

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)**

30 JUNE 2022



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

To the Shareholders and the Board of Directors of Inoue Rubber (Thailand) Public Company Limited

I have reviewed the interim consolidated financial information of Inoue Rubber (Thailand) Public Company Limited and its subsidiaries, and the separate financial information of Inoue Rubber (Thailand) Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2022, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated and separate statements of changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim consolidated and separate financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Sanicha Akarakittilap
Certified Public Accountant (Thailand) No. 8470
Bangkok
9 August 2022

Inoue Rubber (Thailand) Public Company Limited
 Statements of Financial Position
 As at 30 June 2022

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000
Assets					
Current assets					
Cash and cash equivalents		830,171	1,003,321	792,137	971,211
Financial assets measured at fair value through other comprehensive income					
- debt instruments	7, 9	328,345	217,090	328,345	217,090
Trade and other receivables, net	8	1,047,321	884,203	1,049,375	887,022
Derivatives assets	7	673	3,055	673	3,055
Inventories, net		835,046	789,819	831,616	786,896
Other current assets		8,942	8,949	8,400	5,925
Total current assets		3,050,498	2,906,437	3,010,546	2,871,199
Non-current assets					
Financial assets measured at fair value through other comprehensive income					
- debt instruments	7, 9	261,490	374,958	261,490	374,958
Financial asset measured at fair value through other comprehensive income					
- equity instrument	7, 9	59,886	174,598	59,886	174,598
Investments in subsidiaries		-	-	20,049	20,049
Investment property, net		9,021	9,021	9,654	9,676
Property, plant and equipment, net	10	1,654,815	1,692,876	1,599,703	1,632,179
Right-of-use assets, net		809	944	809	944
Computer software, net		40,654	44,873	35,865	39,472
Deferred tax assets, net		72,660	44,247	67,183	39,166
Other non-current assets		58,860	47,421	58,800	47,361
Total non-current assets		2,158,195	2,388,938	2,113,439	2,338,403
Total assets		5,208,693	5,295,375	5,123,985	5,209,602

Director _____ Director _____

The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Financial Position (Cont'd)
 As at 30 June 2022

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000
Liabilities and equity					
Current liabilities					
Trade and other payables	11	1,133,381	1,025,835	1,139,828	1,035,340
Derivatives liabilities	7	4,601	2,810	4,601	2,810
Income tax payable		912	20,084	419	19,234
Current portion of lease liabilities		213	217	213	217
Other current liabilities		1,375	1,214	-	-
Total current liabilities		1,140,482	1,050,160	1,145,061	1,057,601
Non-current liabilities					
Lease liabilities		569	748	569	748
Deferred tax liabilities, net		217	280	-	-
Employee benefit obligations	12	359,776	349,718	324,050	316,264
Total non-current liabilities		360,562	350,746	324,619	317,012
Total liabilities		1,501,044	1,400,906	1,469,680	1,374,613

The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Financial Position (Cont'd)
 As at 30 June 2022

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	30 June	30 September	30 June	30 September
	2022	2021	2022	2021
Note	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
Ordinary shares, 200 million shares				
at par value of Baht 1 each				
	200,000	200,000	200,000	200,000
Issued and fully paid-up share capital				
Ordinary shares, 200 million shares				
paid-up of Baht 1 each				
	200,000	200,000	200,000	200,000
Share premium	298,000	298,000	298,000	298,000
Retained earnings				
Appropriated - legal reserve	20,000	20,000	20,000	20,000
Appropriated - treasury shares reserve	13 114,012	114,012	114,012	114,012
Unappropriated	3,235,323	3,327,443	3,172,476	3,258,460
Less Treasury shares	13 (114,012)	(114,012)	(114,012)	(114,012)
Other components of equity	(45,679)	49,021	(36,171)	58,529
Equity attributable to:				
Owners of the parent	3,707,644	3,894,464	3,654,305	3,834,989
Non-controlling interests	5	5	-	-
Total equity	3,707,649	3,894,469	3,654,305	3,834,989
Total liabilities and equity	5,208,693	5,295,375	5,123,985	5,209,602

The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month period ended 30 June 2022

