

**INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**30 SEPTEMBER 2022**



## Independent Auditor's Report

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

### My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Inoue Rubber (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 30 September 2022, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 30 September 2022;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). 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 and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions 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 judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. 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 my audit addressed the key audit matter

### Allowance for slow-moving inventories

Refer to Note 5.5 (accounting policies) and Note 13 (inventories), allowance is made for slow-moving inventories.

As at 30 September 2022, the gross amounts of inventories in the consolidated and separate statements of financial position were Baht 842.96 million and Baht 840.32 million, respectively. The allowance for slow-moving inventories was equally Baht 4.70 million.

The valuation of inventories was an area of focus because inventories were significant to total assets and the allowance for slow-moving inventories was subject to management's judgement and experience and market situation.

The Group recorded allowance for slow-moving inventories, where necessary. The assessment for the allowance for slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to 100% allowance. The level of the allowance was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected slow-moving inventories.

I performed the following procedures:

- Updated my understanding of the Group's assumptions used to develop the allowances for slow-moving inventories and determined that the accounting policies were consistent with prior years.
- Assessed the reasonableness of management's assumptions used in developing the allowances for slow-moving inventories by considering historical data and experience including key inventory ratios. I also challenged management's assumption of specific periods as to whether they were appropriately used in determining the valuation of inventories.
- Tested the reliability of the inventory aging report that was used by the management to assess the valuation of the allowance by tracing the last movement date of the inventory aging report to the supporting documents in order to confirm that inventories were assigned to the correct aging category by the system.
- Tested the mathematical accuracy of the allowance of the slow-moving inventories derived from management's assumptions. No material variances arose from performing this work.

Using the above procedures, I determined that management's assumption was properly applied. In addition, the estimation of the allowance for slow-moving inventories were applied appropriately.





## Key audit matter

## How my audit addressed the key audit matter

### Measurement of investment in equity instrument at fair value through other comprehensive income

Refer to Note 5.6 (accounting policies), Note 7 (fair value) and Note 12 (financial assets and financial liabilities), the Group has chosen to measure the investment in non-listed equity instrument at fair value through other comprehensive income.

As at 30 September 2022, the fair value of investment in equity instrument measured at fair value through other comprehensive income in the consolidated and separate statements of financial position was equally Baht 93.30 million.

Measurement of the investment in equity instrument at fair value through other comprehensive income was an area of focus because the equity investment was a significant part of total assets. Also, management's judgement was used to determine the valuation technique and the assumptions were based on unobservable inputs.

The Group applied discounted cash flows from dividends technique to determine fair value of equity instruments, which classified as financial assets measured at fair value through other comprehensive income. Significant unobservable inputs are risk-adjusted discount rate, estimated based on public companies' weighted average cost of capital, which in the Group's opinion, they are in comparable financial position with the contractual counterparty, and future revenue growth rate, which were based on management's judgement and experience, historical data, current conditions and forecasts.

I performed the following procedures:

- Updated my understanding of the Group's valuation technique and assumptions used to measure the investment in non-listed equity instrument measured at fair value through other comprehensive income.
- Assessed the appropriateness of management's valuation technique and the reasonableness of assumptions used in determining the fair value by considering historical data or observable external data of companies in the same industry of the contractual counterparty.
- Engaged an internal valuation expert to evaluate the appropriateness of the risk-adjusted discount rate by comparing to public companies' weighted average cost of capital that are in the same industry. They were determined to be within an acceptable range.
- Tested the mathematical accuracy of the measurement of the investment in equity instrument at fair value through other comprehensive income derived from management's assumptions. No material variances arose from performing this work.

Using the above procedures, I determined that management's valuation technique to measure the investment in equity instrument at fair value through other comprehensive income and their key assumptions were acceptable.

### Other information

The directors are 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.

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 the audit committee.





### **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine 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, the directors are responsible for assessing the Group and the Company'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 the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company'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 TSAs 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 TSAs, I exercise professional judgement and maintain professional scepticism 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 and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company'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 and the Company 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period 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 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.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Sanicha Akarakittilap', with a stylized flourish at the end.

**Sanicha Akarakittilap**  
Certified Public Accountant (Thailand) No. 8470  
Bangkok  
24 November 2022

## Inoue Rubber (Thailand) Public Company Limited

## Statements of Financial Position

As at 30 September 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	10	897,272,315	1,003,320,726	845,988,391	971,210,977
Trade and other receivables, net	11	1,047,492,515	884,202,783	1,050,879,164	887,021,715
Derivative assets		1,126,838	3,055,306	1,126,838	3,055,306
Financial assets measured at fair value through other comprehensive income					
- debt instruments	12.2	443,800,549	217,089,944	443,800,549	217,089,944
Inventories, net	13	838,256,598	789,819,075	835,618,756	786,896,016
Other current assets		6,677,297	8,949,139	6,003,386	5,924,953
<b>Total current assets</b>		<b>3,234,626,112</b>	<b>2,906,436,973</b>	<b>3,183,417,084</b>	<b>2,871,198,911</b>
<b>Non-current assets</b>					
Financial assets measured at fair value through other comprehensive income					
- debt instruments	12.2	141,803,878	374,957,953	141,803,878	374,957,953
Investments in subsidiaries	14	-	-	20,049,230	20,049,230
Financial assets measured at fair value through other comprehensive income					
- equity instruments	12.2	93,301,607	174,598,217	93,301,607	174,598,217
Investment properties, net	15	9,020,821	9,020,821	9,646,688	9,675,837
Property, plant and equipment, net	16	1,634,418,720	1,692,876,381	1,580,398,411	1,632,179,532
Right-of-use assets, net	17	764,094	943,910	764,094	943,910
Computer software, net	18	49,086,661	44,873,500	42,593,032	39,471,834
Deferred tax assets	19	51,977,137	44,246,603	47,851,116	39,166,203
Other non-current assets		57,351,219	47,420,597	57,291,219	47,360,597
<b>Total non-current assets</b>		<b>2,037,724,137</b>	<b>2,388,937,982</b>	<b>1,993,699,275</b>	<b>2,338,403,313</b>
<b>Total assets</b>		<b>5,272,350,249</b>	<b>5,295,374,955</b>	<b>5,177,116,359</b>	<b>5,209,602,224</b>

Director \_\_\_\_\_

Director \_\_\_\_\_

The accompanying notes are an integral part of these consolidated and separate financial statements.

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

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	20	1,147,028,534	1,025,835,403	1,147,131,350	1,035,339,839
Derivative liabilities		2,607,020	2,810,438	2,607,020	2,810,438
Income tax payable		1,923,993	20,084,021	670,736	19,234,234
Current portion of lease liabilities	29	216,614	216,614	216,614	216,614
Other current liabilities		1,444,317	1,214,235	-	-
<b>Total current liabilities</b>		<b>1,153,220,478</b>	<b>1,050,160,711</b>	<b>1,150,625,720</b>	<b>1,057,601,125</b>
<b>Non-current liabilities</b>					
Lease liabilities	29	577,268	747,560	577,268	747,560
Deferred tax liabilities	19	702,625	279,789	-	-
Employee benefit obligations	21	285,819,444	349,717,892	259,683,793	316,263,957
<b>Total non-current liabilities</b>		<b>287,099,337</b>	<b>350,745,241</b>	<b>260,261,061</b>	<b>317,011,517</b>
<b>Total liabilities</b>		<b>1,440,319,815</b>	<b>1,400,905,952</b>	<b>1,410,886,781</b>	<b>1,374,612,642</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.



Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position (Cont'd)

As at 30 September 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	22				
Authorised share capital					
Ordinary shares, 200 million shares at par value of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid-up share capital					
Ordinary shares, 200 million shares paid-up of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Share premium	22	298,000,000	298,000,000	298,000,000	298,000,000
Retained earnings					
Appropriated - legal reserve	23	20,000,000	20,000,000	20,000,000	20,000,000
Appropriated - treasury shares reserve		114,011,638	114,011,638	114,011,638	114,011,638
Unappropriated		3,267,375,729	3,327,443,382	3,200,313,221	3,258,460,662
<u>Less</u> Treasury shares	24	(114,011,638)	(114,011,638)	(114,011,638)	(114,011,638)
Other components of equity		46,650,113	49,020,980	47,916,357	58,528,920
<b>Equity attributable to:</b>					
Owners of the parent		3,832,025,842	3,894,464,362	3,766,229,578	3,834,989,582
Non-controlling interests		4,592	4,641	-	-
<b>Total equity</b>		<u>3,832,030,434</u>	<u>3,894,469,003</u>	<u>3,766,229,578</u>	<u>3,834,989,582</u>
<b>Total liabilities and equity</b>		<u>5,272,350,249</u>	<u>5,295,374,955</u>	<u>5,177,116,359</u>	<u>5,209,602,224</u>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Inoue Rubber (Thailand) Public Company Limited  
 Statements of Comprehensive Income  
 For the year ended 30 September 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Revenues</b>					
Revenue from sales and services	31	5,883,167,771	5,297,380,806	5,881,620,196	5,295,588,246
Dividend income	25	13,175,780	21,561,709	32,175,533	44,561,317
Other income		54,754,220	52,153,736	55,744,527	55,160,266
<b>Total revenues</b>		<b>5,951,097,771</b>	<b>5,371,096,251</b>	<b>5,969,540,256</b>	<b>5,395,309,829</b>
<b>Expenses</b>					
Cost of sales and services		5,442,819,540	4,577,495,702	5,468,836,414	4,605,314,379
Selling expenses		97,771,056	93,352,733	97,771,056	93,352,733
Administrative expenses		267,585,032	259,926,426	262,387,427	255,034,787
Other expenses		20,545,740	19,256,170	20,537,011	19,218,986
<b>Total expenses</b>		<b>5,828,721,368</b>	<b>4,950,031,031</b>	<b>5,849,531,908</b>	<b>4,972,920,885</b>
<b>Profit before finance costs and income tax</b>		<b>122,376,403</b>	<b>421,065,220</b>	<b>120,008,348</b>	<b>422,388,944</b>
Finance costs	29	(49,709)	(60,448)	(49,709)	(60,448)
<b>Profit before income tax</b>		<b>122,326,694</b>	<b>421,004,772</b>	<b>119,958,639</b>	<b>422,328,496</b>
Income tax expense	27	(12,386,617)	(80,974,192)	(8,098,370)	(77,290,805)
<b>Net profit for the year</b>		<b>109,940,077</b>	<b>340,030,580</b>	<b>111,860,269</b>	<b>345,037,691</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Inoue Rubber (Thailand) Public Company Limited  
 Statements of Comprehensive Income (Cont'd)  
 For the year ended 30 September 2022

	Notes	Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Other comprehensive income:</b>					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of employee benefit obligations	21	80,457,002	-	70,154,658	-
Changes in fair value of equity instruments measured at fair value through other comprehensive income	12.2 b)	(81,296,610)	15,700,603	(81,296,610)	15,700,603
Income tax on items that will not be reclassified subsequently to profit or loss	27	167,922	(3,140,120)	2,228,392	(3,140,120)
<b>Total items that will not be reclassified subsequently to profit or loss</b>		<b>(671,686)</b>	<b>12,560,483</b>	<b>(8,913,560)</b>	<b>12,560,483</b>
Items that will be reclassified subsequently to profit or loss:					
Changes in fair value of debt instruments measured at fair value through other comprehensive income	12.2 b)	(2,123,754)	458,490	(2,123,754)	458,490
Income tax on items that will be reclassified subsequently to profit or loss	27	424,751	(91,698)	424,751	(91,698)
<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(1,699,003)</b>	<b>366,792</b>	<b>(1,699,003)</b>	<b>366,792</b>
<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(2,370,689)</b>	<b>12,927,275</b>	<b>(10,612,563)</b>	<b>12,927,275</b>
<b>Total comprehensive income for the year</b>		<b>107,569,388</b>	<b>352,957,855</b>	<b>101,247,706</b>	<b>357,964,966</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.



Inoue Rubber (Thailand) Public Company Limited  
 Statements of Comprehensive Income (Cont'd)  
 For the year ended 30 September 2022

	Note	Consolidated financial statements		Separate financial statements	
		2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Profit attributable to:</b>					
Owners of the parent		109,940,057	340,030,324	111,860,269	345,037,691
Non-controlling interests		20	256	-	-
		<u>109,940,077</u>	<u>340,030,580</u>	<u>111,860,269</u>	<u>345,037,691</u>
<b>Total comprehensive income attributable to:</b>					
Owners of the parent		107,569,190	352,957,599	101,247,706	357,964,966
Non-controlling interests		198	256	-	-
		<u>107,569,388</u>	<u>352,957,855</u>	<u>101,247,706</u>	<u>357,964,966</u>
<b>Earnings per share</b>					
Basic earnings per share	28	0.57	1.77	0.58	1.80

The accompanying notes are an integral part of these consolidated and separate financial statements.

Inoue Rubber (Thailand) Public Company Limited  
 Statements of Changes in Equity  
 For the year ended 30 September 2022

Consolidated financial statements

	Attributable to owners of the parent														Total equity Baht
	Capital contributed				Retained earnings				Other components of equity						
	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		Measurement of equity instrument at fair value		Remeasurements of employee benefit obligations	Total other components of equity	Non-controlling interests	Total equity	
							Baht	Baht	Baht	Baht					
Opening balance as at 1 October 2020	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,096,952,226	(1,776,885)	102,492,652	(64,622,062)	36,093,705	3,651,045,931	4,777	3,651,050,708		
Changes in equity for 2021															
Total comprehensive income for the year	-	-	-	-	340,030,324	366,792	366,792	12,560,483	-	12,927,275	352,957,599	296	352,957,895		
Dividends paid	-	-	-	-	(109,539,168)	(109,539,168)	-	-	-	-	(109,539,168)	(392)	(109,539,560)		
Closing balance as at 30 September 2021	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,327,443,382	(1,410,093)	115,053,135	(64,622,062)	49,020,980	3,894,464,362	4,641	3,894,469,003		
Opening balance as at 1 October 2021	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,327,443,382	(1,410,093)	115,053,135	(64,622,062)	49,020,980	3,894,464,362	4,641	3,894,469,003		
Changes in equity for 2022															
Total comprehensive income (expense) for the year	-	-	-	-	109,940,057	(1,699,000)	(1,699,000)	(65,037,287)	64,365,423	(2,370,867)	107,569,190	198	107,569,388		
Dividends paid	-	-	-	-	(170,007,710)	(170,007,710)	-	-	-	-	(170,007,710)	(247)	(170,007,957)		
Closing balance as at 30 September 2022	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,267,375,729	(3,109,096)	50,015,848	(256,659)	46,650,113	3,632,025,842	4,592	3,632,030,434		

The accompanying notes are an integral part of these consolidated and separate financial statements.

Inoue Rubber (Thailand) Public Company Limited  
 Statements of Changes in Equity (Cont'd)  
 For the year ended 30 September 2022

Separate financial statements

	Capital contributed				Retained earnings				Other components of equity				Total equity
	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		Measurement of equity instrument at fair value		Remeasurements of employee benefit obligations	Total other components of equity	
							through comprehensive income	through other comprehensive income	through other comprehensive income	through other comprehensive income			
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance as at 1 October 2020	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,022,962,139	(1,776,885)	102,492,652	(55,114,122)	45,601,645	3,596,563,784		
Changes in equity for 2021													
Total comprehensive income for the year	-	-	-	-	-	345,037,691	366,792	12,560,483	-	12,927,275	357,964,966		
Dividends paid	-	-	-	-	-	(109,539,168)	-	-	-	-	(109,539,168)		
Closing balance as at 30 September 2021	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,258,460,662	(1,410,093)	115,053,135	(55,114,122)	58,528,920	3,834,989,582		
Opening balance as at 1 October 2021	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,258,460,662	(1,410,093)	115,053,135	(55,114,122)	58,528,920	3,834,989,582		
Changes in equity for 2022													
Total comprehensive income (expense) for the year	-	-	-	-	-	111,860,269	(1,699,003)	(65,037,287)	56,123,727	(10,612,563)	101,247,706		
Dividends paid	-	-	-	-	-	(170,007,710)	-	-	-	-	(170,007,710)		
Closing balance as at 30 September 2022	200,000,000	298,000,000	(114,011,638)	20,000,000	114,011,638	3,200,313,221	(3,109,096)	50,015,848	1,009,605	47,916,357	3,768,229,578		

The accompanying notes are an integral part of these consolidated and separate financial statements.



