Consolidated Statement	Sales Revenue	850.63	775.85	-74.78	-8.79
	Cost	699.20	591.02	-108.18	-15.47
		82.20%	76.18%	-6.02%	-7.32
	Selling Expenses	50.56	32.56	-18.00	-35.60
		5.94%	4.20%	-1.74%	-29.29
	Administration Expenses	103.58	93.63	-9.95	-9.61
12.18%		12.07%	-0.11%	-0.90	
Separated Statement	Sales Revenue	604.99	562.71	-42.28	-6.99
	Cost	561.49	478.42	-83.07	-14.79
		92.81%	85.02%	-7.79%	-8.39
	Selling Expenses	13.21	7.46	-5.75	-43.53
		2.18%	1.33%	-0.85%	-38.99
	Administration Expenses	40.68	42.80	2.12	-5.21
6.72%		7.61%	0.89%	13.24	

- For the year 2019 and 2020, there is no substantial changed in selling and administration expenses.

Company Performance

Unit : Million Baht

		2019	2020	Change (+/-)	
				YoY	%
Consolidated Statement	Sales Revenue	850.63	775.85	-74.78	-8.79
	Gross Profit	151.43	184.82	33.39	22.05
		17.80%	23.82%	6.02%	33.82
	Net Profit (Loss)	-19.88	45.21	65.09	327.41
-2.34%		5.83%	8.17%	149.15	
Separated Statement	Sales Revenue	604.99	562.71	-42.28	-6.99
	Gross Profit	43.50	84.29	40.79	93.77
		7.19%	14.98%	7.79%	108.34
	Net Profit (Loss)	8.03	39.41	31.4	391.03
1.33%		7.01%	5.68%	427.07	

- The company performance of year 2020 is much better than year 2019 by 327%. We have a net profit at 45.21 Million Baht in 2020. The most impact factors are low cost of raw material and decreasing manufacturing cost program of the company.

Assets and Liabilities

Unit : Million Baht

		2019	2020	Change (+/-)	
				YoY	%
Consolidated Statement	Current Assets	330.46	389.49	59.03	17.86%
	Fixed Assets	730.89	695.64	-35.25	-4.82%
	Total Assets	1,061.35	1,085.13	23.78	2.24%
	Current Liabilities	293.75	274.19	-19.56	-6.66%
	Long-term Liabilities	64.94	56.83	-8.11	-12.49%
	Total Liabilities	358.69	331.02	-27.67	-7.71%
	Retained Earnings	702.66	754.11	51.45	7.32%
Separated Statement	Current Assets	137.06	172.05	34.99	25.53%
	Fixed Assets	866.51	842.64	-23.87	-2.75%
	Total Assets	1,003.57	1,014.69	11.12	1.11%

- There is no substantial changed in the company assets and liabilities. The company's current liabilities are lower than long-term liabilities because of lower financial cost.



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16. Financial Statement For the Year Ended 31 December 2020

Independent Auditor's Report and Consolidated

Financial Statements of

N.D. Rubber Public Company Limited and its Subsidiaries

For the Year Ended 31 December 2020



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INDEPENDENT AUDITOR'S REPORT

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

Opinion

I have audited the consolidated and separate financial statements of N.D. Rubber Public Company Limited and subsidiaries (“the Group”), which comprise the consolidated and separate statement of financial position as at 31 December 2020, the consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders’ equity and cash flows for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of N.D. Rubber Public Company Limited and subsidiaries as at 31 December 2020, and its consolidated and separate financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of my report. I am independent of the Group in accordance with the Federation of Accounting Professions’ Code of Ethics for Professional Accountants that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the consolidated and separate financial statements of the current year. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How the matter was addressed in the audit
<p><i>Impairment of intangible assets</i></p> <p>The Company has trademark which arose from an investment in distributing of motorcycle tyres and tubes, other rubber related product, and shoes.</p> <p>In accordance with Thai Financial Reporting Standards, the Company is required to test the impairment of assets whenever there is an indication of impairment.</p> <p>The impairment test conducted by management requires them to make significant judgments and estimated relating future cash flow forecast from the distributing of tyres and tubes, other rubber related product, and shoes and discount rate which varies by economic circumstances and current market.</p> <p>The Company disclosed about trademark in Note 15 to financial statements.</p>	<p>My audit procedures included:</p> <ul style="list-style-type: none"> - Assess the reasonable of assumptions and methodology that management applied to estimate expected future cash flow by comparing with current and historical operations. - Discussing with management the basis of assumptions used and future business plan, including reviewing underlying supporting documentation. - Evaluating the reasonableness of the discount rate applied to calculate future cash flows. - Verifying the mathematical accuracy and inspecting inputs with supporting documents. - Assessing the adequacy and appropriateness of the disclosure of assumption and recoverable amount of assets.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.



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In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and revised a material misstatement.

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current year and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in



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extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Mr. Narin Churamongkol

Certified Public Accountant

Registration No. 8593

Grant Thornton Limited

Bangkok

23 February 2021



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N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	6	125,766,012	72,656,164	31,142,328	5,894,619
Temporary investments	8	14,233,261	254,982	14,233,261	254,982
Trade accounts receivable - general customers	9	103,351,111	114,330,615	39,841,487	45,768,319
- related parties	7, 9	647,922	565,654	21,567,899	32,331,010
Other accounts receivable - general customers		2,502,113	3,172,988	-	-
Amount due from subsidiary company	7	-	-	-	88,283
Inventories	10	121,190,380	120,261,132	52,287,422	43,577,795
Refundable value added tax		8,101,485	4,722,095	8,101,485	4,440,763
Refundable corporate income tax		720,356	9,740,135	-	-
Non-current assets held for sale	11	8,097,477	-	-	-
Other current assets		4,886,953	4,754,840	4,871,999	4,706,852
Total Current Assets		389,497,070	330,458,605	172,045,881	137,062,623
NON-CURRENT ASSETS					
Investment in subsidiary companies	12	-	-	418,367,180	420,014,932
Property, plant and equipment	14	538,709,086	617,393,695	377,623,456	445,609,234
Right-of-use assets	16.1	45,788,954	-	45,788,954	-
Intangible assets	15	110,981,278	113,345,928	865,296	887,656
Deferred tax assets	21.1	163,875	155,646	-	-
Total Non-Current Assets		695,643,193	730,895,269	842,644,886	866,511,822
TOTAL ASSETS		1,085,140,263	1,061,353,874	1,014,690,767	1,003,574,445



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N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

Notes	Consolidated F/S		Separate F/S		
	31 December 2020	31 December 2019	31 December 2020	31 December 2019	
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Bank overdraft and short-term loans from banks	17	128,005,548	173,045,595	107,802,751	148,032,960
Trade accounts payable - general suppliers		68,759,694	49,820,530	63,211,773	45,459,467
- related parties	7	98,648	523,245	499,243	926,813
Amount due to subsidiary company	7	-	-	84,595	52,747
Accounts payable for purchases of fixed assets		2,815,998	480,182	2,815,998	480,182
Payable for purchase of investment					
in subsidiary company	19	-	-	2,900,000	2,900,000
Current portion :					
- Liabilities under finance lease agreements	16.2	-	10,691,908	-	10,691,908
- Lease liabilities	16.2	13,902,089	-	13,902,089	-
- Long-term loan	18	4,300,000	14,200,000	4,300,000	14,200,000
- Employee benefits obligation	20	104,414	-	104,414	-
Accrued income tax		6,487,640	353,110	6,332,045	-
Accrued expenses		36,479,524	36,141,179	6,485,561	9,598,846
Other current liabilities		13,243,128	8,490,825	12,775,238	8,252,220
Total Current Liabilities		274,196,683	293,746,574	221,213,707	240,595,143
NON-CURRENT LIABILITIES					
Liabilities under finance lease agreements	16.2	-	9,237,464	-	9,237,464
Lease liabilities	16.2	1,838,959	-	1,838,959	-
Employee benefits obligation	20	9,354,736	8,358,244	7,999,293	7,167,994
Deferred tax liabilities	21.1	45,638,900	47,344,571	8,783,768	10,142,737
Total Non-Current Liabilities		56,832,595	64,940,279	18,622,020	26,548,195
Total Liabilities		331,029,278	358,686,853	239,835,727	267,143,338



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N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019
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
Share premium		325,711,286	325,711,286	325,711,286	325,711,286
Retained earnings					
- Appropriated for legal reserve	23	13,965,366	11,911,000	13,965,366	11,911,000
- Unappropriated		132,122,127	89,902,464	119,786,874	83,417,307
Other component of shareholders' equity		(34,999,049)	(41,112,145)	-	-
Total Equity of the Company's Shareholders		752,191,244	701,804,119	774,855,040	736,431,107
Non-controlling interests in subsidiaries	13	1,919,741	862,902	-	-
Total Shareholders' Equity		754,110,985	702,667,021	774,855,040	736,431,107
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,085,140,263	1,061,353,874	1,014,690,767	1,003,574,445



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N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Notes	Consolidated F/S		Separate F/S	
		2020	2019	2020	2019
Net sales	22, 28	775,845,936	850,630,649	562,709,497	604,992,832
Costs of sales	10, 26, 28	(591,022,702)	(699,195,884)	(478,422,780)	(561,492,127)
Gross profit		184,823,234	151,434,765	84,286,717	43,500,705
Gain on exchange rate		2,553,005	4,607,976	2,553,005	4,607,976
Dividend income	12	-	-	11,166,000	16,526,508
Other income		3,025,795	6,627,576	2,908,748	5,774,655
Profit before expenses		190,402,034	162,670,317	100,914,470	70,409,844
Selling expenses		(32,562,579)	(50,564,887)	(7,464,270)	(13,211,007)
Administrative expenses		(93,633,289)	(103,583,726)	(42,801,068)	(40,680,094)
Loss from impairment of intangible asset	15	-	(19,681,457)	-	-
Total expenses	26	(126,195,868)	(173,830,070)	(50,265,338)	(53,891,101)
Profit (loss) before finance costs and income tax		64,206,166	(11,159,753)	50,649,132	16,518,743
Finance costs		(6,826,437)	(8,591,727)	(6,183,969)	(8,107,293)
Profit (loss) before income tax		57,379,729	(19,751,480)	44,465,163	8,411,450
Income tax expense	21.2	(12,167,131)	(132,991)	(5,051,569)	(383,152)
Profit (loss) for the year		45,212,598	(19,884,471)	39,413,594	8,028,298
Other comprehensive income					
Items that will be reclassified subsequently to profit or loss					
Exchange differences from foreign currency					
financial statements translation		6,113,096	(30,770,032)	-	-
Other comprehensive income for the year		6,113,096	(30,770,032)	-	-
Total comprehensive income for the year		51,325,694	(50,654,503)	39,413,594	8,028,298



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N.D. RUBBER PUBLIC COMPANY LIMITED

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129 Moo 3 Nongchak-Phanasnikom Rd., Nongaeiroon, Banbueng, Chonburi, Thailand 20220 Tel. 038-160707 Fax. 033-047348



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N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

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

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

Note	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO:				
Shareholders of the Company	45,263,690	(19,542,598)	39,413,594	8,028,298
Non-controlling interests in subsidiaries	13 (51,092)	(341,873)	-	-
Total	45,212,598	(19,884,471)	39,413,594	8,028,298
TOTAL COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:				
Shareholders of the Company	51,376,786	(50,312,630)	39,413,594	8,028,298
Non-controlling interests in subsidiaries	13 (51,092)	(341,873)	-	-
Total	51,325,694	(50,654,503)	39,413,594	8,028,298
BASIC EARNINGS PER SHARE				
Profit (loss) (Baht per share)	0.1435	(0.0620)	0.1250	0.0255
Weighted average number of ordinary shares (share)	315,391,514	315,391,514	315,391,514	315,391,514