	Note	Consolidated financial information		Separate financial information	
		2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Revenues					
Revenue from sales and services		1,387,128	1,298,536	1,386,773	1,297,930
Other income		10,449	13,008	11,174	13,794
Total revenues		1,397,577	1,311,544	1,397,947	1,311,724
Expenses					
Cost of sales and services		1,316,131	1,146,759	1,321,678	1,153,519
Selling expenses		21,107	21,837	21,107	21,837
Administrative expenses		68,175	68,289	66,970	67,130
Other expenses		4,883	4,096	4,881	4,093
Total expenses		1,410,296	1,240,981	1,414,636	1,246,579
Profit (loss) before finance costs and income tax					
		(12,719)	70,563	(16,689)	65,145
Finance cost		(12)	(14)	(12)	(14)
Profit (loss) before income tax		(12,731)	70,549	(16,701)	65,131
Income tax (expense) income	15	(673)	(12,851)	83	(11,962)
Net profit (loss) for the period		(13,404)	57,698	(16,618)	53,169
Other comprehensive income (expense):					
Item that will not be reclassified subsequently to profit or loss:					
Gains from measurement of equity instruments at fair value through other comprehensive income					
		4,533	3,202	4,533	3,202
Total item that will not be reclassified subsequently to profit or loss		4,533	3,202	4,533	3,202
Item that will be reclassified subsequently to profit or loss:					
Gains (Losses) from measurement of debt instruments at fair value through other comprehensive income					
		(2,823)	879	(2,823)	879
Total item that will be reclassified subsequently to profit or loss		(2,823)	879	(2,823)	879
Other comprehensive income for the period, net of tax		1,710	4,081	1,710	4,081
Total comprehensive income (expense) for the period		(11,694)	61,779	(14,908)	57,250

The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month period ended 30 June 2022

	Consolidated		Separate	
	financial information		financial information	
	2022	2021	2022	2021
	Baht'000	Baht'000	Baht'000	Baht'000
Profit (Loss) attributable to:				
Owners of the parent	(13,404)	57,698	(16,618)	53,169
Non-controlling interests	-	-	-	-
	<u>(13,404)</u>	<u>57,698</u>	<u>(16,618)</u>	<u>53,169</u>
Total comprehensive income (expense)				
attributable to:				
Owners of the parent	(11,694)	61,779	(14,908)	57,250
Non-controlling interests	-	-	-	-
	<u>(11,694)</u>	<u>61,779</u>	<u>(14,908)</u>	<u>57,250</u>
Earnings (Losses) per share				
Basic earnings (losses) per share (Baht)	(0.07)	0.30	(0.09)	0.28

The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the nine-month period ended 30 June 2022

	Notes	Consolidated		Separate	
		financial information		financial information	
		2022	2021	2022	2021
		Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Revenue from sales and services		4,358,374	4,043,256	4,357,311	4,042,124
Dividend income	14	13,176	21,562	32,176	44,561
Other income		38,231	38,181	38,568	40,534
Total revenues		4,409,781	4,102,999	4,428,055	4,127,219
Expenses					
Cost of sales and services		4,022,042	3,430,217	4,041,052	3,452,180
Selling expenses		77,201	74,841	77,201	74,841
Administrative expenses		205,430	197,653	201,807	193,955
Other expenses		15,700	15,156	15,685	15,137
Total expenses		4,320,373	3,717,867	4,335,745	3,736,113
Profit before finance costs and income tax		89,408	385,132	92,310	391,106
Finance cost		(38)	(46)	(38)	(46)
Profit before income tax		89,370	385,086	92,272	391,060
Income tax expense	15	(11,483)	(74,323)	(8,249)	(71,639)
Net profit for the period		77,887	310,763	84,023	319,421
Other comprehensive income (expense):					
Item that will not be reclassified subsequently to profit or loss:					
Gains (Losses) from measurement of equity instruments at fair value through other comprehensive income					
		(91,770)	3,330	(91,770)	3,330
Total item that will not be reclassified subsequently to profit or loss					
		(91,770)	3,330	(91,770)	3,330
Item that will be reclassified subsequently to profit or loss:					
Gains (Losses) from measurement of debt instruments at fair value through other comprehensive income					
		(2,930)	972	(2,930)	972
Total item that will be reclassified subsequently to profit or loss					
		(2,930)	972	(2,930)	972
Other comprehensive income (expense) for the period, net of tax		(94,700)	4,302	(94,700)	4,302
Total comprehensive income (expense) for the period		(16,813)	315,065	(10,677)	323,723

The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the nine-month period ended 30 June 2022

	Consolidated financial information		Separate financial information	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Profit attributable to:				
Owners of the parent	77,887	310,763	84,023	319,421
Non-controlling interests	-	-	-	-
	<u>77,887</u>	<u>310,763</u>	<u>84,023</u>	<u>319,421</u>
Total comprehensive income (expense) attributable to:				
Owners of the parent	(16,813)	315,065	(10,677)	323,723
Non-controlling interests	-	-	-	-
	<u>(16,813)</u>	<u>315,065</u>	<u>(10,677)</u>	<u>323,723</u>
Earnings per share				
Basic earnings per share (Baht)	0.41	1.62	0.44	1.66