Inoue Rubber (Thailand) Public Company Limited  
 Statements of Cash Flows  
 For the year ended 30 September 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Cash flows from operating activities</b>					
Profit before income tax		122,326,694	421,004,772	119,958,639	422,328,496
Adjustments for:					
Depreciation of investment properties and plant and equipment	15, 16	352,463,476	352,674,200	339,172,026	339,391,585
Amortisation of computer software	18	8,244,560	8,388,428	7,220,923	7,354,695
Amortisation of right-of-use assets	17	179,816	179,816	179,816	179,816
Loss on disposals of investments in debt instruments	12.2 a)	1,613,948	129,698	1,613,948	129,698
Loss on diminution in value of inventories	13	2,253,319	55,034	2,253,319	55,034
Net loss on write-offs and disposals of property, plant and equipment		1,657,714	209,833	1,880,176	243,099
Fair value (gain) loss on derivatives		1,725,049	(1,227,981)	1,725,049	(1,227,981)
Unrealised (gain) loss on exchange rate		(2,400,361)	1,669,995	(2,400,361)	1,669,995
Dividend income	25	(13,175,780)	(21,561,709)	(32,175,533)	(44,561,317)
Interest income		(9,983,130)	(10,267,296)	(9,895,001)	(10,230,917)
Finance costs		49,708	60,448	49,708	60,448
Employee benefits	21	30,201,885	29,781,495	27,217,825	26,842,831
Changes in working capital					
Trade and other receivables		(161,988,734)	(65,361,085)	(162,563,896)	(66,357,351)
Inventories		(50,690,842)	(330,437,181)	(50,976,059)	(330,103,590)
Other current assets		(102,271)	(2,206,767)	(78,432)	(2,208,369)
Other non-current assets		(9,930,622)	(13,857,281)	(9,930,622)	(13,857,281)
Trade and other payables		106,230,680	314,902,220	106,595,856	306,741,334
Other current liabilities		230,082	174,085	-	-
Employee benefits paid	21	(13,643,331)	(6,860,336)	(13,643,331)	(6,860,336)
<b>Cash generated from operations</b>		<b>365,261,860</b>	<b>677,450,388</b>	<b>326,204,050</b>	<b>629,589,889</b>
Interest received		10,145,153	10,393,055	10,064,469	10,357,020
Interest paid		(57,299)	(17,474)	(57,299)	(17,474)
Income tax paid		(37,849,588)	(78,003,700)	(32,693,640)	(74,220,868)
Income tax refund received		2,962,030	101,656	-	-
<b>Net cash generated from operating activities</b>		<b>340,462,156</b>	<b>609,923,925</b>	<b>303,517,580</b>	<b>565,708,567</b>

The accompanying notes are an integral part of these consolidated and separate financial statements.

Inoue Rubber (Thailand) Public Company Limited  
 Statements of Cash Flows (Cont'd)  
 For the year ended 30 September 2022

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2022	2021	2022	2021
		Baht	Baht	Baht	Baht
<b>Cash flows from investing activities</b>					
Purchases of investments in debt instruments	12.2 a)	(376,790,155)	(1,265,334,433)	(376,790,155)	(1,265,334,433)
Proceeds from disposals of investments in debt instruments		379,199,019	1,066,837,282	379,199,019	1,066,837,282
Purchases of property, plant and equipment		(283,326,504)	(226,418,791)	(286,439,606)	(201,973,441)
Purchases of computer software	18	(12,457,721)	(2,888,351)	(10,342,121)	(2,590,351)
Proceeds from disposals of property, plant and equipment		3,859,672	4,281,019	3,627,575	4,247,717
Dividends received	25	13,175,780	21,561,709	32,175,533	44,561,317
<b>Net cash used in investing activities</b>		<b>(276,339,909)</b>	<b>(401,961,565)</b>	<b>(258,569,755)</b>	<b>(354,251,909)</b>
<b>Cash flows from financing activities</b>					
Payments for principal elements of lease payments		(162,701)	(202,526)	(162,701)	(202,526)
Dividends paid	32	(170,007,957)	(109,539,560)	(170,007,710)	(109,539,168)
<b>Net cash used in financing activities</b>		<b>(170,170,658)</b>	<b>(109,742,086)</b>	<b>(170,170,411)</b>	<b>(109,741,694)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>		<b>(106,048,411)</b>	<b>98,220,274</b>	<b>(125,222,586)</b>	<b>101,714,964</b>
Cash and cash equivalents at the beginning of the year		1,003,320,726	905,100,452	971,210,977	869,496,013
<b>Cash and cash equivalents at the end of the year</b>		<b>897,272,315</b>	<b>1,003,320,726</b>	<b>845,988,391</b>	<b>971,210,977</b>
<b>Non-cash transactions</b>					
Other payables from purchases of property, plant and equipment		41,192,522	24,995,825	53,940,097	47,510,196

The accompanying notes are an integral part of these consolidated and separate financial statements.

## 1 General information

Inoue Rubber (Thailand) Public Company Limited ("the Company") is a public limited company which 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 details of the Company's subsidiaries are disclosed in Note 14.

The principal business operations of the Group 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 consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 November 2022.

## 2 Significant events during the current year

### Coronavirus Disease 2019 outbreak

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 consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRSs") and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed otherwise in relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.



## 4 New and amended financial reporting standards

### 4.1 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 which are relevant to the Group

a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

b) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: Disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBORs. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

c) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

### 4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and are relevant to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group.

a) **Amendment to TFRS 16, Leases** amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

## 5 Accounting policies

### 5.1 Principles of consolidation

a) **Subsidiaries**

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group 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. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases.

In the separate financial statements, investments in subsidiaries are accounted for using cost method. Historical cost also includes direct attributable costs of investment.

A list of the Company's subsidiaries is set out in Note 14.

b) **Transactions with non-controlling interests**

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A difference between the amount of the adjustment to non-controlling interests to reflect their relative interest in the subsidiary and any consideration paid or received is recognised within equity.

c) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

**5.2 Foreign currency translation**

a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's and the Group's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or the date of revaluation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

**5.3 Cash and cash equivalents**

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

**5.4 Trade accounts receivable**

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 - 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables is disclosed in Note 5.6 f).

**5.5 Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

## 5.6 Financial assets

### a) Classification

The Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

### b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised 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.

### c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

### d) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises,

e) Equity instruments

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

f) Impairment

The Group has 3 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Investments in debt instruments measured at fair value through other comprehensive income (FVOCI)

Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the Group's management considered that the identified impairment loss on cash and cash equivalent was immaterial.

Trade receivables

The Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 1 October 2021 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information, considering the most relevant factors.

Impairment losses (and reversal of impairment) on trade receivables are recognised in profit or loss included in administrative expenses.

Other financial assets carried at amortised cost and FVOCI

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing expected risk of default as at the reporting date and estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following factors:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as at the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item included in administrative expenses.

#### 5.7 Investment properties

Investment properties, principally land and office buildings, are held for long-term rental yields and are not occupied by the Group.

Investment properties are measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Land improvements	10 years
Building and building improvements	5 - 20 years

#### 5.8 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	10 years
Building and building improvements	5 - 20 years
Machinery	2 - 20 years
Tools and factory equipment	5 years
Furniture, fixtures and office equipment	3 - 5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

#### 5.9 Computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives of 3 - 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

#### 5.10 Impairment of assets

Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

### 5.11 Leases

Leases - where the Group is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

Leases - where the Group is the lessor

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

### 5.12 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.



#### Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### 5.13 Employee benefits

##### a) Short-term employee benefits

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

##### b) Defined contribution plan

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

##### c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

##### d) Termination benefits

The Group recognises termination benefits at the earlier of 1) when the Group can no longer withdraw the offer of those benefits; and 2) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

#### 5.14 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 5.15 Share capital

Ordinary are classified as equity.

Treasury share

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

#### 5.16 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

Sale of goods

The Group manufactures and sells motorcycle tires, tubes, and industrial elastomer rubber parts. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with retrospective volume discounts based on aggregate sales over a specified period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 - 60 days, which is consistent with market practice.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

#### Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

#### Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

#### 5.17 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors' meeting, and when the annual dividends are approved by the shareholders' meeting.

#### 5.18 Derivatives and hedging activities

The Group is a counterparty in derivatives which are financial instruments, i.e. forward exchange contracts. Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains or losses.

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

#### 5.19 Segment reporting

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.

Segment information is presented by business segment of the Group's operations in Note 9.

## 6 Financial risk management

### 6.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity.

#### 6.1.1 Market risk

##### a) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risks, primarily the US dollar and Japanese Yen from trading transactions, and purchase of raw materials and machineries that are denominated in foreign currencies. The risk is managed by entering into forward exchange contracts as appropriate. The Group entered into forward exchange contracts with financial institutions of approximately 97.02% of foreign currency transactions to manage the foreign exchange risk.