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER

	Equity attributable to shareholders of the Company										(Unit : Baht)
	Retained earnings		Other components of shareholders' equity			Total equity attributable to the Company's shareholders		Non-controlling interests		Total	
	Issued and paid-up share capital	Share premium	Legal reserve	Unappropriated	Surplus on change in proportion of investment in subsidiary company	Exchange differences on translating financial statement	Total	Non-controlling interests			
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	
Decrease in proportion of investment in subsidiary company	-	-	-	-	(326,225)	-	(326,225)	(326,225)	326,225	-	
Decrease in non-controlling interests during the year	-	-	-	-	-	-	-	-	(1,420,001)	(1,420,001)	
Appropriate for legal reserve	-	-	401,415	(401,415)	-	-	-	(9,461,715)	-	(9,461,715)	
Dividend payment	-	-	-	(9,461,715)	-	-	-	-	-	-	
Dividend payment of subsidiary	-	-	-	-	-	-	-	-	(123,450)	(123,450)	
Transactions with shareholders	-	-	401,415	(9,863,130)	(326,225)	-	(326,225)	(9,787,940)	(1,217,226)	(11,005,166)	
Loss for the year	-	-	-	(19,542,598)	-	-	-	(19,542,598)	(341,873)	(19,884,471)	
Other comprehensive income for the year	-	-	-	-	-	(30,770,032)	(30,770,032)	(30,770,032)	-	(30,770,032)	
Total comprehensive income for the year	-	-	-	(19,542,598)	-	(30,770,032)	(30,770,032)	(50,312,630)	(341,873)	(50,654,503)	
Balance as at 31 December 2019	315,391,514	325,711,286	11,911,000	89,802,464	550,469	(41,662,614)	(41,112,145)	701,804,119	862,902	702,667,021	
Balance as at 1 January 2020 - as previous reported	315,391,514	325,711,286	11,911,000	89,802,464	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 assets	-	-	-	(989,661)	-	-	-	(989,661)	-	(989,661)	
Balance as at 1 January 2020 - adjusted	315,391,514	325,711,286	11,911,000	88,812,803	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	
Appropriate for legal reserve	-	-	2,054,366	(2,054,366)	-	-	-	-	-	-	
Transactions with shareholders	-	-	2,054,366	(2,054,366)	-	-	-	-	-	-	
Profit (loss) for the year	-	-	-	45,263,690	-	-	-	45,263,690	(51,092)	45,212,598	
Other comprehensive income for the year	-	-	-	-	-	6,113,096	6,113,096	6,113,096	-	6,113,096	
Total comprehensive income for the year	-	-	-	45,263,690	-	6,113,096	6,113,096	51,376,786	(51,092)	51,325,694	
Balance as at 31 December 2020	315,391,514	325,711,286	13,965,366	132,122,127	550,469	(35,549,518)	(34,999,049)	752,191,244	1,919,741	754,110,985	

N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED 31 DECEMBER

	Notes	Issued and		Share premium	Retained earnings		Total
		paid-up share capital	Legal reserve		Unappropriated		
Separate F/S							
Balance as at 1 January 2019		315,391,514		325,711,286	11,509,585	85,252,139	737,864,524
Appropriate for legal reserve	23	-	-	-	401,415	(401,415)	-
Dividend payment	24	-	-	-	-	(9,461,715)	(9,461,715)
Transactions with shareholders		-	-	-	401,415	(9,863,130)	(9,461,715)
Profit for the year		-	-	-	-	8,028,298	8,028,298
Total comprehensive income for the year		-	-	-	-	8,028,298	8,028,298
Balance as at 31 December 2019		315,391,514		325,711,286	11,911,000	83,417,307	736,431,107
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 assets	3.1.1, 9	-	-	-	-	(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
Appropriate for legal reserve	23	-	-	-	2,054,366	(2,054,366)	-
Transactions with shareholders		-	-	-	2,054,366	(2,054,366)	-
Profit for the year		-	-	-	-	39,413,594	39,413,594
Total comprehensive income for the year		-	-	-	-	39,413,594	39,413,594
Balance as at 31 December 2020		315,391,514		325,711,286	13,965,366	119,786,874	774,855,040



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N.D. RUBBER PUBLIC COMPANY LIMITED

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N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CASH FLOWS

FOR THE YEARS ENDED 31 DECEMBER

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash Flows from Operating Activities				
Profit (loss) before income tax	57,379,729	(19,751,480)	44,465,163	8,411,450
Adjustments to reconcile profit (loss) before income tax to net cash provided from (used in) operating activities:				
Depreciation and amortization	44,947,571	46,374,491	35,252,768	35,526,857
Unrealized gain on changing in value of investments	(31,703)	(2,524)	(31,703)	(2,524)
Realized gain on disposal of temporary investments	(2,524)	(488,774)	(2,524)	(488,774)
Allowance (reversal of allowance) for impairment losses from accounts receivable	4,952,741	(1,012,106)	4,967,063	212,390
Allowance for impairment losses from investment in subsidiary	-	-	1,147,752	-
Allowance (reversal of allowance) for obsolete and devaluation value of inventories	(2,224,074)	7,450,721	(42,931)	159,899
Loss from impairment of intangible assets	-	19,681,457	-	-
Unrealized loss (gain) on exchange rate	32,348	(41,111)	32,348	(41,111)
Gain on disposal of fixed assets	(204,422)	(588,335)	(46,520)	(588,335)
Written-off assets	596,256	6,280	571,626	-
Written-off intangible assets	-	148,789	-	-
Dividend income	-	-	(11,166,000)	(16,526,508)
Employee benefits obligation expenses	825,079	2,405,703	699,159	2,070,230
Loss from written-off the non-refundable income tax	-	524,947	-	524,947
Interest income	(127,183)	(115,430)	(11,587)	(39,669)
Finance costs	6,826,437	8,591,727	6,183,969	8,107,293
Cash provided from operations before changes in operating assets and liabilities	112,970,255	63,184,355	82,018,583	37,326,145
Decrease (increase) in operating assets:				
Trade accounts receivable - general customers	4,620,648	11,436,592	10,323,886	13,045,764
- related parties	112,798	(10,749)	604,399	1,114,462
Amount due from subsidiary company	-	-	88,283	2,222,917
Inventories	(6,138,104)	10,332,755	(8,666,696)	8,493,206
Refundable value added tax	(3,379,390)	(958,249)	(3,660,722)	(766,185)
Other current assets	261,061	3,582,408	(165,147)	26,671
Increase (decrease) in operating Liabilities:				
Trade accounts payable - general suppliers	29,498,582	(25,165,576)	17,546,667	(24,252,048)
- related parties	(424,597)	(69,026)	(427,570)	(266,708)
Amount due to subsidiary company	-	-	31,848	(5,508)
Accrued expenses	439,208	(6,171,010)	(3,113,285)	377,570
Other current liabilities	4,752,568	6,165,193	4,523,018	6,221,241
Cash provided from operations	142,713,029	62,326,693	99,103,264	43,537,527



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N.D. RUBBER PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED 31 DECEMBER

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash provided from operations (Continued)	142,713,029	62,326,693	99,103,264	43,537,527
Interest received	127,183	115,430	11,587	39,669
Interest paid	(6,550,610)	(8,349,768)	(5,947,415)	(7,899,524)
Income tax refunded	11,226,248	268,969	-	197,036
Income tax paid	(9,755,712)	(12,106,576)	(78,493)	(900,333)
Net cash provided from operating activities	137,760,138	42,254,748	93,088,943	34,974,375
Cash Flows from Investing Activities:				
Proceeds from disposal of temporary investments	20,255,948	65,160,885	20,255,948	65,160,885
Purchase of temporary investments	(34,200,000)	(58,370,000)	(34,200,000)	(58,370,000)
Purchase of investment in subsidiary	-	(60,161,623)	-	(60,161,623)
Proceeds from disposal of investment in subsidiary - net	255,266	-	500,000	-
Proceeds from disposal of fixed assets	698,500	1,352,466	116,444	1,352,466
Purchase of fixed assets and computer software	(8,917,446)	(15,323,403)	(8,089,042)	(12,643,673)
Payment for accounts payable for purchases of fixed assets	(480,182)	(893,001)	(480,182)	(893,001)
Dividend received	-	-	11,166,000	16,526,508
Net cash used in investing activities	(22,387,914)	(68,234,676)	(10,730,832)	(49,028,438)
Cash Flows from Financing Activities				
Increase (decrease) in bank overdraft and short-term loans from banks	(45,458,104)	17,940,038	(40,251,984)	22,318,442
Repayment of lease liabilities	(6,958,418)	(8,752,785)	(6,958,418)	(8,752,785)
Repayment of long-term loan	(9,900,000)	(19,800,000)	(9,900,000)	(19,800,000)
Dividend payment	-	(9,586,494)	-	(9,463,044)
Net cash used in financing activities	(62,316,522)	(20,199,241)	(57,110,402)	(15,697,387)
Exchange differences from foreign currency financial statements translation	54,146	(12,404,122)	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	53,109,848	(58,583,291)	25,247,709	(29,751,450)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	72,656,164	131,239,455	5,894,619	35,646,069
CASH AND CASH EQUIVALENTS AT ENDING OF YEAR	125,766,012	72,656,164	31,142,328	5,894,619

Supplemental disclosures for cash flows information

Non-cash items

Accounts payable for purchase of fixed assets	2,815,998	480,182	2,815,998	480,182
Payable for purchase of investment in subsidiary	-	-	-	2,900,000
Increment of right-of-use assets and lease liabilities	2,770,094	-	2,770,094	-
Transferred trade accounts receivable - related party				
to trade accounts receivable - general customer	-	-	10,353,778	-
Transferred property, plant and equipment				
to non-current assets held for sale	8,097,477	-	-	-



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N.D. RUBBER PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

1. NATURE OF OPERATIONS

The Company was incorporated under the Thai Civil and Commercial Code as a limited company on 24 May 1990 in the name of N.D. Rubber Company Limited. The Company changed its status to a public company and registered the change of its name to “N.D. Rubber Public Company Limited” on 15 May 2014. 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. The registered office address of the Company is 129 Moo 3, Nongsak-Phanasnikom Road, Nongeeroon Sub-district, Banbueng, Chonburi. The major shareholders of the Company are “Samrittivanicha” Family at 51.85% shareholding.

2. BASIS OF FINANCIAL STATEMENT PREPARATION

2.1 Statement of compliance

The accompanying financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) issued under the Accounting Professions and the financial reporting requirements promulgated by the Securities and Exchange Commission under the Securities and Exchange Act. These financial statements are officially prepared in the Thai language. The translation of these financial statements to other languages must be in compliance with the official report in Thai.

The consolidated and separate financial statements have been prepared on a historical cost basis, except as otherwise disclosed specifically.

The preparation of financial statements in conformity with Thai Financial Reporting Standards requires management to use of certain critical accounting estimates and to exercise judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

2.2 Principles of consolidation

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

Subsidiary Companies	Country	Percentage of holding (%)		Nature of business
		2020	2019	
<u>Direct</u>				
N.D. Interparts Co., Ltd.	Thailand	91.77	91.77	Manufacturing and distributing rubber and synthetic products for automobile and motorcycle
Mascasey Trading Co., Ltd.	Thailand	-	50.00	Distributing tyres and tubes for motorcycle
N.D. Energy Fusion Co., Ltd.	Thailand	98.33	98.33	Researching, manufacturing and distributing of wireless electrical equipment and system
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	Malaysia	100.00	100.00	Distributing of bicycle motorcycle and tyres and tubes and other rubber related product
<u>Indirect</u>				
FKR MARKETING SND.BHD.	Malaysia	100.00	100.00	Distributing bicycle and motorcycle tyres and tubes
GCB TRADING SDN.BHD.	Malaysia	100.00	100.00	Distributing footwear

Significant inter-company transactions with subsidiaries and indirect subsidiaries included in the consolidated financial statements have been eliminated.

The consolidated financial statements have been prepare using the same accounting policies for similar transactions or accounts of similar nature in the preparation of the Company's financial statements.

Subsidiary

Subsidiary is an entity controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiary are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

The total assets of subsidiaries as at 31 December 2020 and 2019 and total revenues for the years ended 31 December 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	
	31 December 2020	31 December 2019	For the years ended 31 December	
			2020	2019
N.D. Interparts Co., Ltd.	2.08	1.96	4.14	4.71
Mascasey Trading Co., Ltd.	-	0.80	-	1.84
N.D. Energy Fusion Co., Ltd.	0.34	0.34	-	-
FUNG KEONG RUBBER MANUFACTORY (MALAYA) SDN.BHD.	26.15	25.81	38.99	37.64

On 27 February 2020, at the Board of Directors No. 1/2020, passed a resolution to disposal investment in Mascasey Trading Co., Ltd. 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.