The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Changes in Equity (Unaudited)
 For the nine-month period ended 30 June 2022

	Consolidated financial information												
	Attributable to owners of the parent										Total equity Baht'000		
	Capital contributed					Retained earnings		Other components of equity					
	Issued and fully paid-up share capital Baht'000	Share premium Baht'000	Treasury shares Baht'000	Appropriated - legal reserve Baht'000	Appropriated - treasury shares reserve Baht'000	Unappropriated retained earnings Baht'000	Measurement of debt instruments at fair value		Measurement of equity instruments at fair value				
through other comprehensive income Baht'000							through other comprehensive income Baht'000	through other comprehensive income Baht'000	through other comprehensive income Baht'000				
Opening balance as at 1 October 2020	200,000	298,000	(114,012)	20,000	114,012	3,096,952	(1,777)	102,493	(64,622)	36,094	3,651,046	5	3,651,051
Changes in equity for the nine-month period ended 30 June 2021	-	-	-	-	-	310,763 (109,539)	972	3,330	-	4,302	315,065 (109,539)	-	315,065 (109,539)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June 2021	200,000	298,000	(114,012)	20,000	114,012	3,298,176	(805)	105,823	(64,622)	40,396	3,856,572	5	3,856,577
Opening balance as at 1 October 2021	200,000	298,000	(114,012)	20,000	114,012	3,327,443	(1,410)	115,053	(64,622)	49,021	3,894,464	5	3,894,469
Changes in equity for the nine-month period ended 30 June 2022	-	-	-	-	-	77,887 (170,007)	(2,930)	(91,770)	-	(94,700)	(16,813) (170,007)	-	(16,813) (170,007)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June 2022	200,000	298,000	(114,012)	20,000	114,012	3,235,323	(4,340)	23,283	(64,622)	(45,679)	3,707,644	5	3,707,649

The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Changes in Equity (Unaudited) (Cont'd)
 For the nine-month period ended 30 June 2022

	Separate financial information										
	Capital contributed				Retained earnings			Other components of equity			
					Measurement of debt instruments at fair value			Measurement of equity instruments at fair value			
	Issued and fully paid-up share capital	Share premium	Treasury shares	Appropriated - legal reserve	Appropriated - treasury shares reserve	Unappropriated retained earnings	Measurement of debt instruments at fair value through other comprehensive income	Measurement of equity instruments at fair value through other comprehensive income	Remeasurements of post-employment benefit obligations	Total other components of equity	Total equity
Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	
Opening balance as at 1 October 2020	200,000	298,000	(114,012)	20,000	114,012	3,022,962	(1,777)	102,493	(55,114)	45,602	3,586,564
Changes in equity for the nine-month period ended 30 June 2021	-	-	-	-	-	319,421	972	3,330	-	4,302	323,723
Total comprehensive income for the period	-	-	-	-	-	(109,539)	-	-	-	-	(109,539)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June 2021	200,000	298,000	(114,012)	20,000	114,012	3,232,844	(805)	105,823	(55,114)	49,904	3,800,748
Opening balance as at 1 October 2021	200,000	298,000	(114,012)	20,000	114,012	3,258,480	(1,410)	115,053	(55,114)	58,529	3,834,989
Changes in equity for the nine-month period ended 30 June 2022	-	-	-	-	-	84,023	(2,930)	(91,770)	-	(94,700)	(10,677)
Total comprehensive income (expense) for the period	-	-	-	-	-	(170,007)	-	-	-	-	(170,007)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June 2022	200,000	298,000	(114,012)	20,000	114,012	3,172,476	(4,340)	23,283	(55,114)	(36,171)	3,654,305

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The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Cash Flows (Unaudited)
 For the nine-month period ended 30 June 2022