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Exposure

The Group's exposures to foreign currency risk as at 30 September 2022 and 2021, expressed in Baht are as follows:

	Consolidated financial statements					
	30 September 2022			30 September 2021		
	US Dollar Baht	Japanese Yen Baht	Others Baht	US Dollar Baht	Japanese Yen Baht	Others Baht
Trade and other receivables	105,642,945	31,733,412	1,202,759	101,315,628	48,086,499	889,596
Trade and other payables	79,870,857	77,967,108	-	59,716,729	82,091,380	-

  

	Separate financial statements					
	30 September 2022			30 September 2021		
	US Dollar Baht	Japanese Yen Baht	Others Baht	US Dollar Baht	Japanese Yen Baht	Others Baht
Trade and other receivables	105,642,945	31,733,412	1,202,759	101,315,628	48,086,499	889,596
Trade and other payables	79,870,857	77,967,108	-	59,716,729	82,091,380	-

Sensitivity

As shown in the table above, the Group is primarily exposed to changes in Baht to US Dollar and Baht to Japanese Yen exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar and Japanese Yen were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Baht to US Dollar exchange rate				
- Increase 10%*	2,577,209	4,159,893	2,577,209	4,159,893
- Decrease 10%*	(2,577,209)	(4,159,893)	(2,577,209)	(4,159,893)
Baht to Japanese Yen exchange rate				
- Increase 10%*	(4,623,370)	(3,400,488)	(4,623,370)	(3,400,488)
- Decrease 10%*	4,623,370	3,400,488	4,623,370	3,400,488

\* Holding all other variables constant

b) Cash flow and interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions and investments in debt instruments. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. However, the Group will use interest rate swap to management the risk when necessary.

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Significant financial assets and liabilities classified by type of interest rates and maturity date are summarised in the table as below:

	Consolidated financial statements							Interest rate (% p.a.)	
	Fixed interest rates			Floating interest rates			Non-interest bearing Baht		
	Within 1 year Baht	Over 5 years Baht	1 - 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
<b>As at 30 September 2022</b>									
<b>Financial assets</b>									
Cash and cash equivalents	820,483,503	-	-	67,438,156	-	-	9,350,656	897,272,315	0.05 - 0.73
Financial assets measured at fair value through other comprehensive income (FVOCI) - Debt instruments	443,800,549	141,803,878	-	-	-	-	-	585,604,427	0.45 - 6.58
	<u>1,264,284,052</u>	<u>141,803,878</u>	<u>-</u>	<u>67,438,156</u>	<u>-</u>	<u>-</u>	<u>9,350,656</u>	<u>1,482,876,742</u>	
<b>Financial liabilities</b>									
Lease liabilities	216,614	-	-	-	-	-	-	793,882	6.22
	<u>216,614</u>	<u>577,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>793,882</u>	
<b>As at 30 September 2021</b>									
<b>Financial assets</b>									
Cash and cash equivalents	972,700,000	-	-	27,656,794	-	-	2,963,932	1,003,320,726	0.05 - 0.40
Financial assets measured at fair value through other comprehensive income (FVOCI) - Debt instruments	217,089,944	374,957,953	-	-	-	-	-	592,047,897	0.51 - 6.58
	<u>1,189,789,944</u>	<u>374,957,953</u>	<u>-</u>	<u>27,656,794</u>	<u>-</u>	<u>-</u>	<u>2,963,932</u>	<u>1,595,368,623</u>	
<b>Financial liabilities</b>									
Lease liabilities	216,614	-	-	-	-	-	-	964,174	6.22
	<u>216,614</u>	<u>747,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>964,174</u>	

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	Separate financial statements								Interest rate (% p.a.)
	Fixed interest rates				Floating interest rates				
	Maturity date		Maturity date		Maturity date		Maturity date		
	Within 1 year Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Non-interest bearing Baht	Total Baht		
<b>As at 30 September 2022</b>									
<b>Financial assets</b>									
Cash and cash equivalents	786,444,000	-	59,439,758	-	-	-	845,988,391	0.05 - 0.60	
Financial assets measured at fair value through other comprehensive income (FVOCI) - Debt instruments	443,800,549	141,803,878	-	-	-	-	585,604,427	0.45 - 6.58	
	<u>1,230,244,549</u>	<u>141,803,878</u>	<u>59,439,758</u>	<u>-</u>	<u>-</u>	<u>104,633</u>	<u>1,431,592,818</u>		
<b>Financial liabilities</b>									
Lease liabilities	216,614	577,268	-	-	-	-	793,882	6.22	
	<u>216,614</u>	<u>577,268</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>793,882</u>		
<b>As at 30 September 2021</b>									
<b>Financial assets</b>									
Cash and cash equivalents	950,000,000	-	21,075,128	-	-	-	971,210,977	0.05 - 0.38	
Financial assets measured at fair value through other comprehensive income (FVOCI) - Debt instruments	217,089,944	374,957,953	-	-	-	-	592,047,897	0.51 - 6.58	
	<u>1,167,089,944</u>	<u>374,957,953</u>	<u>21,075,128</u>	<u>-</u>	<u>-</u>	<u>135,849</u>	<u>1,563,258,874</u>		
<b>Financial liabilities</b>									
Lease liabilities	216,614	747,560	-	-	-	-	964,174	6.22	
	<u>216,614</u>	<u>747,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>964,174</u>		



C) Price risk

The Group is exposed to market risks as an investor in financial instruments and risks from the financial position of the issuer of the investment instrument. However, the Group has diversified its investments to manage such risks. This is in accordance with the investment policy according to the resolution of the Board of Directors.

The Group's investments in financial instruments are investment units through a private fund managed by an asset management company, focusing on investment in domestic debt securities, both public and private. This entails of investing in government bonds and debentures and incorporating mutual fund investment units domestic debt. The ideal investment period is 2 - 3 years.

Investment policies and frameworks regarding types and proportions of investments through private funds are as follows:

Type of investment	Proportions
Government securities, debentures or bonds Collective Investment Scheme (CIS)	A maximum of 70 percent of the fund's net asset value Money Market Fund

6.1.2 Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at fair value through other comprehensive income (FVOCI) and derivative assets as well as credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A-' are accepted.

The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are set based on the assessment in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

b) Impairment of financial assets

Details of the impairment assessment of financial assets are disclosed in Note 5.6 f).

6.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due. As at 30 September 2022, the Group and the Company had deposits at call with banks of Baht 897.17 million and Baht 845.92 million, respectively (2021: Baht 1,003.18 million and Baht 971.11 million) that are expected to readily generate cash inflows.

Management monitors the Group's cash flows projections by considering cash and cash equivalent. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against regulatory requirements.