2.3 Significant changes during the year 2020 are as follows:

2.3.1 Effect from Coronavirus 19 pandemic

The Coronavirus 19 pandemic is continuing to evolve, resulting in an economic slowdown, and adversely impacting most businesses and industries. This situation may bring uncertainties and also have impact on the environment in which the Group operates. Including with subsidiary company in Malaysia which had an effect from the coronavirus 19 pandemic. The Malaysian Government had

imposed the Movement Control Order (“MCO”) in several period. The emergence of the Coronavirus 19 pandemic had brought significant economic uncertainties in Malaysia. The Group’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgment for recognizing the effects to the financial statements in respect of various issues as the situation has evolved, using the best information obtained up to the date of this report.

2.3.2 Accounting guidance on temporary relief measures for accounting alternatives by the Group

As at 31 December 2020, the Coronavirus disease 2019 pandemic is continuing to evolve, resulting in uncertainties assessed the financial impact from estimation. The Group has elected Accounting Guidance on Temporary relief Measures for Accounting Alternatives which announced by The Federation of Accounting Professions for alleviate impact from Coronavirus disease 2019 pandemic (COVID 19) as follows:

- Not to take into account forward-looking information when determining expected credit losses, in cases where the Group’s 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”.

3. NEW AND REVISED FINANCIAL REPORTING STANDARDS, INTERPRETIIONS AND GUIDANCE

3.1 During the year, The Federation of Accounting Professions has revised and issued Thai Financial Reporting Standards (TFRS), interpretations and guidance as follow:

3.1.1 Thai Financial Reporting Standards related to “Financial instruments”

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

In which present the 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 Group 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: (1) measured at amortize cost, (2) fair value through profit or loss, and (3) fair value through other comprehensive income based on the business model of the Group in which they are managed and based on the cash flow characteristics of the financial asset.

Financial assets measured at amortized cost. Interest income calculated by using effective interest rate and recognized in statement of profit or loss.

Financial assets for equity instrument are measured at fair value through profit or loss. The Group 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 and recognized in statement of profit or loss.

Derivative liabilities are classified and measured at fair value through profit or loss except for derivatives contracts which applied hedge accounting are measured at fair value through other comprehensive income.

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

(Unit : Baht)

Consolidated F/S

Classification under previous standards as at 31 December 2019	Carrying amounts	Classification under TFRS 9 as at 1 January 2020	
		Fair value through profit or loss	Amortized cost - net
Transactions			
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		
	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	19,929,372	-	19,929,372
Total	231,981,541	-	231,981,541

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

Impairment of financial assets and contract assets

The Group 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 amortized cost and fair value through other comprehensive income.

The Group have determined the application of TFRS 9 are as follows:

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

The above adoptions result in an additional allowance for impairment losses of the Group as at 1 January 2020 as follows:

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

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

3.1.2 Thai Financial Reporting Standards No. 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 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 financial statements of the Group, excepted for the reclassification of the balance as at 1 January 2020 as mentioned in Notes 3.1.3, 14, and 16.

3.1.3 Impact on the financial information



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

(Unit : Baht)

Consolidated F/S				
	The previous accounting policies	Adjustments		After adjustment
		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	-	-	45,513,090	45,513,090
Property, plant and equipment	617,393,695	-	(45,513,090)	571,880,605
Total assets	732,289,964	(989,661)	-	731,300,303
<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	19,929,372	-	-	19,929,372
Retained earnings				
- Unappropriated	89,902,464	(989,661)	-	88,912,803
Shareholders' Equity	89,902,464	(989,661)	-	88,912,803

(Unit : Baht)

Separate F/S

	The previous accounting policies	Adjustments		After adjustment
		Thai Financial Reporting Standards No. 9	Thai Financial Reporting Standards No. 16	
Statement of financial position				
<u>Current asset</u>				
Trade accounts receivable	78,099,329	(989,661)	-	77,109,668
<u>Non-current assets</u>				
Right-of-use assets	-	-	45,513,090	45,513,090
Property, plant and equipment	445,609,234	-	(45,513,090)	400,096,144
Total assets	523,708,563	(989,661)	-	552,718,902
<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	19,929,372	-	-	19,929,372
Retained earnings				
- Unappropriated	83,417,307	(989,661)	-	82,427,646
Shareholders' Equity	83,417,307	(989,661)	-	82,427,646

3.2 Financial Reporting Standards, Interpretations and guidance which effective from 1 January 2021

3.2.1 Thai Accounting Standard No.1 “Presentation of financial statements” and Thai Accounting Standard No. 8 “Accounting policies, Changes in Accounting Estimates and Errors”

The amendment definition of “Materiality” to comply with the Financial Reporting Standards and frameworks. Including the explanation that clarified the materiality application to Thai Financial Reporting Standard No.1. The amendment also makes consequential amendments to other TFRS including TAS 8, TAS 10, TAS 34 and TAS 37.

3.2.2 Thai Financial Reporting Standard No.3 “Business combinations”

- Provide an option for the entity to use “Concentration Test” that allows a simplified assessment of whether a transaction is an acquired of assets or a business combination.
- The amendment definition of “Business” that define the business combination must include, at a minimum, an input and a substantive process that are collective significantly contribute to the ability to create outputs. Furthermore, amendment definition of “Outputs” which focusing on goods and services provided to customers and removing the reference to an ability to lower the costs.

3.2.3 Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No. 7 “Disclosure of Financial instruments”

Change in specific hedge accounting requirements for relief the uncertainties arising from impact of interest rate benchmark reform such as Interbank offer rates – IBORs. In addition, the amendment requires the entity to provide information of all hedging relationships directly affected by such uncertainty.

3.2.4 Conceptual Framework for Financial Reporting

The amendment conceptual framework in definition of assets and liabilities and criteria for recognizing assets and liabilities in financial statements. The principles and practices are as following:

- Measurement including factors to be considered when selecting a benchmark basis
- Presentation and disclosure including classification of revenue and expenses in other comprehensive income.
- Derecognition assets and liabilities from financial statements.

In addition, this framework describes responsibilities, conservatism, and measurement uncertainty in preparation of financial reporting. The revised in conceptual framework that effect to revised in others framework including TAS 1, TAS 8, TAS 34, TAS 37, TAS 38, TFRS 2, TFRS 3, TFRS 6, TFRIC 12, TFRIC 19, TFRIC 20, TFRIC 22 and TSIC 32.

4. SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

Revenue is recognized when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Group expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Sale of goods

Revenue from sales of goods is recognized when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Therefore, the amount of revenue recognized is adjusted for estimated returns, which are estimated based on the historical data.

Interest income is recognized on an accrual basis on a time proportion that reflects the effective yield on the asset.

Other income is recognized on an accrual basis.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and highly liquid cash in banks (which do not have restriction of usage) that are readily convertible to cash on maturity date with insignificant risk of change in value.

Trade accounts receivable and allowance for impairment losses

A receivable is recognized when the Group has an unconditional right to receive consideration. If revenue has been recognized before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Accounting policy which effective from 1 January 2020

Trade accounts receivable are presented at the net realizable value. The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the trade accounts receivable. To measure the expected credit losses, trade accounts receivable have been grouped based on the days past due. The expected loss rates are based on the payment profiles and the corresponding historical credit losses which are adjusted to reflect the current and forward-looking information on economic factors affecting the ability of the customers to settle the receivables. The impairment losses are recognized in profit or loss.

Accounting policy which effective before 1 January 2020

Trade accounts receivable are presented at the net realizable value. The Group records allowances for doubtful accounts from accounts receivable which might be uncollectible. Allowance for doubtful accounts is provided for on the basis of collection experience and payment ability of the debtors at the end of year.

Inventories

Inventories are presented at the lower of cost or net realizable value. Cost is calculated by the following methods:

- | | |
|---|-----------------------------------|
| Finished goods, work in process and raw materials | - At cost (FIFO method) |
| Other supplies | - At cost (moving average method) |

Net realizable value is the estimated selling price in the ordinary course of business less the costs of completion (for work in process) and selling expenses. Provision is made, where necessary, for slow moving and defective inventories based on the Group's experiences and the current information.

Investments in subsidiaries

Investments in subsidiaries in the separate financial statements is accounted for by cost method. The Company recognizes gain or loss on disposal in the statement of profit or loss in the year which sales of investment occurred. In case of impairment on investment, the Company will recognize loss on impairment of investment as expense in the statement of profit or loss. The Company recognized dividend income when the subsidiary declares the payment of its dividends.

Related parties

Related parties comprise enterprises and individuals that control, or are controlled by the Company, whether directly or indirectly, or which are under common control with the Company.



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They also include associated company and individuals which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and directing the Company's operations.

Property, plant and equipment

Recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (If any).

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labor, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalized borrowing costs.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized net within other income in profit or loss.

Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depreciation

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Years



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Buildings and improvements	10 - 50
Machinery and equipment	5 - 25
Factory equipment	2 - 20
Furniture, fixture and office equipment	3 - 15
Vehicles	7 - 10

No depreciation is provided on freehold land or assets in transit and construction in progress.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets

Computer software

Computer software is presented at cost less accumulated amortization. Amortization is calculated by reference to cost on a straight-line method over the estimated period of 5 years.

Trademarks

The Group's trademarks represent trademarks under the name "FKR and GCB" Trademarks acquired in a business combination and are recognized at fair value at the acquisition date. The Group continues to use the trademarks in commercial; and therefore, the trademarks have a finite useful life of 30 years and carried at the cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the trademarks.

Customer relationships

Customer relationships acquired in a business combination and are recognized at fair value at the acquisition date. The customer relationships have a finite useful life of 8 years are carried at the cost less accumulated amortization. Amortization is calculated using the straight-line method over the expected life of the customer relationships.

Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognized. Goodwill is carried at cost less allowance for impairment.

Non-current assets held for sale

Non-current assets held for sale comprising assets that are expected to be recovered primarily through sale rather than through continuing use.



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Classification of the assets as held for sale occurs only when the assets are available for immediate sale in its present condition subject only to terms that are usual, and customer and the sale must be highly probable. Management must be committed to a plan to sell the assets which are expected to qualify for recognition as a completed sale within one year from the date of classification. Action required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or plan will be withdrawn.

Immediately before classification as held for sale, the assets are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets are measured at the lower of their carrying amount and fair value less costs to sell.

Property, plant and equipment once classified as non-current assets held for sale is not depreciated.

Impairment

The Group assess whether there is an indication that any asset may be impaired. If any such indication exists, the Group make an estimate of the asset recoverable amount. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment loss is recognized in the statement of profit or loss. An asset recoverable amount is the higher of fair value less costs to sell or value in use.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognized in profit or loss.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated into the functional currency at the exchange rates at the dates of the transactions. Foreign currency differences are recognized in profit or loss as incurred.

Foreign subsidiary

The assets and liabilities of foreign subsidiary are translated into Thai Baht at the exchange rates at the reporting date.

The revenues and expenses of foreign subsidiary are translated into Thai Baht at rates approximating the exchange rates at the dates of the transactions.

Employee benefits

Short-term employment benefits

Salaries, wages, bonuses and contribution to the social security are recognized as expenses when incurred.

Post-employment benefits (Defined contribution plan)

The Company and subsidiaries in Thailand with their employees have jointly established a provident fund plan whereby monthly contribution are made by employees and by the Company and subsidiaries. The fund's assets are held in a separate trust fund from the Company's and subsidiaries assets. The Company's and subsidiaries contribution to the fund are recognized as expenses when incurred.

Post-employment benefits (Defined benefit plan)

The Company and subsidiaries in Thailand have obligation in respect of the severance payment to employees upon retirement under the labour law. The Company and subsidiaries set up the obligation under the defined benefits plan based on actuarial techniques, using the discount method on each projected unit.

The defined benefits liability comprises the present value of the defined benefit obligation and actuarial gains (losses).

Actuarial gains or losses arising from post-employment benefits are recognized immediately in other comprehensive income.

Right-of-use assets

Accounting policy which effective from 1 January 2020

Leases - where the Group are the lessee

The Group recognizes a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, initial direct costs and estimated costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any incentive received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease if the rate can be readily determined. If that rate cannot be readily determined, the Group uses the Group's incremental borrowing rate.



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Lease payments included in the measurement of the lease liability are fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the exercise price under a purchase option that the Group is reasonably certain to exercise.

After initial cost measurement, when the lease liability is re-measured to reflect changes to the lease payments, the Group recognizes the amount of the remeasurement of the lease liability as an adjustment to the ROU asset. However, if the carrying amount of the ROU asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the remeasurement in profit or loss.

The Group recognizes the short-term leases payment and leases of low-value assets payment associated with these leases as an expense on a straight-line basis over the lease term. The short-term leases is lease which had lease term of 12 months or less.