	Notes	Consolidated		Separate	
		financial information		financial information	
		2022	2021	2022	2021
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Profit before income tax		89,370	385,086	92,272	391,060
Adjustments for:					
Depreciation of plant and equipment and investment property		263,785	262,599	253,779	252,847
Amortisation of computer software		6,093	6,284	5,366	5,486
Amortisation of right-of-use assets		135	135	135	135
Loss on diminution in value of inventories		1,122	256	1,122	256
Net losses on write-offs and disposals of property, plant and equipment		1,794	95	1,891	128
Unrealised gains on exchange rates		(3,499)	603	(3,499)	603
Fair value losses on derivatives		4,173	(553)	4,173	(553)
(Gains) losses on disposals of investments in debt instruments	9	559	(26)	559	(26)
Interest income		(7,662)	(7,700)	(7,607)	(7,674)
Finance costs		38	46	38	46
Dividends income	14	(13,176)	(21,562)	(32,176)	(44,561)
Employee benefits	12	22,651	22,336	20,379	20,133
Changes in working capital					
Trade and other receivables		(164,928)	(137,906)	(164,163)	(138,655)
Inventories		(46,349)	(219,368)	(45,842)	(218,935)
Other current assets		(2,540)	(1,998)	(2,475)	(1,995)
Other non-current assets		(11,439)	(6,513)	(11,439)	(6,513)
Trade and other payables		103,959	267,291	106,918	296,373
Other current liabilities		161	251	-	-
Employee benefits paid	12	(12,593)	(5,990)	(12,593)	(5,990)
Cash generated from operations		231,654	543,366	206,838	542,165
Interest received		5,844	6,303	5,791	6,276
Interest paid		(57)	(17)	(57)	(17)
Income tax paid		(35,792)	(76,946)	(31,406)	(73,853)
Income tax received		2,884	-	-	-
Net cash generated from operating activities		204,533	472,706	181,166	474,571

The accompanying notes are an integral part of this interim financial information.

Inoue Rubber (Thailand) Public Company Limited
 Statements of Cash Flows (Unaudited) (Cont'd)
 For the nine-month period ended 30 June 2022

	Notes	Consolidated financial information		Separate financial information	
		2022	2021	2022	2021
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Purchases of investments in debt instruments	9	(200,876)	(994,503)	(200,876)	(994,503)
Purchases of property, plant and equipment		(220,475)	(127,769)	(222,044)	(143,441)
Purchases of computer software		(1,874)	(743)	(1,759)	(743)
Proceeds from disposals of investments in debt instruments		200,631	818,354	200,631	818,354
Proceeds from disposals of property, plant and equipment		1,905	3,757	1,802	3,724
Dividends received		13,176	21,562	32,176	44,561
Net cash used in investing activities		(207,513)	(279,342)	(190,070)	(272,048)
Cash flows from financing activities					
Payment for principal elements of lease payments		(163)	(203)	(163)	(203)
Dividends paid	16	(170,007)	(109,539)	(170,007)	(109,539)
Net cash used in financing activities		(170,170)	(109,742)	(170,170)	(109,742)
Net increase (decrease) in cash and cash equivalents		(173,150)	83,622	(179,074)	92,781
Cash and cash equivalents at the beginning of the period		1,003,321	905,100	971,211	869,496
Cash and cash equivalents at the end of the period		830,171	988,722	792,137	962,277

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 June 2022 and 2021 comprise:

	Consolidated financial information		Separate financial information	
	2022	2021	2022	2021
	Baht'000	Baht'000	Baht'000	Baht'000
Other payables - purchases of property, plant and equipment	33,943	65,003	50,440	48,602

The accompanying notes are an integral part of this interim financial information.

1 General information

Inoue Rubber (Thailand) Public Company Limited (“the Company”) is a public limited company which is listed on the Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The addresses of the Company’s registered offices are as follows:

Head office: No. 258, Soi Rangsit-Nakornnayok 49, Prachathipat sub-district, Thanyaburi district, Pathumthani.

Branch office: No. 157, Moo 5, Phaholyothin Road, Lamsai sub-district, Wangnoi district, Pranakorn Sri Ayutthaya.

For reporting purpose, the Company and its subsidiaries are referred to as “the Group”.

The principal business operations of the Company and its subsidiaries are summarised below:

The Company is principally engaged in the manufacture and distribution of motorcycle tires, tubes, and industrial elastomer rubber parts.

Kin No Hoshi Engineering Company Limited, a subsidiary, is principally engaged in the manufacture, repair, and modification of metal molds and equipment for production of motorcycle tires, tubes, and automotive rubber parts.

IRC (Asia) Research Limited, a subsidiary, is principally engaged in the research and development of motorcycle tires, tubes, and automotive rubber parts.

These interim consolidated and separate financial information are presented in Thai Baht and rounded to the nearest thousand, unless otherwise stated.

The interim consolidated and separate financial information have been reviewed, not audited.

The interim consolidated and separate financial information were authorised for issue by the Board of Directors on 9 August 2022.

2 Significant events during the current period

Although the outbreak of Coronavirus Disease 2019 (COVID-19) has adversely affected not only the operating results of many industries, including the Group but also market confidence and consumer spending patterns, the Group remains well placed to grow revenues. The Group’s management is still paying special attention to the COVID-19 outbreak by taking step to preserve the business continuity with measures of effective cost and working capital managements and closely monitoring its impact on the operating results of 2022.

3 Basis of preparation

The interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 30 September 2021.

An English version of these interim consolidated and separated financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

4 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 30 September 2021.