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Maturity of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Consolidated financial statements					Total Baht	Book value Baht
	Current due Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
<b>As at 30 September 2022</b>							
Trade and other payables	8,755,884	1,138,272,650	-	-	1,147,028,534	1,147,028,534	
Lease liabilities	-	220,000	660,000	-	880,000	793,882	
<b>Total non-derivatives</b>	<b>8,755,884</b>	<b>1,138,492,650</b>	<b>660,000</b>	<b>-</b>	<b>1,147,908,534</b>	<b>1,147,822,416</b>	
Derivative liabilities	-	2,607,020	-	-	2,607,020	2,607,020	
<b>Total derivatives</b>	<b>-</b>	<b>2,607,020</b>	<b>-</b>	<b>-</b>	<b>2,607,020</b>	<b>2,607,020</b>	
<b>Total</b>	<b>8,755,884</b>	<b>1,141,099,670</b>	<b>660,000</b>	<b>-</b>	<b>1,150,515,554</b>	<b>1,150,429,436</b>	
<b>As at 30 September 2021</b>							
Trade and other payables	9,699,086	1,016,136,317	-	-	1,025,835,403	1,025,835,403	
Lease liabilities	-	220,000	880,000	-	1,100,000	964,174	
<b>Total non-derivatives</b>	<b>9,699,086</b>	<b>1,016,356,317</b>	<b>880,000</b>	<b>-</b>	<b>1,026,935,403</b>	<b>1,026,799,577</b>	
Derivative liabilities	-	2,810,438	-	-	2,810,438	2,810,438	
<b>Total derivatives</b>	<b>-</b>	<b>2,810,438</b>	<b>-</b>	<b>-</b>	<b>2,810,438</b>	<b>2,810,438</b>	
<b>Total</b>	<b>9,699,086</b>	<b>1,019,166,755</b>	<b>880,000</b>	<b>-</b>	<b>1,029,745,841</b>	<b>1,029,610,015</b>	
Contractual maturities of financial liabilities	Separate financial statements					Total Baht	Book value Baht
	Current due Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
<b>As at 30 September 2022</b>							
Trade and other payables	8,737,706	1,138,393,644	-	-	1,147,131,350	1,147,131,350	
Lease liabilities	-	220,000	660,000	-	880,000	793,882	
<b>Total non-derivatives</b>	<b>8,737,706</b>	<b>1,138,613,644</b>	<b>660,000</b>	<b>-</b>	<b>1,148,011,350</b>	<b>1,147,925,232</b>	
Derivative liabilities	-	2,607,020	-	-	2,607,020	2,607,020	
<b>Total derivatives</b>	<b>-</b>	<b>2,607,020</b>	<b>-</b>	<b>-</b>	<b>2,607,020</b>	<b>2,607,020</b>	
<b>Total</b>	<b>8,737,706</b>	<b>1,141,220,664</b>	<b>660,000</b>	<b>-</b>	<b>1,150,618,370</b>	<b>1,150,532,252</b>	
<b>As at 30 September 2021</b>							
Trade and other payables	9,478,597	1,025,861,242	-	-	1,035,339,839	1,035,339,839	
Lease liabilities	-	220,000	880,000	-	1,100,000	964,174	
<b>Total non-derivatives</b>	<b>9,478,597</b>	<b>1,026,081,242</b>	<b>880,000</b>	<b>-</b>	<b>1,036,439,839</b>	<b>1,036,304,013</b>	
Derivative liabilities	-	2,810,438	-	-	2,810,438	2,810,438	
<b>Total derivatives</b>	<b>-</b>	<b>2,810,438</b>	<b>-</b>	<b>-</b>	<b>2,810,438</b>	<b>2,810,438</b>	
<b>Total</b>	<b>9,478,597</b>	<b>1,028,891,680</b>	<b>880,000</b>	<b>-</b>	<b>1,039,250,277</b>	<b>1,039,114,451</b>	

## 6.2 Capital management

### 6.2.1 Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue 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 Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on the debt to equity ratio, which calculated by dividing net debt by equity. The Group's strategy was to maintain an appropriate level of debt to equity. As at 30 September 2022 and 2021, the Group's debt to equity ratios were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Net debt	1,440,319,815	1,400,905,952	1,410,886,781	1,374,612,642
Total equity	3,832,030,434	3,894,469,003	3,766,229,578	3,834,989,582
Debt to equity ratio	0.38	0.36	0.37	0.36

## 7 Fair value

The fair value of financial assets and financial liabilities measured at amortised cost approximates the carrying amount as follows:

Consolidated financial statements		Separate financial statements	
<b>Financial assets</b>		<b>Financial assets</b>	
<ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>Trade and other receivables, net</li> </ul>		<ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>Trade and other receivables, net</li> </ul>	
<b>Financial liabilities</b>		<b>Financial liabilities</b>	
<ul style="list-style-type: none"> <li>Trade and other payables</li> <li>Lease liabilities</li> </ul>		<ul style="list-style-type: none"> <li>Trade and other payables</li> <li>Lease liabilities</li> </ul>	



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

	Consolidated and Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
As at 30 September								
<b>Assets</b>								
Derivative assets	-	-	1.13	3.06	-	-	1.13	3.06
Financial assets measured at fair value through other comprehensive income (FVOCI)								
- Debt instruments	585.60	592.05	-	-	-	-	585.60	592.05
- Equity instruments	-	-	-	-	93.30	174.60	93.30	174.60
<b>Total assets</b>	<b>585.60</b>	<b>592.05</b>	<b>1.13</b>	<b>3.06</b>	<b>93.30</b>	<b>174.60</b>	<b>680.03</b>	<b>769.71</b>
<b>Liabilities</b>								
Derivative liabilities	-	-	2.61	2.81	-	-	2.61	2.81
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>2.61</b>	<b>2.81</b>	<b>-</b>	<b>-</b>	<b>2.61</b>	<b>2.81</b>

The following tables present fair value of non-financial assets recognised or disclosed by their fair value hierarchy.

	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
As at 30 September								
<b>Assets</b>								
Investment properties (Note 15)	-	-	-	-	33.97	33.42	33.97	33.42
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33.97</b>	<b>33.42</b>	<b>33.97</b>	<b>33.42</b>

	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht	2022 Million Baht	2021 Million Baht
As at 30 September								
<b>Assets</b>								
Investment properties (Note 15)	-	-	-	-	43.84	43.41	43.84	43.41
<b>Total assets</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43.84</b>	<b>43.41</b>	<b>43.84</b>	<b>43.41</b>

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price / closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The fair value measurement of financial assets and financial liabilities is in accordance with the accounting policies disclosed in Note 5.6.

#### Valuation techniques used to measure fair value level 1

The fair value in level 1 of investments in debt instruments, which are classified as financial assets measured 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 years ended 30 September 2022 and 2021 were as follows:

	<u>Consolidated and Separate financial statements</u> Baht
Opening balance as at 1 October 2021	174,598,217
Change in fair value	<u>(81,296,610)</u>
Closing balance as at 30 September 2022	<u>93,301,607</u>

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

As at 30 September	Fair value		Unobservable inputs	Range of inputs	
	Consolidated and Separate financial statements			Consolidated and Separate financial statements	
	2022	2021		2022	2021
	Million Baht	Million Baht		%	%
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	93.30	174.60	Future revenue growth rate	1.0	1.0
			Risk-adjusted discount rate	17.5	17.5

As at 30 September 2022, relationships of unobservable inputs to fair values 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 instruments	Future revenue growth rate	1.0%	Increase by 5.78%	Decrease 5.12%
	Risk-adjusted discount rate	1.0%	Decrease by 5.21%	Increase by 5.82%

### 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 instruments. Significant unobservable input of fair value hierarchy level 3 are risk adjusted discount rate, which 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 and future revenue growth rate, which is estimated based on historical data or observable external data of companies in the same industry.



### **8 Critical accounting estimates and judgements**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

**a) Fair value of certain financial assets and derivatives**

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 7.

**b) Defined retirement benefit obligations**

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 21.

**c) Determination of lease terms**

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Extension options on billboard space leases have not been included in the lease liability, because the Group considers 1) the underlying asset condition and/or 2) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

**d) Determination of discount rate applied to lease liabilities**

The Group determines the lessee's incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

**e) Impairment of financial assets**

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Details of the impairment assessment of financial assets are disclosed in Note 5.6 f).

**f) Inventories**

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. The assessment for the allowances for obsolete and slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to 100% allowance. The level of the allowances was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected obsolete and slow-moving inventories. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable costs of completion and variable selling expenses.

**g) Investment properties, plant and equipment and intangible assets**

Management determines the estimated useful lives and residual values for the Group's investment properties, plant and equipment and intangible assets. Management will revise the depreciation and amortisation charges where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

## 9 Segment 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 Director.

The Group's operations principally involve the manufacture and distribution of motorcycle tires and tubes and elastomer products mainly for automobile industry with manufacturing facilities in Thailand and operations in both domestic and overseas markets.

The factor used to identify the Group's reportable segments includes geographical areas. There are two reportable segments i.e. (1) Local and (2) Export.

Financial information of the Group for the years ended 30 September 2022 and 2021 classified by market were presented as follows:

	Consolidated financial statements					
	Local		Export		Total	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Revenue from sales and services	4,791,882,796	4,251,120,078	1,091,284,975	1,046,260,728	5,883,167,771	5,297,380,806
Cost of sales and services	(4,512,110,025)	(3,726,223,606)	(930,709,515)	(851,272,096)	(5,442,819,540)	(4,577,495,702)
Gross profit	279,772,771	524,896,472	160,575,460	194,988,632	440,348,231	719,885,104
Other income					54,754,220	52,153,736
Dividend income					13,175,780	21,561,709
Selling expenses					(97,771,056)	(93,352,733)
Administrative expenses					(267,585,032)	(259,926,426)
Other expenses					(20,545,740)	(19,256,170)
Finance cost					(49,709)	(60,448)
Profit before income tax					122,326,694	421,004,772
Income tax expense					(12,386,617)	(80,974,192)
Net profit for the year					109,940,077	340,030,580
Timing of revenue recognition						
At a point in time	4,791,074,796	4,250,190,978	1,091,159,341	1,046,258,579	5,882,234,137	5,296,449,557
Overtime	808,000	929,100	125,634	2,149	933,634	931,249
Total revenues	4,791,882,796	4,251,120,078	1,091,284,975	1,046,260,728	5,883,167,771	5,297,380,806

## 10 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Cash on hand	106,319	143,060	71,388	104,849
Deposits with banks				
- Saving deposits	67,438,156	27,656,794	59,439,758	21,075,128
- Current deposits	9,244,337	2,820,872	33,245	31,000
- Fixed deposits	820,483,503	972,700,000	786,444,000	950,000,000
Cash and cash equivalents	897,272,315	1,003,320,726	845,988,391	971,210,977

The interest rates (% p.a.) on bank deposits are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 % p.a.	2021 % p.a.	2022 % per p.a.	2021 % per p.a.
Saving deposits	0.05 - 0.30	0.05 - 0.13	0.05 - 0.30	0.05 - 0.13
Fixed deposits	0.10 - 0.85	0.13 - 0.40	0.13 - 0.85	0.13 - 0.38

Fixed deposits comprise 7 days and 3 months fixed deposits with banks (2021: 11 days, 18 days and 3 months fixed deposits).