Accounting policy which effective before 1 January 2020

Long-term leases - where the Group are the lessee

Leases of equipment where the Group assume substantially all the benefits and risks of ownership are classified as finance leases. Finance leases are capitalized at the fair value of leases of assets or estimated present value of the underlying lease payments whichever is lower. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the outstanding finance balance. Future lease payments net of financial charges are recognized as liabilities under finance lease agreements. The financial expense is charged to statement of profit or loss over the lease period. Assets acquired under finance lease agreements are depreciated over the useful lives of the assets. Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Payments made under operating leases are charged to statement of profit or loss on a straight - line method over the lease period. When an operating lease is terminated before expiry date of the lease period, any payment required to be made to the lessor by way of penalty is recognized as an expense in the year in which termination takes place.

Income tax

Income tax expense for the year comprises current and deferred taxes. Current and deferred taxes are recognized in profit or loss, except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current income tax

Current income tax is the expected tax payable or claimable, under the income tax prevailing, on the taxable profit or loss for the year, using tax rates enacted or substantially enacted at the end of the reporting year, and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the end of the reporting year.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax liabilities and assets, and if they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they are intended to be settled on a net basis or when income tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at the end of each reporting year and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Financial instrument

Recognition and derecognition

The Group shall recognize a financial asset or a financial liability when the Group becomes party to the contractual provisions of the instrument.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets.

Initial recognition and measurement of financial assets

The Group classify financial assets as subsequently measured at amortized cost, fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL) on the basis of both:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset (SPPI)

with the exception of allowance for impairment losses from trade accounts receivable as separable.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions:

- They are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows
- The contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than ‘hold to collect’ or ‘hold to collect and sell’ are categorized at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL.

Impairment of financial assets

For trade accounts receivable, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognizes a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Initial recognition and measurement of financial liabilities

At initial recognition the Group’s financial liabilities are recognized at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortized cost.

The Group’s financial liabilities include bank overdraft and short-term loans from bank, trade accounts payables, and accounts payable for purchases of fixed assets, and long-term loan.

Subsequent measurement of financial liabilities

Financial liabilities at amortized cost

After initial recognition, carrying amounts are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit or loss.

Share premium

The Company recorded cash received in excess of the par value of the shares issued as share premium in the statement of financial position, share premium are deducted from any transaction costs associated with the issuing of shares and related income tax benefits.



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Dividend payment

Dividend payment is recorded in the financial statements in the year in which they are approved by the Shareholders or Board of Directors.

Basic earnings per share

Basic earnings per share is determined by dividing the profit (loss) for the year by the weighted average number of ordinary shares outstanding during the year.

Segment reporting

Segment results that are reported to chief operating decision maker include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Provisions for liabilities and expenses and contingent assets

Provisions for liabilities and expenses are recognized in the financial statements when the Group have a present legal or constructive obligation as a result of past events with probable outflow of resources to settle the obligation and where a reliable estimate of the amount can be made. The contingent assets will be recognized as separate assets only when the realization is virtually certain.

5. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTION AND JUDGMENT

Use of accounting estimates

When preparing the 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.

Critical accounting estimates, assumption and judgments are as follow:

5.1 Allowance for impairment losses from trade accounts receivable

The Group estimates allowance for impairment losses from trade accounts receivable by measure the expected credit losses, trade accounts receivable have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles, the corresponding historical credit losses experienced and the impact of potential factor to the expected loss rates.

5.2 Allowance for impairment of investments

The Company treats investments as impaired when there has been a significant or prolonged decline in their fair value. The determination of what is “significant” or “prolonged” requires management judgment.

5.3 Allowances for slow-moving and defective inventories

The Group estimates allowances for slow-moving and defective inventories to reflect impairment of inventories. The allowances are based on the consideration of inventory turnovers and deterioration of each category.

5.4 Plant, equipment and intangible assets

Management regularly determines the estimated useful lives and residual values for the Group’s plant, equipment and intangible assets, and will revise the depreciation where useful lives and residual values previously estimated have changed or subject to be written down for their technical obsolescence or when they are no longer in used.

5.5 Impairment of assets

The Group treat asset as impaired when there has been a significant or prolonged decline in the fair value. The determination of what is “significant” or “prolonged” requires management judgment.

5.6 Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by asset or the cash generated by the asset or the cash generating unit and to choose a suitable discount rate in order to calculate the present value of those cash flows.

5.7 Post-employment benefits (defined benefit plans)

The obligation under defined benefit plan is determined based on actuarial valuations. Inherent within these calculations are assumptions as to discount rates, future salary increases, mortality rates and other demographic factors. Actual post-retirement costs may ultimately differ from these estimates.

5.8 Deferred tax assets

The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable profit against which the deductible temporary differences can be utilized. In addition, management judgment is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions.

5.9 Leases

Determine the lease terms

The Group shall determine the lease term is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, the Group shall consider all relevant ducts and circumstances that create an economic incentive for the lessee to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The Group shall revise the lease term if there is a change in the non-cancellable of a lease by may be caused by the group of companies using (or not exercising) rights. The reasonably certain assessment of certainty upon the occurrence of either a significant event or a significant change in circumstances. This has an impact on assessment of the lease term and is under the control of the Group.

Determination of the discount rate on lease liabilities

The Group assessment interest rate of incremental borrowing of lessee. Using information provided by third-party financing of each leasing entity and updating information obtained to reflect changes in the tenant's financial factors, if possible.

6. CASH AND CASH EQUIVALENTS

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cash	197,611	211,452	100,000	100,397
Cash at banks				
- Current account	89,221,840	67,143,843	15,218,293	2,858,494
- Saving account	36,346,561	5,300,869	15,824,035	2,935,728
Total	125,766,012	72,656,164	31,142,328	5,894,619

The currency denomination of cash and cash equivalents as at 31 December 2020 and 2019 are as follows:



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129 หมู่ 3 ถนนหนองซาก-พนสนิคม ตำบลหนองอิ้วชัย อำเภอบ้านบึง จังหวัดชลบุรี 20220

129 Moo 3 Nongchak-Phanasnikom Rd., Nongaeiroon, Banbueng, Chonburi, Thailand 20220 Tel. 038-160707 Fax. 033-047348



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(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
THB	32,866,075	11,782,470	21,210,260	4,363,856
MYR	88,650,273	59,345,855	5,682,404	2,924
USD	4,249,664	1,527,839	4,249,664	1,527,839
Total	125,766,012	72,656,164	31,142,328	5,894,619

7. 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.

Relationship with related parties were as follows:

Name	Relationship
T.Thai Charoen Service Co., Ltd.	Co-director
T.Thai Chareon Rubber Co., Ltd.	Co-director
S.M.K. Industry Co., Ltd.	Co-director
Thai Saengareon Services Co., Ltd.	Co-director
Thai Chareon Service Tyre Co., Ltd.	Co-director
Siam Plastwood Co., Ltd.	Co-director
Sangcharoen Tools Center Co., Ltd.	Family member of director
White House Plastic Limited Partnership	Family member of director
Mr.Thanapol Samrittivanicha	Family member of director

Transactions with related parties for the years ended 31 December 2020 and 2019 are as follows:



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(Unit : Baht)

Pricing Policy		Consolidated F/S		Separate F/S	
		For the years ended 31 December			
		2020	2019	2020	2019
<u>Sales of goods</u>					
- Subsidiary companies	Agreed price	-	-	167,150	22,830,482
- Indirect subsidiary company	Agreed price	-	-	214,715,913	213,088,749
- Related parties	Agreed price	4,144,872	3,511,125	4,144,872	3,511,125
Total		4,144,872	3,511,125	219,027,935	239,430,356
<u>Purchase of raw materials</u>					
- Subsidiary company	Agreed price	-	-	2,316,758	2,389,640
- Related companies	Agreed price	541,932	1,925,429	541,932	1,802,107
Total		541,932	1,925,429	2,858,690	4,191,747
<u>Rental income</u>					
- Subsidiary company	Agreed price	-	-	1,656,000	1,768,150
<u>Service income</u>					
- Subsidiary company	Agreed price	-	-	142,496	179,439
<u>Sales of asset</u>					
- Subsidiary company	Agreed price	-	-	43,500	-
<u>Service expense</u>					
- Subsidiary company	Agreed price	-	-	430,365	310,348
<u>Rental expense</u>					
- Director	Agreed price	-	27,000	-	27,000

Key directors and management compensation

(Unit : Baht)

Pricing Policy	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2020	2019	2020	2019
Short-term benefits	12,046,665	10,037,424	7,586,006	6,134,176
Provision for post-employment benefit	131,996	415,202	114,495	350,501
Total	12,178,661	10,452,626	7,700,501	6,484,677

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

	Consolidated F/S		Separate F/S	
	(Unit : Baht)			
	2020	2019	2020	2019
<u>Trade accounts receivable</u>				
- Subsidiary companies	-	-	20,493	13,122,039
- Indirect subsidiary company	-	-	20,899,484	18,643,317
- Related parties	647,922	565,654	647,922	565,654
Total	647,922	565,654	21,567,899	32,331,010
<u>Amount due from subsidiary company</u>				
- Subsidiary company	-	-	-	88,283
<u>Trade accounts payable</u>				
- Subsidiary company	-	-	427,546	431,819
- Related companies	98,468	523,245	71,697	494,994
Total	98,468	523,245	499,243	926,813
<u>Amount due to subsidiary company</u>				
- Subsidiary company	-	-	84,595	52,747
<u>Key directors and management compensation</u>				
- Employee benefits obligation	1,407,002	1,275,006	1,191,328	1,076,833

8. TEMPORARY INVESTMENTS



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(Unit : Baht)

	Consolidated and Separate F/S	
	2020	2019
Temporary investments		
Mutual fund	14,201,558	252,458
Unrealized gain on changing in value of investment	31,703	2,524
Total	14,233,261	254,982

During the years ended 31 December 2020 and 2019, movements of temporary investments are as follows

(Unit : Baht)

	Consolidated and Separate F/S	
	2020	2019
Fair value as at 1 January	254,982	6,554,569
Purchases	34,200,000	58,370,000
Disposals	(20,253,424)	(64,672,111)
Fair value adjustment	31,703	2,524
Fair value as at 31 December	14,233,261	254,982

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.



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9. TRADE ACCOUNTS RECEIVABLE

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

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
<u>Trade accounts receivable - general customers</u>				
Not yet due	82,637,105	98,000,430	27,993,180	33,936,107
Over due :				
Less than 3 months	16,614,071	13,208,971	8,536,571	10,546,477
3 - 6 months	187,493	387,358	187,493	387,358
6 - 12 months	1,386,988	914,653	1,386,988	535,702
Over 12 months	10,201,564	4,331,200	8,620,162	1,288,858
Total	111,027,221	116,842,612	46,724,394	46,694,502
<u>Less Allowance for impairment losses</u>	(7,676,110)	(2,511,997)	(6,882,907)	(926,183)
Net	103,351,111	114,330,615	39,841,487	45,768,319
<u>Trade accounts receivable - related parties</u>				
Not yet due	424,322	266,154	21,344,299	21,234,048
Over due :				
Less than 3 months	223,600	299,500	223,600	4,978,706
3 - 6 months	-	-	-	6,118,256
Net	647,922	565,654	21,567,899	32,331,010

Allowance for impairment losses from accounts receivable as at 31 December 2020 and 2019 as follow:

(Unit : Baht)

The aged of accounts receivable	Consolidated F/S					
	31 December 2020			31 December 2019		
	Allowance for impairment losses rate (Percentage)	Book Value	Allowance for impairment losses	Allowance for impairment losses rate (Percentage)	Book Value	Allowance for impairment losses
Not due	0.49	83,061,427	242,991	-	98,266,584	-
Less than 3 months	6.26	16,837,671	548,822	-	13,508,471	-
3 - 6 months	16.75	187,493	31,401	-	387,358	-
6 - 12 months	27.51	1,386,988	381,618	5	914,653	45,733
Over 12 months	65.87 - 100	10,201,564	6,471,278	5 - 100	4,331,200	2,466,264
Total		111,675,143	7,676,110		117,408,266	2,511,997

(Unit : Baht)

The aged of accounts receivable	Separate F/S					
	31 December 2020			31 December 2019		
	Allowance for impairment losses rate (Percentage)	Book Value	Allowance for impairment losses	Allowance for impairment losses rate (Percentage)	Book Value	Allowance for impairment losses
Not due	0.49	49,337,479	242,991	-	55,170,155	-
Less than 3 months	6.26	8,760,171	548,822	-	15,525,183	-
3 - 6 months	16.75	187,493	31,401	-	6,505,614	-
6 - 12 months	27.51	1,386,988	381,618	5	535,702	26,785
Over 12 months	65.87	8,620,162	5,678,075	5 - 100	1,288,858	899,398
Total		68,292,293	6,882,907		79,025,511	926,183