The Group has adopted the amended financial reporting standards that are effective for annual periods beginning on or after 1 January 2021 that do not have a material impact to the Group.

The Group has not yet early adopted the amended financial reporting standards that are effective for annual periods beginning on or after 1 January 2022 and is currently assessing the impacts from these standards.

5 Accounting estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

6 Segment and revenue information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group which includes Chairman, President and Executive Director. The Group's chief operating decision-maker identifies reportable segments of its business to examine the Group's performance by market (Local and Export).

The Group's financial information for the three-month periods ended 30 June 2022 and 2021 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Revenue from sales and services	1,129,804	1,058,850	257,324	239,686	1,387,128	1,298,536
Cost of sales and services	(1,088,145)	(945,808)	(227,986)	(200,951)	(1,316,131)	(1,146,759)
Gross profit	41,659	113,042	29,338	38,735	70,997	151,777
Other income					10,449	13,008
Selling expenses					(21,107)	(21,837)
Administrative expenses					(68,175)	(68,289)
Other expenses					(4,883)	(4,096)
Finance cost					(12)	(14)
Income tax expense					(673)	(12,851)
Net profit (loss) for the period					(13,404)	57,698
Timing of revenue recognition						
At a point in time	1,129,562	1,058,406	257,324	239,686	1,386,886	1,298,092
Overtime	242	444	-	-	242	444
Total revenues	1,129,804	1,058,850	257,324	239,686	1,387,128	1,298,536

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Condensed Notes to the Interim Financial Information (Unaudited)
For the nine-month period ended 30 June 2022

The Group's financial information for the nine-month periods ended 30 June 2022 and 2021 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Revenue from sales and services	3,550,642	3,311,673	807,732	731,583	4,358,374	4,043,256
Cost of sales and services	(3,334,388)	(2,844,003)	(687,654)	(586,214)	(4,022,042)	(3,430,217)
Gross profit	216,254	467,670	120,078	145,369	336,332	613,039
Other income					38,231	38,181
Dividend income					13,176	21,562
Selling expenses					(77,201)	(74,841)
Administrative expenses					(205,430)	(197,653)
Other expenses					(15,700)	(15,156)
Finance cost					(38)	(46)
Income tax expense					(11,483)	(74,323)
Net profit for the period					77,887	310,763
Timing of revenue recognition						
At a point in time	3,550,032	3,311,192	807,732	731,581	4,357,764	4,042,773
Overtime	610	481	-	2	610	483
Total revenues	3,550,642	3,311,673	807,732	731,583	4,358,374	4,043,256

7 Fair value

The following table presents fair value of financial assets and liabilities recognised by their fair value hierarchy.

	Consolidated and separate financial information									
	Level 1		Level 2		Level 3		Total		Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000
	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000		
Assets										
Financial assets at fair value through profit or loss (FVPL)										
Derivatives - Foreign exchange contracts	-	-	673	3,055	-	-	-	-	673	3,055
Financial assets at fair value through other comprehensive income (FVOCI)										
- Debt instruments	589,835	592,048	-	-	-	-	-	-	589,835	592,048
- Equity instrument	-	-	-	-	59,886	174,598	-	-	59,886	174,598
Total assets	589,835	592,048	673	3,055	59,886	174,598	650,394	769,701	650,394	769,701
Liabilities										
Financial liabilities at fair value through profit or loss (FVPL)										
Derivatives - Foreign exchange contracts	-	-	4,601	2,810	-	-	-	-	4,601	2,810
Total liabilities	-	-	4,601	2,810	-	-	4,601	2,810	4,601	2,810

Valuation techniques used to measure fair value level 1

The fair value in level 1 of debt instruments, which are classified as financial assets at fair value through other comprehensive income (FVOCI) is based on the current bid price / closing price by reference to the Thai Bond Dealing Centre / the asset management company.

Valuation techniques used to measure fair value level 2

Fair value of foreign currency forward is determined using spot exchange rate reference by commercial banks.

Valuation techniques used to measure fair value level 3

Changes in fair value in level 3 of unlisted equity instruments which is financial assets measured at fair value through other comprehensive income (FVOCI) for the nine-month period ended 30 June 2022 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance as at 1 October 2021	174,598
Losses recognised in other comprehensive income	(114,712)
Closing balance as at 30 June 2022	59,886

The Group has reviewed its cashflow projection in relation to dividend income to determine fair value of investment in equity instrument to reflect expected future events that might have impact on the valuation. While the investee builds a new manufacturing plants, the Group has delayed receiving cash inflow from dividends and the Group management forecasts that the investee will not announce any dividend payments during this period. This has resulted in a significant decrease in the fair value of investment in equity instrument as at 30 June 2022 compared to the fair value as at 30 September 2021. The Group recognised loss from fair value of Baht 114.71 million in other comprehensive income.