## 11 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade receivables - related companies (Note 30)	509,613,182	457,228,073	513,659,828	462,209,286
Trade receivables - other companies	520,539,774	418,453,890	518,801,678	415,365,541
Less Allowance for expected credit loss	-	-	-	-
Trade receivables, net	1,030,152,956	875,681,963	1,032,461,506	877,574,827
Prepayments	15,295,565	6,683,202	14,484,249	5,859,864
Accrued income	437,708	302,788	418,308	290,871
Advanced payments	20,000	10,000	-	-
Amounts due from related parties (Note 30)	1,529,673	1,512,434	3,458,488	3,283,757
Other receivables	56,613	12,396	56,613	12,396
Trade and other receivables, net	1,047,492,515	884,202,783	1,050,879,164	887,021,715

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Outstanding trade receivables as at 30 September 2022 and 2021 can be analysed by aging as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Related companies</b>				
Current	509,580,601	457,225,669	513,627,247	462,206,882
Overdue up to 3 months	32,581	-	32,581	-
Overdue 3 - 6 months	-	2,404	-	2,404
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	<b>509,613,182</b>	<b>457,228,073</b>	<b>513,659,828</b>	<b>462,209,286</b>
<b>Other companies</b>				
Current	515,899,759	418,076,498	514,309,248	414,988,149
Overdue up to 3 months	4,487,633	377,392	4,340,048	377,392
Overdue 3 - 6 months	152,382	-	152,382	-
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	<b>520,539,774</b>	<b>418,453,890</b>	<b>518,801,678</b>	<b>415,365,541</b>
<b>Less</b> Allowance for expected credit loss	-	-	-	-
	<b>520,539,774</b>	<b>418,453,890</b>	<b>518,801,678</b>	<b>415,365,541</b>
Total trade receivables, net	<b>1,030,152,956</b>	<b>875,681,963</b>	<b>1,032,461,506</b>	<b>877,574,827</b>

During 2022 and 2021, no receivables were written-off as uncollectible.

## 12 Financial assets and financial liabilities

The classification of the Group's financial assets and financial liabilities as at 30 September 2022 is as follows:

	Consolidated financial statements			
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total Baht
<b>Financial assets</b>				
Cash and cash equivalents	-	-	897,272,315	897,272,315
Trade and other receivables, net*	-	-	1,032,176,950	1,032,176,950
Derivative assets	1,126,838	-	-	1,126,838
Financial assets measured at fair value through other comprehensive income (FVOCI)				
- Debt instruments	-	585,604,427	-	585,604,427
- Equity instruments	-	93,301,607	-	93,301,607
	<b>1,126,838</b>	<b>678,906,034</b>	<b>1,929,449,265</b>	<b>2,609,482,137</b>

\* Exclude non-financial assets

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	Consolidated financial statements		
	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total Baht
<b>Financial liabilities</b>			
Trade and other payables*	-	1,144,044,748	1,144,044,748
Derivative liabilities	2,607,020	-	2,607,020
Lease liabilities	-	793,882	793,882
	2,607,020	1,144,838,630	1,147,445,650

\* Exclude non-financial liabilities

	Separate financial statements			
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total Baht
<b>Financial assets</b>				
Cash and cash equivalents	-	-	845,988,391	845,988,391
Trade and other receivables, net*	-	-	1,036,394,915	1,036,394,915
Derivative assets	1,126,838	-	-	1,126,838
Financial assets measured at fair value through other comprehensive income (FVOCI)				
- Debt instruments	-	585,604,427	-	585,604,427
- Equity instruments	-	93,301,607	-	93,301,607
	1,126,838	678,906,034	1,882,383,306	2,562,416,178

\* Exclude non-financial assets

	Separate financial statements		
	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total Baht
<b>Financial liabilities</b>			
Trade and other payables*	-	1,144,147,564	1,144,147,564
Derivative liabilities	2,607,020	-	2,607,020
Lease liabilities	-	793,882	793,882
	2,607,020	1,144,941,446	1,147,548,466

\* Exclude non-financial liabilities

## 12.1 Financial assets at amortised cost

### a) Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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Financial assets at amortised cost include cash and cash equivalents and trade and other receivables. As at 30 September 2022 and 2021, the Group's financial assets at amortised cost were presented in current and non-current as follows:

	Consolidated financial statements					
	30 September 2022			30 September 2021		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Cash and cash equivalents	897,272,315	-	897,272,315	1,003,320,726	-	1,003,320,726
Trade and other receivables, net	1,047,492,515	-	1,047,492,515	884,202,783	-	884,202,783
<b>Total</b>	<b>1,944,764,830</b>	<b>-</b>	<b>1,944,764,830</b>	<b>1,887,523,509</b>	<b>-</b>	<b>1,887,523,509</b>

  

	Separate financial statements					
	30 September 2022			30 September 2021		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Cash and cash equivalents	845,988,391	-	845,988,391	971,210,977	-	971,210,977
Trade and other receivables, net	1,050,879,164	-	1,050,879,164	887,021,715	-	887,021,715
<b>Total</b>	<b>1,896,867,555</b>	<b>-</b>	<b>1,896,867,555</b>	<b>1,858,232,692</b>	<b>-</b>	<b>1,858,232,692</b>

b) Fair value of financial assets at amortised cost

Due to the nature of cash and cash equivalents and trade and other receivables is current assets, their carrying amount is considered to be the same as their fair value.

c) Allowance for expected losses

Details of the impairment assessment of financial assets are disclosed in Note 5.6 f).

12.2 Financial assets measured at fair value to other comprehensive income (FVOCI)

a) Classification of financial assets measured at fair value to other comprehensive income (FVOCI)

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

- Investments in debt instruments with contractual cash flows that qualify for principal and interest, and has a business model for the purpose of holding such investments in order to receive contractual cash flows and to sell.
- Investment in equity instruments, which are not held for trading and the Group has irrevocably elected at initial recognition to recognise and the Group measure at fair value through other comprehensive income at the date of initial recognition.

As at 30 September 2022 and 2021, the Group has financial assets measured at fair value through other comprehensive income (FVOCI) as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Current assets</b>				
Investments in debt instruments (Government bond and debentures)	443,800,549	217,089,944	443,800,549	217,089,944
	443,800,549	217,089,944	443,800,549	217,089,944
<b>Non-current</b>				
Investments in debt instruments (Government bond and debentures)	141,803,878	374,957,953	141,803,878	374,957,953
Investment in unlisted equity instruments	93,301,607	174,598,217	93,301,607	174,598,217
	235,105,485	549,556,170	235,105,485	549,556,170
<b>Total</b>	<b>678,906,034</b>	<b>766,646,114</b>	<b>678,906,034</b>	<b>766,646,114</b>



### Investments in debt instruments

The Group's investments in debt instruments are investment units through a private fund managed by an asset management company, focusing on investment in domestic debt securities, both public and private. This entails of investing in government bonds and debentures and incorporating mutual fund investment units domestic debt. The ideal investment period is 2- 3 years. Details of the investment policies and frameworks and the Group's price risk management are disclosed in 6.1.1 c).