During the years ended 31 December 2020 and 2019, the movements in allowance for impairment losses from trade accounts receivable as follow:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Balance as at 1 January - as previous report	2,511,997	3,642,976	926,183	713,793
Adjusted amount recognized in brought forward				
of retained earnings	989,661	-	989,661	-
Balance as at 1 January - adjusted	3,501,658	3,642,976	1,915,844	713,793
Decrease from disposal of investment in subsidiary	(790,638)	-	-	-
<u>Add</u> Allowance for impairment losses	4,967,063	1,297,763	4,967,063	280,363
<u>Less</u> Reversal of allowance for impairment losses	(14,322)	(2,309,869)	-	(67,973)
Exchange differences from financial statements translation	12,349	(118,873)	-	-
Balance as at 31 December	7,676,110	2,511,997	6,882,907	926,183

10. INVENTORIES

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Raw materials	14,948,700	13,227,519	14,634,672	13,076,373
Work in process	7,989,825	8,760,841	6,645,231	7,512,755
Finished goods	91,766,753	99,598,831	18,571,509	17,064,219
Supply inventories	2,509,047	2,620,943	2,057,566	1,985,048
Fuel	336,765	608,988	336,765	608,988
Packaging	3,325,446	3,856,273	3,286,989	3,811,652
Goods in transit	9,325,068	2,669,159	7,258,530	65,531
Total	130,201,604	131,342,554	52,791,262	44,124,566
<u>Less</u> Allowance for obsolete and declining values of inventories	(9,011,224)	(11,081,422)	(503,840)	(546,771)
Inventories - net	121,190,380	120,261,132	52,287,422	43,577,795



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Inventories recognized as an expense in cost of sales during the years ended 31 December 2020 and 2019 are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Cost of sales	593,246,776	691,745,163	478,465,711	561,332,228
Write-down to net realizable value	4,083,655	8,523,733	-	159,899
Reversal of write-down	(6,307,729)	(1,073,012)	(42,931)	-
Net	591,022,702	699,195,884	478,422,780	561,492,127

During the years ended 31 December 2020 and 2019, the movements of allowances for obsolete and declining value of inventories are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Beginning balance as at 1 January	11,081,422	3,994,478	546,771	386,872
Decrease from disposal of investment in subsidiary	(5,619)	-	-	-
Add Allowance for obsolete inventories	4,083,655	8,523,733	-	159,899
Less Reversal of allowance for obsolete inventories	(1,396,138)	(967,490)	(42,931)	-
Written-off	(4,911,591)	(105,522)	-	-
Exchange differences from financial statements translation	159,495	(363,777)	-	-
Ending balance as at 31 December	9,011,224	11,081,422	503,840	546,771



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11. NON-CURRENT ASSET HELD FOR SALE

	(Unit : Baht)
	Consolidated F/S
	Building and construction
Cost	
At 1 January 2020	-
Transfer from property, plant, and equipment	8,997,197
At 31 December 2020	8,997,197
Accumulated amortization	
At 1 January 2020	-
Transfer from property, plant, and equipment	899,720
At 31 December 2020	899,720
Net book value	
At 31 December 2020	8,097,477

On 12 November 2020, the subsidiary in overseas entered into sales and purchase agreements with third parties for disposal of freehold properties for consideration of MYR 1.24 million (equivalent to Baht 9.22 million). Deposits amounting to MYR 0.15 million (equivalent to Baht 1.10 million) have been received. These transactions are expected to be completed in the year 2021.

12. INVESTMENT IN SUBSIDIARIES

Subsidiaries	Type of business	Paid-up		Percentage of		Separate F/S		Dividend income	
		Share capital		Shareholding		Cost method		during the year	
		2020	2019	2020	2019	2020	2019	2020	2019
Direct subsidiaries									
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
Masecasey Trading Co., Ltd.	Distributing tyres and tubes for motorcycle	-	1,000	-	50.00	-	500	-	-
N.D. Energy Fusion Co., Ltd.	Researching, manufacturing and distributing 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 of motorcycle tyres and tubes and other rubber related product	161,028	161,028	100.00	100.00	408,017	408,017	11,166	15,150
Total						419,515	420,015	11,166	16,527
Less Allowance for impairment losses						(1,148)	-	-	-
Investment in subsidiaries - Net						418,367	420,015	11,166	16,527



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13. NON - CONTROLLING INTERESTS

Subsidiaries with material non-controlling interests is as follow :

(Unit : Thousand Baht)

Name	Proportion of ownership interests and voting rights held by the NCI (%)		Total comprehensive income allocated to NCI		Accumulated NCI	
	2020	2019	2020	2019	2020	2019
	N.D. Interpart Co., Ltd.	8.23	8.23	52	218	1,839
Mascasey Trading Co., Ltd.	-	50.00	(103)	(552)	-	(1,004)
N.D. Energy Fusion Co., Ltd.	1.67	1.67	-	(8)	80	80
Total			(51)	(342)	1,919	863

	(Unit: Thousand Baht)		
	N.D. Interpart Co., Ltd. For the year ended 31 December 2019	Mascasey Trading Co., Ltd. For the year ended 31 December 2019	N.D. Energy Fusion Co., Ltd. For the year ended 31 December 2019
Total revenue	51,741	20,252	-
Profit (loss) for the year attributable to Company's shareholder	2,437	(552)	(486)
Profit (loss) for the year attributable to non-controlling interest	218	(552)	(8)
Profit (loss) for the year	2,655	(1,104)	(494)
Current assets	16,433	11,225	4,836
Non-current assets	11,164	39	-
Current liabilities	(4,918)	(13,273)	(5)
Non-current liabilities	(1,190)	-	-
Net assets	21,489	(2,009)	4,831
Attributable to non-controlling interests	1,787	(1,004)	80
Net cash provided from (used in) operations activities	4,845	(2,378)	(151)
Net cash provided from (used in) investing activities	(487)	-	156
Net cash used in financing activities	(1,500)	-	-
Net cash flow increase (decrease)	2,858	(2,378)	5

14. PROPERTY, PLANT AND EQUIPMENT

	Consolidated F/S						(Unit : Baht)	
	Land and improvement	Building and construction	Machinery and factory tools	Factory equipment	Furniture and office Equipment	Vehicles		Asset in transit and construction in progress
Cost								
1 January 2019	103,437,251	394,973,702	470,220,673	54,943,689	13,181,817	36,851,159	14,439,674	1,088,047,965
Acquisitions	-	2,309,802	7,759,324	2,468,704	813,423	2,429,070	23,262	15,803,585
Disposals	-	-	-	-	(2,364)	(7,164,369)	-	(7,166,733)
Written-off	-	-	(1,651,350)	(519,077)	(169,726)	-	-	(2,340,153)
Exchange differences from financial statements translation	(4,342,810)	(6,431,488)	(1,226,180)	(166,407)	(167,343)	(707,165)	-	(13,041,393)
Transfer in / (out)	-	-	839,676	-	-	-	(839,676)	-
31 December 2019	99,094,441	390,852,016	475,942,143	56,726,909	13,655,807	31,408,695	13,623,260	1,081,303,271
Impact of first-time adoption of new financial reporting standard	-	-	(44,500,000)	-	-	(8,487,570)	-	(52,987,570)
Decrease from disposal of investment in subsidiary	-	-	-	-	(77,100)	-	-	(77,100)
Acquisitions	-	128,000	3,370,881	2,556,441	1,425,840	993,738	2,560,044	11,034,944
Disposals	-	-	(664,325)	(91,407)	(414,150)	(842,160)	-	(2,012,042)
Written-off	-	-	-	(341,756)	(139,511)	-	(571,626)	(1,052,893)

(Unit : Baht)

Consolidated F/S

	Land and improvement	Building and construction	Machinery and factory tools	Factory equipment	Furniture and office Equipment	Vehicles	Asset in transit and construction in progress	Total
Exchange differences from financial statements translation	1,019,776	1,510,239	321,383	39,102	39,651	146,561	-	3,076,712
Transfer to non-current assets held for sale	-	(8,997,197)	-	-	-	-	-	(8,997,197)
31 December 2020	100,114,217	383,493,058	434,470,082	58,889,289	14,490,537	23,219,264	15,611,678	1,030,288,125
Accumulated depreciation								
1 January 2019	-	123,949,807	245,926,203	35,331,367	9,059,916	19,210,595	-	433,477,888
Depreciation for the year	-	13,209,917	20,467,847	4,026,528	841,547	3,124,313	-	41,670,152
Accumulated depreciation for disposals	-	-	-	-	(649)	(6,401,953)	-	(6,402,602)
Accumulated depreciation for written-off	-	-	(1,636,346)	(436,616)	(129,064)	-	-	(2,202,026)
Exchange differences from financial statements translation	-	(466,422)	(1,451,103)	(167,926)	(187,611)	(360,774)	-	(2,633,836)
31 December 2019	-	136,693,302	263,306,601	38,753,353	9,584,139	15,572,181	-	463,909,576
Impact of first-time adoption of new financial reporting standard	-	-	(5,786,056)	-	-	(1,688,424)	-	(7,474,480)
Decrease from disposal of investment in subsidiary	-	-	-	-	(38,040)	-	-	(38,040)
Depreciation for the year	-	13,367,325	16,994,446	3,683,295	292,168	3,302,698	-	37,639,932
Accumulated depreciation for disposals	-	-	(662,126)	(77,116)	(339,500)	(674,837)	-	(1,753,579)

	Separate F/S						(Unit : Baht)	
	Land and improvement	Building and construction	Machinery and factory tools	Factory equipment	Furniture and office Equipment	Vehicles		Asset in transit and construction in progress
Cost								
1 January 2019	33,305,828	289,112,803	421,393,116	45,173,064	9,905,301	23,824,494	14,439,675	837,154,281
Acquisitions	-	2,309,802	5,346,993	2,273,518	741,211	2,429,070	23,262	13,123,856
Disposals	-	-	-	-	(2,364)	(5,150,000)	-	(5,152,364)
Written-off	-	-	(1,651,351)	(463,808)	(116,436)	-	-	(2,231,595)
Transfer in / (out)	-	-	839,676	-	-	-	(839,676)	-
31 December 2019	33,305,828	291,422,605	425,928,434	46,982,774	10,527,712	21,103,564	13,623,261	842,894,178
Impact of first-time adoption of new financial reporting standard	-	-	(44,500,000)	-	-	(8,487,570)	-	(52,987,570)
Acquisitions	-	128,000	3,076,011	2,270,198	1,243,699	993,738	2,560,044	10,271,690
Disposals	-	-	(664,325)	-	(367,164)	-	-	(1,031,489)
Written-off	-	-	-	-	-	-	(571,626)	(571,626)
31 December 2020	33,305,828	291,550,605	383,840,120	49,252,972	11,404,247	13,609,732	15,611,679	798,575,183
Accumulated depreciation								
1 January 2019	-	115,891,464	208,468,299	26,712,455	6,474,330	11,708,291	-	369,254,839
Depreciation for the year	-	11,130,267	17,758,431	3,304,554	605,883	1,718,950	-	34,518,085
Accumulated depreciation for disposals	-	-	-	-	(649)	(4,387,584)	-	(4,388,233)
Accumulated depreciation for written-off	-	-	(1,636,346)	(381,355)	(82,046)	-	-	(2,099,747)
31 December 2019	-	127,021,731	224,590,384	29,635,654	6,997,518	9,039,657	-	397,284,944
Impact of first-time adoption of new financial reporting standard	-	-	(5,786,056)	-	-	(1,688,424)	-	(7,474,480)
Depreciation for the year	-	11,178,609	16,051,430	3,376,954	674,526	821,309	-	32,102,828
Accumulated depreciation for disposals	-	-	(662,126)	-	(299,439)	-	-	(961,565)
31 December 2020	-	138,200,340	234,193,632	33,012,608	7,372,605	8,172,542	-	420,951,727

(Unit : Baht)

	Separate F/S						Total
	Land and improvement	Building and construction	Machinery and factory tools	Factory equipment	Furniture and office Equipment	Vehicles	
						Asset in transit and construction in progress	
Net book value							
31 December 2019	33,305,828	164,400,874	201,338,050	17,347,120	3,530,194	12,063,907	445,609,234
31 December 2020	33,305,828	153,350,265	149,646,488	16,240,364	4,031,642	5,437,190	377,623,456
Depreciation for the year 2019							
Cost of sales							31,537,742
Administrative expenses							2,980,343
Total							34,518,085
Depreciation for the year 2020							
Cost of sales							30,038,877
Administrative expenses							2,063,951
Total							32,102,828

As at 31 December 2020 and 2019, the costs of fully depreciated assets which are still remained in use amounted to Baht 129.82 million and Baht 107.09 million, respectively.