Valuation processes

Chief Financial Officer (CFO), Audit Committee (AC) and valuation teams discuss valuation processes and results at least every quarter.

The Group applies net cash inflow from dividend as valuation technique to determine fair value of unlisted equity instrument. Significant unobservable input of fair value hierarchy level 3 is risk adjusted discount rate. It is estimated based on public companies' weighted average cost of capital, that are in opinion of the Group, in a comparable financial position with the counterparty in the contract.

The following table summarises the quantitative information about the significant unobservable inputs used in fair value measurements of the financial assets measured at fair value through other comprehensive income (FVOCI) - equity instrument.

	Fair value		Unobservable inputs	Range of inputs	
	Consolidated and separate financial information			Consolidated and separate financial information	
	Unaudited 30 June 2022 Million Baht	Audited 30 September 2021 Million Baht		Unaudited 30 June 2022	Audited 30 September 2021
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instrument	59.89	174.60	Future revenue growth rate	1.0%	1.0%
			Risk-adjusted discount rate	17.5%	17.5%

As at 30 June 2022, relationship of unobservable inputs to fair value are shown as follows:

	Unobservable inputs	Movement	Change in fair value	
			Increase in assumptions	Decrease in assumptions
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instrument	Future revenue growth rate	1.00%	Increase by 7.51%	Decrease by 6.65%
	Risk-adjusted discount rate	1.00%	Decrease by 5.71%	Increase by 6.45%

8 Trade and other receivables, net	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000
Trade receivables - related companies (Note 18 b))	495,244	457,228	498,065	462,209
Trade receivables - other companies	524,450	418,454	523,108	415,366
Less Allowance for expected credit loss	-	-	-	-
Trade receivables, net	1,019,694	875,682	1,021,173	877,575
Prepayments	25,680	6,684	24,507	5,860
Accrued income	372	303	342	291
Advanced payments	57	10	-	-
Amounts due from related parties (Note 18 b))	1,505	1,512	3,340	3,284
Other receivables	13	12	13	12
Trade and other receivables, net	1,047,321	884,203	1,049,375	887,022

As at 30 June 2022 and 30 September 2021, trade receivables, included in trade and other receivables in the statements of financial position, can be analysed by aging as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000
Related companies				
Current	495,244	457,226	498,065	462,207
Overdue up to 3 months	-	-	-	-
Overdue 3 - 6 months	-	2	-	2
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	495,244	457,228	498,065	462,209
Other companies				
Current	523,938	418,077	522,596	414,989
Overdue up to 3 months	511	377	511	377
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	1	-	1	-
Overdue more than 12 months	-	-	-	-
	524,450	418,454	523,108	415,366
Less Allowance for expected credit loss	-	-	-	-
	524,450	418,454	523,108	415,366
Total trade receivables, net	1,019,694	875,682	1,021,173	877,575

9 Financial assets measured at fair value through other comprehensive income

Financial assets measured at fair value through other comprehensive income (FVOCI) comprise:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000
Current assets				
Investments in debt instruments (Government bond and debentures)	328,345	217,090	328,345	217,090
	328,345	217,090	328,345	217,090
Non-current assets				
Investments in debt instruments (Government bond and debentures)	261,490	374,958	261,490	374,958
Investment in unlisted equity instrument	59,886	174,598	59,886	174,598
	321,376	549,556	321,376	549,556
Total	649,721	766,646	649,721	766,646

Movements of investments in debt instruments for the nine-month period ended 30 June 2022 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance as at 1 October 2021	592,048
Additions	200,876
Disposals	(205,146)
Interest income	5,721
Change in fair values	(3,664)
Closing balance as at 30 June 2022	589,835

The Group reclassifies any related balance within the fair value through other comprehensive income (FVOCI) reserve to profit or loss when disposing these debt investments.

During the current interim period, the group disposed the partial debt investments and realised a loss on disposal (transferred FVOCI reserve to other expenses of Baht 558,916).

The fair value of debt instruments is based on close market price published by the Thai Bond Market Association as at period-end. The fair value is within level 1 of the fair value hierarchy (Note 7).

Movements of investment in equity instrument for the nine-month period ended 30 June 2022 are disclosed in Note 7.