The movements of investments in debt instruments for the years ended 30 September 2022 and 2021 are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Opening balance	592,047,897	393,170,645	592,047,897	393,170,645
Additions	376,790,155	1,265,334,433	376,790,155	1,265,334,433
Disposals	(388,491,571)	(1,074,358,793)	(388,491,571)	(1,074,358,793)
Interest income	7,381,700	7,443,122	7,381,700	7,443,122
Change in fair value	(2,123,754)	458,490	(2,123,754)	458,490
Closing balance as at 30 September 2022	585,604,427	592,047,897	585,604,427	592,047,897

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

During 2022, the group disposed a partial of debt instruments and realised a loss on disposal (transferred the debt instruments measured at FVOCI reserve to other gain or loss totaling Baht 1,613,948).

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).

### Investment in equity instruments

As at 30 September 2022 and 2021, the Group had an investment in unlisted equity instruments as follows:

Company	Nature of business	Country of incorporation	Registered capital	% Ownership interest	Consolidated and Separated financial statements	
					2022 Fair value Baht	2022 At cost Baht
Inoue Rubber Vietnam Company Limited	Manufacture of tires and tubes of motorcycles and industrial elastomer rubber parts	Vietnam	US Dollars 12.5 million	8.0	93,301,607	30,781,799

b) Amounts recognised in profit or loss and other comprehensive income

The following gain/(loss) related to financial assets measured at fair value through other comprehensive income (FVOCI) were recognised in profit or loss and other comprehensive income during the year as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Recognised in profit or loss</b>				
Loss on disposals of debt instruments	(1,613,948)	(129,698)	(1,613,948)	(129,698)
Dividends received from equity investment (Note 25)	13,175,780	21,561,709	13,175,780	21,561,709
	11,561,832	21,432,011	11,561,832	21,432,011
<b>Recognised in other comprehensive income</b>				
Fair value gain/(loss) on debt instruments measured at FVOCI	(2,123,754)	458,490	(2,123,754)	458,490
Fair value gain on equity instruments measured at FVOCI	(81,296,610)	15,700,603	(81,296,610)	15,700,603
	(83,420,364)	16,159,093	(83,420,364)	16,159,093

12.3 Offsetting financial assets and liabilities

The following table presents the recognised financial assets that are offset and presented at net amount in the statement of financial position:

	Consolidated and Separate financial statements		
	Effects of offsetting in the financial position		
	Gross amount	Gross amount	Net amount
	Baht	offset in the financial position Baht	presented in the financial position Baht
As at 30 September 2022			
Trade and other receivables	381,301,506	(23,915,972)	357,385,534
Total	381,301,506	(23,915,972)	357,385,534

Offsetting arrangements - Trade receivables and payables

The Group gives volume-based rebates to selected customers. Under the terms of the supply agreements, the amounts payable by the Group are offset against receivables from the customers and only the net amounts are settled. The relevant amounts have therefore been presented net in the statement of financial position.

### 13 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Raw materials	429,917,120	417,736,158	429,579,770	417,382,896
Work in process	145,768,698	143,165,751	144,793,181	142,027,281
Finished goods	153,753,453	140,177,947	153,753,453	140,177,947
Supplies and spare parts	46,404,611	47,313,659	45,079,636	45,882,332
Inventories in transit	67,112,796	46,012,380	67,112,796	46,012,380
	842,956,678	794,405,895	840,318,836	791,482,836
<u>Less</u> Allowance for slow-moving inventories				
- raw materials	(2,099,451)	(2,246,536)	(2,099,451)	(2,246,536)
Allowance for slow-moving inventories				
- finished goods	(2,600,629)	(2,340,284)	(2,600,629)	(2,340,284)
Inventories, net	838,256,598	789,819,075	835,618,756	786,896,016

As at 30 September 2022, inventories with a value of Baht 7,701,875 (2021: Baht 6,210,680) were carried at net realisable value, this being lower than cost.

During 2022, the Group reversed a previously recognised allowance for inventories obsolescence of Baht 2,140,059. The Group has destroyed and written-down those inventories.

The Group recognised loss on allowance for diminution in value of inventories and obsolete inventories of Baht 2,253,319. (2021: Baht 55,034) to the consolidated and separate statements of comprehensive income, equally.

### 14 Investments in subsidiaries

As at 30 September 2022 and 2021, the Company had investments in subsidiaries as follows:

Company	Nature of business	Country of incorporation	Separate financial statements		
			Registered capital Baht	% Ownership interest	Investments at cost Baht
IRC (Asia) Research Limited	Research and development of products	Thailand	10,050,000	99.99	10,049,930
Kin No Hoshi Engineering Company Limited	Manufacture, repair, and modification of metal molds	Thailand	10,000,000	99.99	9,999,300
Investments in subsidiaries					20,049,230

**15 Investment properties, net**

	Consolidated financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
<b>As at 1 October 2020</b>			
Cost	9,020,819	6,179,498	15,200,317
<u>Less</u> Accumulated depreciation	-	(6,179,496)	(6,179,496)
Net book amount	9,020,819	2	9,020,821
<b>For the year ended 30 September 2021</b>			
Opening net book amount	9,020,819	2	9,020,821
Depreciation charges	-	-	-
Closing net book amount	9,020,819	2	9,020,821
<b>As at 30 September 2021</b>			
Cost	9,020,819	6,179,498	15,200,317
<u>Less</u> Accumulated depreciation	-	(6,179,496)	(6,179,496)
Net book amount	9,020,819	2	9,020,821
<b>For the year ended 30 September 2022</b>			
Opening net book amount	9,020,819	2	9,020,821
Depreciation charges	-	-	-
Closing net book amount	9,020,819	2	9,020,821
<b>As at 30 September 2022</b>			
Cost	9,020,819	6,179,498	15,200,317
<u>Less</u> Accumulated depreciation	-	(6,179,496)	(6,179,496)
Net book amount	9,020,819	2	9,020,821

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	Separate financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
<b>As at 1 October 2020</b>			
Cost	9,564,949	15,931,220	25,496,169
<u>Less</u> Accumulated depreciation	-	(15,791,074)	(15,791,074)
Net book amount	9,564,949	140,146	9,705,095
<b>For the year ended 30 September 2021</b>			
Opening net book amount	9,564,949	140,146	9,705,095
Depreciation charges	-	(29,258)	(29,258)
Closing net book amount	9,564,949	110,888	9,675,837
<b>As at 30 September 2021</b>			
Cost	9,564,949	15,931,220	25,496,169
<u>Less</u> Accumulated depreciation	-	(15,820,332)	(15,820,332)
Net book amount	9,564,949	110,888	9,675,837
<b>For the year ended 30 September 2022</b>			
Opening net book amount	9,564,949	110,888	9,675,837
Depreciation charges	-	(29,149)	(29,149)
Closing net book amount	9,564,949	81,739	9,646,688
<b>As at 30 September 2022</b>			
Cost	9,564,949	15,931,220	25,496,169
<u>Less</u> Accumulated depreciation	-	(15,849,481)	(15,849,481)
Net book amount	9,564,949	81,739	9,646,688

As at 30 September 2022 and 2021, the fair values of investment properties were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Land	13,875,000	13,875,000	17,830,500	17,830,500
Building and building improvements	20,095,000	19,547,000	26,013,761	25,575,327
	33,970,000	33,422,000	43,844,261	43,405,827

The fair values of investment properties are within level 3 of the fair value hierarchy which used significant unobservable inputs in the valuation technique (Note 7). The fair values of investment properties were appraised by professional independent valuers, who qualified as expert and hold a recognised relevant professional qualification and have recent experience in the locations and categories of such investment properties.