As at 31 December 2020 and 2019, land and buildings of the Company and subsidiary are mortgaged as collaterals for credit facilities with banks as mentioned in Notes 17 and 18.

As at 31 December 2019, the Company's machinery and vehicles with total net book value of Baht 45.51 million, were acquired under finance lease agreements.



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15. INTANGIBLE ASSETS

	Consolidated F/S				(Unit : Baht)
	Computer Software	Trademarks	Customer Relationships	Total	Separate F/S Computer Software
Cost					
1 January 2019	8,317,953	149,013,627	473,269	157,804,849	7,972,953
Written-off	(180,000)	-	-	(180,000)	-
Exchange differences from financial statements translation	-	(9,501,394)	(30,177)	(9,531,571)	-
31 December 2019	8,137,953	139,512,233	443,092	148,093,278	7,972,953
Acquisitions	698,500	-	-	698,500	633,350
Exchange differences from financial statements translation	-	2,439,778	7,749	2,447,527	-
31 December 2020	8,836,453	141,952,011	450,841	151,239,305	8,606,303
Accumulated amortization					
1 January 2019	6,206,522	4,536,263	54,225	10,797,010	6,076,525
Accumulated amortization for the year	1,047,591	3,613,708	43,039	4,704,338	1,008,772
Amortization for written-off	(31,211)	-	-	(31,211)	-
Exchange differences from financial statements translation	-	(399,292)	(4,953)	(404,245)	-
31 December 2019	7,222,902	7,750,679	92,311	15,065,892	7,085,297
Accumulated amortization for the year	685,353	4,071,607	56,449	4,813,409	655,710
Exchange differences from financial statements translation	-	695,749	1,520	697,269	-
31 December 2020	7,908,255	12,518,035	150,280	20,576,570	7,741,007
Accumulated impairment of asset					
1 January 2019	-	-	-	-	-
Loss from impairment for the year	-	19,681,457	-	19,681,457	-
31 December 2019	-	19,681,457	-	19,681,457	-
31 December 2020	-	19,681,457	-	19,681,457	-
Net book value					
31 December 2019	915,051	112,080,097	350,780	113,345,928	887,656
31 December 2020	928,198	109,752,519	300,561	110,981,278	865,296
Amortization for the year 2019					
Administrative expenses				4,704,339	1,008,772
Amortization for the year 2020					
Administrative expenses				4,813,409	655,710

As at 31 December 2020, the Company reviewed the valuation of trademark of subsidiary companies which derived from the business combination. As result of the recoverable amount higher than the carrying amount. Therefore, the Company do not recognize an additional adjustment for the allowance for impairment of those trademark.

As at 31 December 2019, the Company reviewed the valuation of trademark of subsidiary companies which derived from the business combination. As result of the recoverable amount less than the carrying amount of Baht 19.68 million. Therefore, the Company recorded an adjustment for the allowance for impairment of trademark of Baht 19.68 million.

The follow are principal assumptions for valuation of trademark

	Consolidated F/S	
	2020	2019
Growth rate	5% - 14%	5% - 15.28%
Discount rate	1.65%	2.39%
WACC	10.61% - 10.90%	10.85% - 17.21%

16. LEASES

16.1 Right-of-use assets

(Unit : Baht)

	Consolidated and separated F/S		
	Machinery and Factory tools	Vehicles	Total
Cost			
31 December 2019	-	-	-
Impact of first-time adoption of new financial reporting standard	44,500,000	8,487,570	52,987,570
Acquisitions	-	2,770,094	2,770,094
31 December 2020	44,500,000	11,257,664	55,757,664
Accumulated depreciation			
31 December 2019	-	-	-
Impact of first-time adoption of new financial reporting standard	5,786,056	1,688,424	7,474,480
Depreciation for the year	1,779,200	715,030	2,494,230



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(Unit : Baht)

Consolidated and separated F/S

	Machinery and		
	Factory tools	Vehicles	Total
31 December 2020	7,565,256	2,403,454	9,968,710
Net book value			
31 December 2020	36,934,744	8,854,210	45,788,954
Depreciation for the year 2020			
Cost of sales			1,779,200
Administrative expenses			715,030
Total			2,494,230

16.2 Lease liabilities

(Unit : Baht)

	Consolidated and Separate F/S	
	2020	2019
Lease liabilities		
Due within one year	14,336,973	11,442,020
Due later than one year but not over five years	2,078,817	9,494,421
Total	16,415,790	20,936,441
<u>Less</u> Future finance charges on lease liabilities	(674,742)	(1,007,069)
	15,741,048	19,929,372
<u>Less</u> Current portion	(13,902,089)	(10,691,908)
Lease liabilities – net	1,838,959	9,237,464

During the years ended 31 December 2020 and 2019, the Company recognized finance cost which related to leases amounting to Baht 0.84 million and Baht 1.14 million, respectively.

Lease payments not recognized as liabilities

The Group has elected not to recognize a lease liability for short-term leases (leases with an expected term of 12 months or less) or for low value assets. The expenses relating to payments not included in the measurement of the lease liability for the year ended 31 December 2020 is as follows:

	(Unit : Baht)
	Consolidated and Separate F/S
Short-term leases	-
Leases of low value assets	177,000
Total	177,000

17. BANK OVERDRAFT AND SHORT-TERM LOANS FROM BANK

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Bank overdraft	335	26,447,326	335	26,447,326
Short-term loan	20,202,797	25,012,635	-	-
Promissory note	100,000,000	115,000,000	100,000,000	115,000,000
Liabilities under trust receipts	7,802,416	6,585,634	7,802,416	6,585,634
Total	128,005,548	173,045,595	107,802,751	148,032,960

As at 31 December 2020 and 2019, the Company and domestic subsidiary 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 14 and personal guaranteed by certain subsidiary company's directors.

As at 31 December 2020 and 2019, 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.



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18. LONG-TERM LOAN

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

	Interest rate per annum	Principal repayment conditions	Consolidated and Separate F/S	
			2020	2019
Credit line of Baht 100 million	MLR - 3.00% p.a.	Monthly instalments by Baht 1.65 million from August 2015 to June 2020, the remaining will be paid in accordance with the postpone payment letter from bank.	4,300,000	14,200,000
<u>Less</u> Current portion			(4,300,000)	(14,200,000)
Long-term loan - net			-	-

Movements in the long - term loan for the years ended 31 December 2020 and 2019 are as follow :

	<i>(Unit : Baht)</i>	
	<i>Consolidated and Separate F/S</i>	
	2020	2019
Balance as at 1 January	14,200,000	34,000,000
<u>Less</u> Repayment	(9,900,000)	(19,800,000)
Balance as at 31 December	4,300,000	14,200,000

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.

Long-term loan is collateralized by the mortgages of the Company's land and construction as mentioned in Note 14.

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

19. PAYABLE FOR PURCHASE OF INVESTMENT IN SUBSIDIARY COMPANY

As at 31 December 2020 and 2019, The Company has payable for purchase of investment in subsidiary company of Baht 2.90 million.

20. EMPLOYEE BENEFITS OBLIGATION

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Statement of financial position				
Provision for post-employment benefits obligation	9,459,150	8,358,244	8,103,707	7,167,994
Statement of profit or loss and other comprehensive income:				
<i>Recognized in profit or loss:</i>				
Post-employment benefits	1,100,906	2,647,664	935,713	2,277,999

The Group had established a defined benefit pension plan under the Thai Labour Protection Act B.E 2541 to provide retirement benefits to employees based on pensionable remuneration and length of service.

Movements in the present value of the defined benefit obligations for the years end 31 December 2020 and 2019 are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Beginning balance as at 1 January	8,358,244	5,710,580	7,167,994	4,889,995
<i>Recognized in profit or loss</i>				
- Past service costs	-	1,622,025	-	1,406,520
- Current service costs	825,079	783,678	699,159	663,710
- Finance cost	275,827	241,961	236,554	207,769
Balance as at 31 December	9,459,150	8,358,244	8,103,707	7,167,994
Less Current portion	(104,414)	-	(104,414)	-
Net	9,354,736	8,358,244	7,999,293	7,167,994

Actuarial assumptions

The following are principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Discount rate	3.30 percent per annum	3.30 percent per annum	3.30 percent per annum	3.30 percent per annum
Future salary average increment rate	3.00 percent per annum	3.00 percent per annum	3.00 percent per annum	3.00 percent per annum
Normal retirement age	60 years	60 years	60 years	60 years
Mortality rate	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017	Thai Mortality Table 2017

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Defined benefit obligation				
Discount rate				
Increment (decrement) of employee benefit obligation	(1,054,817)	1,238,805	(895,007)	1,052,050
Future salary growth				
Increment (decrement) of employee benefit obligation	1,229,761	(1,067,197)	1,044,356	(905,505)



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	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Defined benefit obligation				
Turnover rate				
Increment (decrement) of employee benefit obligation	(509,862)	584,773	(431,171)	497,760

On 5 April 2019, the National Legislative Assembly published Labour Protection Act No.7 B.E. 2019 in the Government Gazette which entitles employees who have worked for a consecutive period of 20 years or more to receive 400 days based on their salary as at the date of retirement. The revised legislation will be effective from 5 May 2019 and will result in an increase in the employment benefit obligation of Baht 1.62 million in the consolidated financial statements and Baht 1.41 million in the separate financial statements, with a corresponding amount included in the profit and loss accounting in respect of the past service costs.

As at 31 December 2020, expected maturity of employee benefits obligation before discounting are as follow:

	<i>(Unit : Baht)</i>	
	Consolidated F/S	Separate F/S
Within one year	104,414	104,414
Between 2 - 9 years	4,575,332	4,180,130
	<u>4,679,746</u>	<u>4,284,544</u>

21. INCOME TAX AND DEFERRED TAX

Applicable tax rates for the Group are as follows:

	Tax rate (%)	
	2020	2019
Income tax under the Revenue Code of the Company and subsidiaries in Thailand	20	20
Corporate income tax in foreign country	24	24

21.1 Deferred tax

Deferred tax assets and liabilities are as follows:

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Deferred tax assets	163,875	155,646	-	-
Deferred tax liabilities	(45,638,900)	(47,334,571)	(8,783,768)	(10,142,737)
Net	(45,475,025)	(47,178,925)	(8,783,768)	(10,142,737)

Deferred tax assets and liabilities are as follows:

	(Unit : Baht)				
	Consolidated F/S				
	1 January 2020	Recognized in Profit or loss	Other comprehensive income	Exchange differences from financial statements translation	31 December 2020
Deferred tax assets :					
From allowance for impairment losses from accounts receivable	185,238	1,191,345	-	-	1,376,583
From allowance for obsolete and declining value of inventories	205,812	28,491	-	-	234,303
From employee benefits obligation	1,671,649	220,182	-	-	1,891,831
Deferred tax liabilities :					
From differences from depreciation	(12,981,216)	(911,448)	-	(14,437)	(13,907,101)
From intangible assets	(28,413,687)	1,454,584	-	(266,874)	(27,225,977)
From revaluation of asset	(7,856,721)	(133,843)	-	145,900	(7,844,664)
	(47,188,925)	1,849,311	-	(135,411)	(45,475,025)

(Unit : Baht)

	Consolidated F/S			
	1 January 2019	Recognized in		31 December 2019
		Profit or loss	Other comprehensive income	
Deferred tax assets :				
From allowance for impairment losses from accounts receivable	142,760	42,478	-	185,238
From allowance for obsolete and declining value of inventories	169,785	36,027	-	205,812
From employee benefits obligation	1,142,116	529,533	-	1,671,649
From provision expense	786,917	(738,188)	-	(48,729)
Deferred tax liabilities :				
From differences from depreciation	(12,665,922)	(412,766)	-	97,472
From intangible assets	(31,347,312)	(1,458)	-	2,935,083
From revaluation of asset	(8,515,856)	131,800	-	527,335
	(50,287,512)	(412,574)	-	3,511,161