10 Property, plant and equipment, net

Movements of property, plant and equipment for the nine-month period ended 30 June 2022 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	1,692,876	1,632,179
Additions	229,422	224,974
Disposals, net	(3,433)	(3,428)
Write-offs, net	(265)	(265)
Depreciation charges	(263,785)	(253,757)
Closing net book amount	1,654,815	1,599,703

11 Trade and other payables

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000
Trade payables - related companies (Note 18 b))	271,223	281,645	271,223	281,645
Trade payables - other companies	650,971	544,119	644,068	535,422
Amounts due to related parties (Note 18 b))	1,510	997	30,764	33,533
Accrued expenses	145,609	135,683	131,179	122,587
Advance received from customers	1,114	2,076	1,114	2,076
Other payables	62,954	61,315	61,480	60,077
Trade and other payables	1,133,381	1,025,835	1,139,828	1,035,340

12 Employee benefit obligations

Movements of employee benefit obligations for the nine-month period ended 30 June 2022 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening balance	349,718	316,264
Additional provisions during the period	22,651	20,379
<u>Less</u> Employee benefits paid during the period	(12,593)	(12,593)
Closing balance	359,776	324,050

13 Treasury shares

The Company repurchased 7,792,300 shares for total treasury shares of Baht 114.01 million, represents 3.9% of the Company's total issued shares. Treasury share has to be resold after 6 months but no later than 3 years from 5 June 2020 (the completion date of share repurchases). The payment for treasury shares presented as reduction in equity in the statement of financial position.

Treasury shares reserve

As of 30 June 2022, the Company had treasury shares reserve of Baht 114.01 million that has been set aside from unappropriated retained earnings. The amount of treasury share reserve should be maintained and not be distributed a dividend until all repurchased shares are resold, or the Company reduces capital by reducing shares unsold.

14 Dividend income

Dividend income from investment in equity instrument

On 1 March 2022, the Group received dividend payment for the operating results for 2019 from Inoue Rubber Vietnam Company Limited of VND 9.24 million (approximated Baht 13.18 million).

On 1 February 2021, the Group received the 2nd dividend payment for the operating results for 2016 to 2018 from Inoue Rubber Vietnam Company Limited of VND 16,614 million (approximated Baht 21.56 million).

Dividend income from investments in subsidiaries

At the Annual General Meeting of shareholders for 2022 of IRC (Asia) Research Limited held on 28 January 2022, the shareholders passed a resolution approving dividend payment from its operating results for 2021 at Baht 5.53 per share from non-BOI promoted operations, amounting to a total dividend of Baht 16 million. The Company received the dividend on 28 February 2022.

At the Annual General Meeting of shareholders for 2022 of Kin No Hoshi Engineering Company Limited held on 28 January 2022, the shareholders passed a resolution approving dividend payment from its operating results for 2021 at Baht 30 per share from non-BOI promoted operations, amounting to a total dividend of Baht 3 million. The Company received dividend on 28 February 2022.

At the Annual General Meeting of shareholders for 2021 of IRC (Asia) Research Limited held on 29 January 2021, the shareholders passed a resolution approving dividend payment from its operating results for 2020 at Baht 6 per share from non-BOI promoted operations, amounting to a total dividend of Baht 18 million. The dividend was received on 25 February 2021.

At the Annual General Meeting of shareholders for 2021 of Kin No Hoshi Engineering Company Limited held on 29 January 2021, the shareholders passed a resolution approving dividend payment from its operating results for 2020 at Baht 50 per share from non-BOI promoted operations, amounting to a total dividend of Baht 5 million. The dividend was received on 25 February 2021.

15 Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the three-month period ended 30 June 2022 is 5.29% (2021: 18.22%) for the Group and 0.50% (2021: 18.37%) for the Company and for the nine-month period ended 30 June 2022 is 12.85% (2021: 19.30%) for the Group and 8.94% (2021: 18.32%) for the Company. The tax rate was lower in the current interim period due to the Group and the Company have been additionally granted corporate income tax exemption for net income from promotional operations during current interim period.

16 Dividends paid

At the Annual General Meeting of shareholders for 2022 of the Company held on 28 January 2022, the shareholders passed a resolution approving dividend payment from its operating results for 2021 at Baht 0.8845 per share from non-BOI promoted operations, amounting to a total dividend of Baht 170.01 million. The dividends were distributed to shareholders on 28 February 2022.

At the Annual General Meeting of shareholders for 2021 of the Company held on 29 January 2021, the shareholders passed a resolution approving dividends payment from its operating results for 2020 at Baht 0.5699 per share (Baht 0.0739 per share from BOI-promoted operations and Baht 0.4960 per share from non-BOI promoted operations), amounting to a total dividend of Baht 109.54 million. The dividends were distributed to shareholders on 25 February 2021.