(Unit : Baht)

	Separate F/S			
	1 January 2020	Recognized in		31 December 2020
		Profit or loss	Other comprehensive income	
Deferred tax assets :				
From allowance for impairment losses				
- Trade accounts receivable	185,238	1,191,345	-	1,376,583
- Investment in subsidiary	-	229,550	-	229,550
From allowance for obsolete and declining value of inventories	109,353	(8,586)	-	100,767
From employee benefits obligation	1,433,599	187,143	-	1,620,742
Deferred tax liabilities :				
From differences from depreciation	(11,870,927)	(240,483)	-	(12,111,410)
	(10,142,737)	1,358,969	-	(8,783,768)



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(Unit : Baht)

	Separate F/S			31 December 2019
	Recognized in		Other comprehensive income	
	1 January 2019	Profit or loss		
Deferred tax assets :				
From allowance for impairment losses				
from accounts receivable	142,760	42,478	-	185,238
From allowance for obsolete and declining value of inventories	77,373	31,980	-	109,353
From employee benefits obligation	977,999	455,600	-	1,433,599
Deferred tax liabilities :				
From differences from depreciation	(10,957,717)	(913,210)	-	(11,870,927)
	(9,759,585)	(383,152)	-	(10,142,737)

As at 31 December 2020, in the consolidated financial statements have not recognized deferred tax assets from loss carrying forward not over than 7 years of indirect subsidiary company in overseas because they are expected that it will not utilized in taxable for unabsorbed business losses in the future. The expiry of the unabsorbed business losses is as follows:

	Consolidated F/S	
	MYR	Baht
Year assessment 2025	676,000	5,029,440
Year assessment 2026	495,000	3,682,800
Year assessment 2027	999,000	7,432,560
Total	2,170,000	16,144,800

21.2 Income tax

Income tax recognized in profit or loss

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Current tax expense				
Current tax income	14,016,442	(279,583)	6,410,538	-
Deferred tax				
Movements in temporary differences	(1,849,311)	412,574	(1,358,969)	383,152
Total income tax	12,167,131	132,991	5,051,569	383,152

Reconciliation of income tax are as follows:

(Unit : Baht)

	Consolidated F/S		Separate F/S	
	2020	2019	2020	2019
Accounting profit (loss) before tax	57,379,729	(19,751,480)	44,465,163	8,411,450
Applicable tax rate (%)	20	20	20	20
Tax multiplied by applicable tax rate	11,475,946	(3,950,296)	8,893,033	1,682,290
Effects :				
Non-deductible expenses	4,170,274	6,522,601	14,000	1,996,250
Different in tax of overseas subsidiaries	536,410	617,451	-	-
Exemption of income and additional expenses	(2,216,001)	(3,299,150)	(2,014,568)	(3,295,388)
Decrease from disposal of investment in subsidiary	41,398	-	-	-
Loss of subsidiaries	-	242,385	-	-
Loss carried forward has not recorded as deferred income tax	(1,840,896)	-	(1,840,896)	-
Income tax	12,167,131	132,991	5,051,569	383,152

22. PROMOTION PRIVILEGES

The Company has obtained privileges from the board of investment under the Promotion of Investment Act B.E. 2520, as follows:

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

The privileges include the following:

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

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

Under the announcement of the board of investment no. Por 14/1998, dated 30 December 1998, regarding revenue reporting of a promoted industry, the Company is required to report its revenues in the financial statements separately for promoted and the non-promoted businesses for the years ended 31 December 2020 and 2019 as follows:

(Unit : Baht)

	Consolidated F/S		
	For the years ended 31 December		
	Promoted business	Non-promoted business	Total
2020			
Revenue from sales	-	775,845,936	775,845,936
2019			
Revenue from sales	421,834,133	428,796,516	850,630,649

(Unit : Baht)

	Separate F/S		
	For the years ended 31 December		
	Promoted business	Non - promoted business	Total
2020			
Revenue from sales	-	562,709,497	562,709,497
2019			
Revenue from sales	421,834,133	183,158,699	604,992,832

23. LEGAL RESERVE

Under the Public Limited Company Act. B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net profit for the year net of deficit (if any), until the reserve reaches 10 percent of the registered capital. This reserve shall not be distributable for dividends.

24. DIVIDEND PAYMENT

At the 2019 Annual General Meeting of shareholders held on 29 March 2019, the shareholders approve to pay dividend from the operating result for the year ended 31 December 2015, for 315.39 million shares at Baht 0.03 per share totalling Baht 9.46 million. This dividend was paid on 26 April 2019.

25. REVENUE

<u>Transaction</u>	<u>Description</u>
Type of good	The main product of the Company and subsidiaries consists of tires and tube for motorcycle and bicycle battery, rubber part, shoes and lube oil.
Geographic	The Company has revenue from sale domestic and overseas.
The market or type of customers	Retail customers
Type of contract	The price has been fixed in each invoice
Contract period	Short-term contract
No of performance obligations	The Company has one obligation which produce and sell base on purchase order of each customer.
Revenue recognition	Revenue from sales goods recognized as at point in time.
Sale channels	Goods are direct distributed to customer.



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26. EXPENSES BY NATURE

	(Unit : Baht)			
	Consolidated F/S		Separate F/S	
	For the years ended 31 December			
	2020	2019	2020	2019
Raw materials and consumable supplies used	342,720,413	412,847,278	327,047,464	391,822,022
Changes in finished goods and work in process	69,771,383	101,270,561	(2,200,939)	5,813,569
Salaries, wages and other employee benefits	145,066,405	159,819,291	104,437,424	111,055,558
Utilities	33,106,650	36,462,119	29,124,369	31,166,689
Depreciation and amortization	44,947,571	46,374,491	35,252,768	35,526,857
Transportation	16,703,921	6,764,826	2,169,307	2,122,603
Advertising	18,745,588	31,764,365	1,673,089	5,681,428
Repair and maintenance	7,848,178	10,351,692	5,997,832	8,486,745
Factory expense	5,394,876	5,777,071	3,115,245	3,434,439
Loss on impairment of intangible asset	-	19,681,457	-	-
Loss on impairment of investment in subsidiary	-	-	1,147,752	-
Other	32,913,585	41,912,803	20,923,807	20,273,318
Total	<u>717,218,570</u>	<u>873,025,954</u>	<u>528,688,118</u>	<u>615,383,228</u>

27. PROVIDENT FUND

On June 2013, the Company and subsidiary in Thailand participated to be member in "Sin Sathaporn Fund Provident Fund", which manages by BBL Asset Management Company Limited under the provisions of The Provident Fund Act. B.E.2530. Under the fund regulation, the fund is contributed equally by both the Company and the employees at 2% of their salaries and will be paid to the employees upon termination in accordance with the rules of fund, upon retirement, death or resignation from the member.

For the year ended 31 December 2020, the Company and subsidiary company in Thailand have paid for the contribution into the fund amounting to Baht 0.09 million and Baht 0.03 million, respectively, and for the year ended 31 December 2019, the Company and subsidiary companies have paid for the contribution into the fund amounting to Baht 0.09 million and Baht 0.03 million, respectively.

During the year ended 31 December 2020, the subsidiary company received the refund from the Company's contribution amounting to Baht 0.05 million of resigned employee who had working experienced less than 5 years.

28. SEGMENTAL FINANCIAL INFORMATION

The financial information classified by products for the years ended 31 December 2020 and 2019 are presented as follow:

	Consolidated F/S										(Unit : Thousand Baht)				
	For the year ended 31 December 2020														
	Tires		Tubes		Battery		Rubber part		Shoe			Lube Oil & synthetic			
Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Others	Eliminated	Total	
Sales															
At point in time	157,299	502,381	71,546	146,638	40,060	41,179	24,524	3,434	5,985	(217,200)	775,846				
Over the time	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
	157,299	502,381	71,546	146,638	40,060	41,179	24,524	3,434	5,985	(217,200)	775,846				
Cost of sales															
Gross profit															
Interest expenses														(6,826)	
Depreciation and amortization														(44,948)	
Profit before income tax														57,380	
Trade accounts receivable - general customers														103,351	
Property, plant and equipment														538,709	
Other assets														443,080	
Total assets														1,085,140	
Total liabilities														331,029	

(Unit : Thousand Baht)

Consolidated F/S

For the year ended 31 December 2019

	Tires		Tubes		Battery		Rubber part		Shoe		Lube Oil & synthetic		Total
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas	Overseas	Overseas	Overseas	Overseas	
Sales													
At point in time	202,759	483,807	102,192	129,868	50,715	129,868	51,741	48,771	48,771	48,771	4,997	14,090	850,631
Over the time	-	-	-	-	-	-	-	-	-	-	-	-	-
Cost of sales	202,759	483,807	102,192	129,868	50,715	129,868	51,741	48,771	48,771	48,771	4,997	14,090	850,631
Gross profit													(699,196)
Interest expenses													151,435
Depreciation and amortization													(8,592)
Loss on impairment of intangible asset													(46,374)
Loss before income tax													(19,681)
Trade accounts receivable - general customers													(19,751)
Property, plant and equipment													114,331
Other assets													617,394
Total assets													329,629
Total liabilities													1,061,354
													358,687



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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

For the year ended 31 December 2020, the Company's sales are made to 1 overseas customer amounting of Baht 40.86 million.

29. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The changes in the Group's liabilities arising from financing activities can be classified as follows;

(Unit : Baht)

	Consolidated F/S			
	Bank overdraft and short-term loans from banks	Long-term loans from banks	Lease liabilities	Total
1 January 2020	173,045,595	14,200,000	19,929,372	207,174,967
Cash-flows:				
Repayment	(900,537,135)	(9,900,000)	(6,958,418)	(917,395,553)
Proceeds	855,079,031	-	-	855,079,031
Non-cash:				
Increased in right-of-use assets	-	-	2,770,094	2,770,094
Unrealized loss from exchange rate	21,775	-	-	21,775
Translation adjustment	396,282	-	-	396,282
31 December 2020	128,005,548	4,300,000	15,741,048	148,046,596



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(Unit : Baht)

	Consolidated F/S			
	Bank overdraft and short-term loans from banks	Long-term loans from banks	Liabilities under financial lease agreement	Total
1 January 2019	156,748,074	34,000,000	28,682,157	219,430,231
Cash-flows:				
Repayment	(722,629,757)	(19,800,000)	(8,752,785)	(751,182,542)
Proceeds	740,569,795	-	-	740,569,795
Non-cash:				
Unrealized loss from exchange rate	188,644	-	-	188,644
Translation adjustment	(1,831,161)	-	-	(1,831,161)
31 December 2019	173,045,595	14,200,000	19,929,372	207,174,967

(Unit : Baht)

	Separate F/S			
	Bank overdraft and short-term loans from banks	Long-term loans from banks	Lease liabilities	Total
1 January 2020	148,032,960	14,200,000	19,929,372	182,162,332
Cash-flows:				
Repayment	(895,331,015)	(9,900,000)	(6,958,418)	(912,189,433)
Proceeds	855,079,031	-	-	855,079,031
Non-cash:				
Increased in right-of-use assets	-	-	2,770,094	2,770,094
Unrealized loss from exchange rate	21,775	-	-	21,775
31 December 2020	107,802,751	4,300,000	15,741,048	127,843,799

(Unit : Baht)

	Separate F/S			
	Bank overdraft and short-term loans from banks	Long-term loans from banks	Liabilities under financial lease agreement	Total
1 January 2019	125,525,874	34,000,000	28,682,157	188,208,031
Cash-flows:				
Repayment	(692,643,232)	(19,800,000)	(8,752,785)	(721,196,017)
Proceeds	714,961,674	-	-	714,961,674
Non-cash:				
Unrealized loss from exchange rate	188,644	-	-	188,644
31 December 2019	148,032,960	14,200,000	19,929,372	182,162,332

30. DISCLOSURE OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities carried on the statement of financial position include cash and cash equivalents, restricted deposits with banks, trade accounts receivable and payable, short-term loan and long-term loan. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies.

Liquidity Risk

Liquidity risk arises from the possibility that customers may not be able to settle obligations to the Group within the normal terms of trade. To manage this risk, the Group periodically assess the financial viability of customers.