17 Letters of bank guarantee

As at 30 June 2022, the Group had outstanding letters of guarantee issued by banks on behalf of the Company in the normal course of business comprise guarantee for electricity consumption to the Provincial Electricity Authority of Baht 20.62 million (30 September 2021: Baht 20.62 million), guarantee for the due fulfillment of the terms and conditions in respect of grant of Certification Mark License by the licensor of Baht 0.35 million (30 September 2021: Baht 0.34 million) and guarantee for contractual performance of Baht 4.57 million (30 September 2021: Baht 1.06 million).

18 Related party transactions

a) Transactions with related parties

The significant related party transactions for the three-month periods ended 30 June 2022 and 2021 were as follows:

	Consolidated financial information		Separate financial information	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Sales of goods				
Subsidiaries	-	-	2,637	3,397
Related parties	632,162	580,106	632,162	580,106
	632,162	580,106	634,799	583,503
Service income				
Related parties	3,958	3,717	3,958	3,717
Rental income				
Subsidiaries	-	-	817	812
Related party	333	333	333	333
	333	333	1,150	1,145
Purchases of raw materials				
Related parties	235,342	235,822	235,342	235,822
Purchases of machineries and metal molds and repair costs				
Subsidiary	-	-	8,673	11,257
Related party	1,273	531	1,273	531
	1,273	531	9,946	11,788
Research and development expenses				
Subsidiary	-	-	27,232	25,985
Related party	1,052	237	-	-
	1,052	237	27,232	25,985
Technical assistance fee expenses				
Related parties	20,878	20,696	20,878	20,696
Advertising expenses				
Related party	75	-	75	-
Rental and service fee expenses				
Related party	378	227	378	227
Utility expense				
Related parties	116	104	116	104

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The significant related party transactions for the nine-month periods ended 30 June 2022 and 2021 were summarised as follows:

	Consolidated financial information		Separate financial information	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Sales of goods				
Subsidiaries	-	-	10,275	13,283
Related parties	1,951,804	1,776,448	1,951,804	1,776,446
	1,951,804	1,776,448	1,962,079	1,789,729
Service income				
Related parties	11,938	10,811	11,938	10,811
Rental income				
Subsidiaries	-	-	2,441	2,437
Related parties	999	999	999	999
	999	999	3,440	3,436
Purchases of raw materials				
Related parties	685,468	690,820	685,468	690,820
Purchases of machineries and metal molds and repair costs				
Subsidiary	-	-	29,137	30,308
Related parties	1,649	1,839	1,649	1,839
	1,649	1,839	30,786	32,147
Research and development expenses				
Subsidiary	-	-	83,049	77,918
Related party	2,401	1,343	-	-
	2,401	1,343	83,049	77,918
Technical assistance fee expenses				
Related parties	64,285	60,862	64,285	60,862
Advertising expenses				
Related parties	2,175	4,708	2,175	4,708
Rental and service fee expenses				
Related party	1,135	227	1,135	227
Dividend income (Note 14)				
Subsidiaries	-	-	19,000	22,999
Related party	13,176	21,562	13,176	21,562
	13,176	21,562	32,176	44,561
Utility expense				
Related parties	321	273	321	273

b) Outstanding balances arising from sales and purchases of goods and services

The outstanding balances as at 30 June 2022 and 30 September 2021 in relation to transactions between the Group and the Company and those subsidiaries and related companies were summarised as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 30 June 2022 Baht'000	Audited 30 September 2021 Baht'000
Trade receivables (Note 8)				
Subsidiary	-	-	2,821	4,981
Related companies	495,244	457,228	495,244	457,228
Total trade receivables	495,244	457,228	498,065	462,209
Amounts due from related parties (Note 8)				
Subsidiaries	-	-	1,835	1,772
Related companies	1,505	1,512	1,505	1,512
Total amounts due from related parties	1,505	1,512	3,340	3,284
Trade payables (Note 11)				
Related companies	271,223	281,645	271,223	281,645
Total trade payables	271,223	281,645	271,223	281,645
Amounts due to related parties (Note 11)				
Subsidiaries	-	-	29,254	33,242
Related companies	1,510	997	1,510	291
Total amounts due to related parties	1,510	997	30,764	33,533

c) Directors' and key management's remunerations

The Company and its subsidiaries had the compensation paid or payable to their key directors and key management for the nine-month periods ended 30 June 2022 and 2021 as follows:

	Consolidated financial information		Separate financial information	
	2022 Baht'000	2021 Baht'000	2022 Baht'000	2021 Baht'000
Salaries and other short-term benefits	54,755	52,377	54,755	52,377
Post-employment benefits	1,198	1,308	1,198	1,308
Other long-term benefits	1,024	943	1,024	943
	56,977	54,628	56,977	54,628