As at 31 December 2020 and 2019, the financial instrument classified by the periods of time from the date on the statements of financial position to their maturity dates are as follows:



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(Unit : Baht)

	Consolidated F/S			
	2020			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	125,766,012	-	-	125,766,012
Temporary investment	14,233,261	-	-	14,233,261
Trade accounts receivable	103,999,033	-	-	103,999,033
Other accounts receivable	2,502,113	-	-	2,502,113
Bank overdraft and short-term loans from banks	20,203,132	107,802,416	-	128,005,548
Trade accounts payable	68,858,342	-	-	68,858,342
Payable for purchases of fixed assets	2,815,998	-	-	2,815,998
Lease liabilities	-	13,902,089	1,838,959	15,741,048
Long-term loans from banks	-	4,300,000	-	4,300,000

(Unit : Baht)

	Consolidated F/S			
	2019			
	At call	Within 1 year	Over 1 year	Total
<u>Financial assets/ liabilities</u>				
Cash and cash equivalents	72,656,164	-	-	72,656,164
Temporary investment	254,982	-	-	254,982
Trade accounts receivable	114,896,269	-	-	114,896,269
Other accounts receivable	3,172,988	-	-	3,172,988
Bank overdraft and short-term loans from banks	51,459,961	121,585,634	-	173,045,595
Trade accounts payable	50,343,775	-	-	50,343,775
Payable for purchases of fixed assets	480,182	-	-	480,182
Liabilities under finance lease agreements	-	10,691,908	9,237,464	19,929,372
Long-term loans from banks	-	14,200,000	-	14,200,000



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(Unit : Baht)

	Separate F/S			
	2020			
	At call	Within 1 year	Over 1 year	Total
Financial assets/ liabilities				
Cash and cash equivalents	31,142,328	-	-	31,142,328
Temporary investment	14,233,261	-	-	14,233,261
Trade accounts receivable	61,409,386	-	-	61,409,386
Bank overdraft and short-term loans from banks	335	107,802,416	-	107,802,751
Trade accounts payable	63,711,016	-	-	63,711,016
Amount due to subsidiary company	84,595	-	-	84,595
Payable for purchases of fixed assets	2,815,998	-	-	2,815,998
Lease liabilities	-	13,902,089	1,838,959	15,741,048
Long-term loans from bank	-	4,300,000	-	4,300,000

(Unit : Baht)

	Separate F/S			
	2019			
	At call	Within 1 year	Over 1 year	Total
Financial assets/ liabilities				
Cash and cash equivalents	5,894,619	-	-	5,894,619
Temporary investment	254,982	-	-	254,982
Trade accounts receivable	78,099,329	-	-	78,099,329
Amount due from subsidiary company	88,283	-	-	88,283
Bank overdraft and short-term loans from banks	26,447,326	121,585,634	-	148,032,960
Trade accounts payable	46,386,280	-	-	46,386,280
Amount due to subsidiary company	52,747	-	-	52,747
Payable for purchases of fixed assets	480,182	-	-	480,182
Liabilities under finance lease agreements	-	10,691,908	9,237,464	19,929,372
Long-term loans from bank	-	14,200,000	-	14,200,000

Credit Risk

The Group provide credit term on its trade transactions. The Group manage its exposure to credit risk by closely monitoring collection of accounts receivable and focuses on overdue accounts.

The Group measurement by expected credit loss that occur over the life for all the receivables. It is no longer necessary for a credit event to occur before credit losses are recognizes.



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Interest Rate Risk

Interest rate risk arises is that future movement of market interest rates, which may have a negative effect to current and future operations of the Group. Management believes that the interest rate risk is minimum, hence, the Group have no hedging agreement to protect against such risk.

(Unit : Baht)

	Consolidated F/S				
	2020				
	Floated rate	Fixed rate	No interest	Total	Interest rate (% per annum)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	15,824,035	-	109,941,977	125,766,012	0.05% - 0.80%
Temporary investment	-	-	14,233,261	14,233,261	-
Trade accounts receivable	-	-	103,999,033	103,999,033	-
Other receivables	-	-	2,502,113	2,502,113	-
Bank overdraft and short-term loans from banks	128,005,548	-	-	128,005,548	Market rate
Trade accounts payable	-	-	68,858,342	68,858,342	-
Payable for purchases of fixed assets	-	-	2,815,998	2,815,998	-
Lease liabilities	-	15,741,048	-	15,741,048	3.80% - 11.06%
Long-term loans from banks	4,300,000	-	-	4,300,000	MLR - 3.00%

(Unit : Baht)

	Consolidated F/S				
	2019				
	Floated rate	Fixed rate	No interest	Total	Interest rate (% per annum)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	5,300,869	-	67,355,295	72,656,164	0.22% - 0.50%
Temporary investment	-	-	254,982	254,982	-
Trade accounts receivable	-	-	114,896,269	114,896,269	-
Other accounts receivable	-	-	3,172,989	3,172,989	-
Bank overdraft and short-term loans from banks	173,045,595	-	-	173,045,595	Market rate
Trade accounts payable	-	-	50,343,775	50,343,775	-
Payable for purchases of fixed assets	-	-	480,182	480,182	-
Liabilities under finance lease agreements	-	19,929,372	-	19,929,372	3.80% - 11.06%
Long-term loans from banks	14,200,000	-	-	14,200,000	MLR - 3.00%

(Unit : Baht)

	Separate F/S				
	2020				
	Floated rate	Fixed rate	No interest	Total	Interest rate (% per annum)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	15,824,035	-	15,318,293	31,142,328	0.05% - 0.13%
Temporary investment	-	-	14,233,261	14,233,261	-
Trade accounts receivable	-	-	61,409,386	61,409,386	-
Bank overdraft and short-term loans from banks	107,802,751	-	-	107,802,751	Market rate
Trade accounts payable	-	-	63,711,017	63,711,017	-
Other payable	-	-	84,595	84,595	-
Payable for purchases of fixed assets	-	-	2,815,998	2,815,998	-
Lease liabilities	-	15,741,048	-	15,741,048	3.84% - 14.39%
Long-term loan from bank	4,300,000	-	-	4,300,000	MLR - 3.00 %

(Unit : Baht)

	Separate F/S				
	2019				
	Floated rate	Fixed rate	No interest	Total	Interest rate (% per annum)
<u>Financial assets/ liabilities</u>					
Cash and cash equivalents	2,935,728	-	2,958,891	5,894,619	0.25% - 0.50%
Temporary investment	-	-	254,982	254,982	-
Trade accounts receivable	-	-	78,099,329	78,099,329	-
Other accounts receivable	-	-	88,283	88,283	-
Bank overdraft and short-term loans from banks	148,032,960	-	-	148,032,960	Market rate
Trade accounts payable	-	-	46,386,280	46,386,280	-
Other payable	-	-	52,747	52,747	-
Payable for purchases of fixed assets	-	-	480,182	480,182	-
Liabilities under finance lease agreements	-	19,929,372	-	19,929,372	3.80% - 11.06%
Long-term loan from bank	14,200,000	-	-	14,200,000	MLR - 3.00%



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Foreign Currency Risk

The Company exposure for foreign currency risk relates primarily to its trade accounts receivable and payable which are denominated in foreign currencies. The Company entering into the forward exchange contracts for accounts receivable to reduce exposure on foreign currency risk.

As at 31 December 2020, the Company has financial assets and liabilities in foreign currencies as follow :

	Consolidated and Separate F/S		
	31 December 2020		
	Foreign currencies	Exchange rate	Baht equivalent
<u>Cash and Cash at bank</u>			
USD	142,284	29.87	4,249,664
MYR	12,094,171	7.33	88,650,273
<u>Trade accounts receivable</u>			
MYR	7,517,750	7.33	55,105,108
<u>Liabilities under trust receipt</u>			
USD	115,500	30.21	3,488,885
<u>Trade accounts payable</u>			
EUR	3,710	37.26	138,235
USD	22,224	30.21	671,387
MYR	161,657	7.54	1,218,894

Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of each class of the Company's financial instruments.

- Financial assets are shown at estimated fair value.
- Financial liabilities are shown at the book value which is considered fair value because such liabilities will be matured in short term.

31. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

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

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

As at 31 December 2020 and 2019, Financial assets and financial liabilities measured at fair value are as follows :

(Unit : Thousand Baht)

	Consolidated and Separate F/S			
	31 December 2020			
	Level 1	Level 2	Level 3	Total
Financial assets				
Fixed income fund	-	14,233	-	14,233

(Unit : Thousand Baht)

	Consolidated and Separate F/S			
	31 December 2019			
	Level 1	Level 2	Level 3	Total
Financial assets				
Fixed income fund	-	255	-	255

32. COMMITMENTS AND CONTINGENT LIABILITIES

As at 31 December 2020

31.1 The Company has commitments for machinery under installation of Baht 2.18 million.

31.2 The Group have commitment under letter of guarantee issued by bank of Baht 5.96 million (Separate F/S : Baht 5.45 million) for electricity usage and purchase of raw materials.

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

31.4 The Group have credit facilities and contingent liabilities from financial institution as at 31 December 2020 as follows :

	(Unit : Baht)		
	Consolidated F/S		
	Credit line	Used	Balance
Credit facilities			
Bank overdraft	39,500,000	335	39,499,665
Short-term loan	213,332,050	120,202,797	93,129,253
Long-term loan	100,000,000	4,300,000	95,700,000
Forward contract	260,000,000	-	260,000,000
Contingent liabilities			
Letter of guarantee	16,500,000	5,963,600	10,536,400
Letter of credit and trust receipts (occasionally)	90,000,000	7,802,416	82,197,584
Bill for collection	3,000,000	-	3,000,000
Lease agreements	51,943,652	15,741,048	36,202,604
			(Unit : Baht)
	Separate F/S		
	Credit line	Used	Balance
Credit facilities			
Bank overdraft	30,000,000	335	29,999,665
Short-term loan	165,000,000	100,000,000	65,000,000
Long-term loan	100,000,000	4,300,000	95,700,000
Forward contract	260,000,000	-	260,000,000
Contingent liabilities			
Letter of guarantee	16,000,000	5,485,000	10,515,000
Letter of credit and trust receipts (occasionally)	90,000,000	7,802,416	82,197,584
Bill for collection	3,000,000	-	3,000,000
Lease agreements	51,943,652	15,741,048	36,202,604



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33. CAPITAL RISK MANAGEMENT

The Company's objectives in the management of capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust policy for distribution dividends to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

34. EVENTS AFTER REPORTING PERIOD

At the Board of Directors Meeting no. 1/2021, held on 23 February 2021, the Board of Directors passed resolutions to approve the following:

- To decrease of the Company's registered share capital from Baht 387,470,188 to Baht 315,391,514 by cancelling 72,078,674 shares at Baht 1 par value which are the remaining ordinary share which reserved for the exercise of warrants NDR-W1.
- To increase of the Company's registered share capital that offering to specified persons (Private placement) by issuing new share capital of the Company from Baht 315,391,514 to Baht 346,891,514 by issuing not exceed 31,500,000 new common shares at Baht 1 par value.

35. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been approved by the Company's Board of Directors on 23 February 2021.



www.ndrubber.co.th

บริษัท เอ็น.ดี.รีบเบอร์ จำกัด (มหาชน)

N.D. RUBBER PUBLIC COMPANY LIMITED

129 หมู่ 3 ถนนหนองซาก-พนัสนิคม ตำบลหนองอิรุณ อำเภอบ้านมิ่ง จังหวัดชลบุรี 20220

129 Moo 3 Nongchak-Phanasnikom Rd., Nongeiroom, Banbueng, Chonburi, Thailand 20220 Tel. 038-160707 Fax. 033-047348



Section 4 Information for Investors

17. Information for Investor

Name	N.D. Rubber Public Company Limited
Stock Code	NDR
Registration No.	0107557000179
Type of Business	Manufacturer and Distributor of Motorcycle Tires and Tubes
Website	www.ndrubber.co.th
Year of Establishment	1990
First Trade Date	January 15, 2015
Registered Capita	387.47 Million Baht
Paid-up Capital	315.39 Million Baht
Ordinary shares	315.39 Shares
Par Value	1 Baht per Share
Preferred Share	None
Fiscal Year	January 1 - December 31 of each year

Contact Details

Head Office

Address 129 Moo 3 Nongchak –Phanasnikom Rd., Nongeiroom, Banbueng, Chonburi, Thailand 20220

Tel. 038-160707

Fax 033-047348

Company Secretary Office

Tel. 038-160707 Ext. 112

Fax 033-047348

Email nopparat.c@ndrubber.co.th

Investor Relations Department

Tel. 038-160707 Ext. 108

Fax 033-047348

Email : malinee@ndrubber.co.th

Independent Directors

Email : auditcom@ndrubber.co.th



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