Amounts relating to investment properties recognised in profit or loss were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Rental income				
- Subsidiaries (Note 30)	-	-	3,266,700	3,248,820
- Related parties (Note 30)	1,332,000	1,332,000	1,332,000	1,332,000
- Other party	392,500	434,000	392,500	434,000
Direct operating expense arising from investment property that generated rental income for the year	-	-	29,149	29,258

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16 Property, plant and equipment, net

	Consolidated financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery equipment Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles and installation Baht	Asset under construction Baht	
<b>As at 1 October 2020</b>								
Cost	212,828,630	979,942,330	3,059,557,760	1,977,552,463	153,391,520	58,425,089	87,360,268	6,529,058,060
Less Accumulated depreciation	(67,516,056)	(716,254,198)	(2,019,177,359)	(1,740,925,241)	(123,729,661)	(43,811,728)	-	(4,711,414,243)
Net book amount	145,312,574	263,688,132	1,040,380,401	236,627,222	29,661,859	14,613,361	87,360,268	1,817,643,817
<b>For the year ended 30 September 2021</b>								
Opening net book amount	145,312,574	263,688,132	1,040,380,401	236,627,222	29,661,859	14,613,361	87,360,268	1,817,643,817
Additions	1,008,269	9,836,017	54,709,817	60,175,940	5,992,706	5,120,259	95,554,608	232,397,616
Disposals, net	-	(21,079)	(3,143,799)	(853,527)	(39,003)	(9)	-	(4,057,417)
Write-offs, net	-	(182,661)	(95,600)	(155,125)	(49)	-	-	(433,435)
Transfers in (out)	-	915,020	88,929,171	8,799,786	35,000	-	(98,678,977)	-
Depreciation charges	(7,795,911)	(41,780,385)	(190,118,580)	(91,418,214)	(14,582,544)	(6,978,566)	-	(352,674,200)
Closing net book amount	138,524,932	232,455,044	990,661,410	213,176,082	21,067,969	12,755,045	84,235,899	1,692,876,381
<b>As at 30 September 2021</b>								
Cost	213,836,899	989,713,950	3,164,061,625	2,036,586,217	156,896,733	62,022,832	84,235,899	6,707,354,155
Less Accumulated depreciation	(75,311,967)	(757,258,906)	(2,173,400,215)	(1,823,410,135)	(135,828,764)	(49,267,787)	-	(5,014,477,774)
Net book amount	138,524,932	232,455,044	990,661,410	213,176,082	21,067,969	12,755,045	84,235,899	1,692,876,381

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		Consolidated financial statements							
		Land and land improvements	Building and building improvements	Machinery	Tools and factory equipment	Furniture, fixtures, and office equipment	Motor vehicles	Asset under construction and installation	Total
		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>For the year ended 30 September 2022</b>									
Opening net book amount		138,524,932	232,455,044	990,661,410	213,176,082	21,067,969	12,755,045	84,235,899	1,692,876,381
Additions		852,878	11,195,403	24,681,128	56,065,727	5,897,483	4,675,648	196,154,934	299,523,201
Disposals, net		-	(531)	(4,417,521)	(513,834)	(11,599)	(74,284)	-	(5,017,769)
Write-offs, net		-	(35,703)	(217,043)	(242,891)	(3,980)	-	-	(499,617)
Transfers in (out)		-	6,940,626	149,187,231	33,699,627	15,000	10,000	(189,852,484)	-
Depreciation charges		(7,115,297)	(42,286,933)	(196,856,871)	(88,674,014)	(12,081,904)	(5,448,457)	-	(352,463,476)
Closing net book amount		132,262,513	208,267,906	963,038,334	213,510,697	14,882,969	11,917,952	90,538,349	1,634,418,720
<b>As at 30 September 2022</b>									
Cost		214,689,777	1,006,292,588	3,280,567,691	2,113,947,060	160,799,227	61,657,145	90,538,349	6,928,491,837
Less Accumulated depreciation		(82,427,264)	(798,024,682)	(2,317,529,357)	(1,900,436,363)	(145,916,258)	(49,739,193)	-	(5,294,073,117)
Net book amount		132,262,513	208,267,906	963,038,334	213,510,697	14,882,969	11,917,952	90,538,349	1,634,418,720

Depreciation charges of Baht 335,319,764 (2021: Baht 331,437,222) were included in the costs of sales and services, Baht 17,143,712 (2021: Baht 21,236,978) in administrative expenses in the consolidated statements of comprehensive income.

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	Separate financial statements										Total Baht	
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles and installation Baht	Asset under construction Baht					
<b>As at 1 October 2020</b>												
Cost	212,284,499	956,384,292	2,846,959,316	1,938,720,362	128,910,928	54,880,640	86,682,518				6,224,822,555	
Less Accumulated depreciation	(67,516,056)	(694,355,671)	(1,865,254,990)	(1,705,785,759)	(100,756,064)	(41,435,660)	-				(4,475,104,200)	
Net book amount	144,768,443	262,028,621	981,704,326	232,934,603	28,154,864	13,444,980	86,682,518				1,749,718,355	
<b>For the year ended 30 September 2021</b>												
Opening net book amount	144,768,443	262,028,621	981,704,326	232,934,603	28,154,864	13,444,980	86,682,518				1,749,718,355	
Additions	1,008,269	9,836,017	52,375,296	57,272,006	5,190,585	5,120,259	95,511,888				226,314,320	
Disposals, net	-	(21,079)	(3,143,796)	(853,523)	(38,981)	(8)	-				(4,057,387)	
Writes-off, net	-	(182,661)	(95,600)	(155,125)	(43)	-	-				(433,429)	
Transfers in (out)	-	915,020	88,496,921	8,799,786	35,000	-	(98,246,727)				-	
Depreciation charges	(7,795,910)	(41,208,790)	(180,312,415)	(89,670,488)	(13,817,308)	(6,557,416)	-				(339,362,327)	
Closing net book amount	137,980,802	231,367,128	939,024,732	208,327,259	19,524,117	12,007,815	83,947,679				1,632,179,532	
<b>As at 30 September 2021</b>												
Cost	213,292,768	966,155,910	2,949,143,630	1,995,353,835	133,225,729	58,516,799	83,947,679				6,399,636,350	
Less Accumulated depreciation	(75,311,966)	(734,788,782)	(2,010,118,898)	(1,787,026,576)	(113,701,612)	(46,508,984)	-				(4,767,456,818)	
Net book amount	137,980,802	231,367,128	939,024,732	208,327,259	19,524,117	12,007,815	83,947,679				1,632,179,532	



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	Separate financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht	
<b>For the year ended 30 September 2022</b>								
Opening net book amount	137,980,802	231,367,128	939,024,732	208,327,259	19,524,117	12,007,815	83,947,679	1,632,179,532
Additions	852,878	11,195,402	22,559,004	53,129,866	4,691,223	4,286,200	196,154,934	292,869,507
Disposals, net	-	(531)	(4,413,025)	(513,351)	(11,599)	(69,630)	-	(5,008,136)
Writes-off, net	-	(35,703)	(217,043)	(242,891)	(3,978)	-	-	(499,615)
Transfers in (out)	-	6,940,626	149,089,731	33,656,907	15,000	10,000	(189,712,264)	-
Depreciation charges	(7,115,297)	(41,798,089)	(187,364,363)	(86,673,056)	(11,174,900)	(5,017,172)	-	(339,142,877)
Closing net book amount	131,718,383	207,668,833	918,679,036	207,684,734	13,039,863	11,217,213	90,390,349	1,580,398,411
<b>As at 30 September 2022</b>								
Cost	214,145,647	982,734,548	3,064,406,739	2,069,903,051	135,947,112	58,275,149	90,390,349	6,615,802,595
Less: Accumulated depreciation	(82,427,264)	(775,065,715)	(2,145,727,703)	(1,862,218,317)	(122,907,249)	(47,057,936)	-	(5,035,404,184)
Net book amount	131,718,383	207,668,833	918,679,036	207,684,734	13,039,863	11,217,213	90,390,349	1,580,398,411

Depreciation charges of Baht 322,770,988 (2021: Baht 318,807,787) were included in the costs of sales and services, Baht 16,371,889 (2021: Baht 20,554,540) in administrative expenses in the separate statements of comprehensive income.

**17 Right-of-use assets, net**

As at 30 September 2022 and 2021, right-of-use assets balances were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Billboard space	764,094	943,910	764,094	943,910
<b>Total</b>	<b>764,094</b>	<b>943,910</b>	<b>764,094</b>	<b>943,910</b>

For the years ended 30 September 2022 and 2021, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Amortisation of right-of-use assets	179,816	179,816	179,816	179,816
Payment for principal elements of lease payments	220,000	220,000	220,000	220,000
Expenses related to leases that not included in the measurement of lease liabilities and right-of-use assets:				
- Expense relating to short-term leases	1,753,100	793,311	1,753,100	743,655
- Expense relating to leases of low-value assets	1,196,152	1,011,221	1,196,152	1,011,221
<b>Total cash outflow for leases</b>	<b>2,949,252</b>	<b>1,804,532</b>	<b>2,949,252</b>	<b>1,754,876</b>

**18 Computer software, net**

	Consolidated financial statements Baht	Separate financial statements Baht
<b>As at 1 October 2020</b>		
Cost	118,318,867	85,508,246
<u>Less</u> Accumulated amortisation	<u>(67,945,290)</u>	<u>(41,272,068)</u>
Net book amount	<u>50,373,577</u>	<u>44,236,178</u>
<b>For the year ended 30 September 2021</b>		
Opening net book amount	50,373,577	44,236,178
Additions	2,888,351	2,590,351
Amortisation charges	<u>(8,388,428)</u>	<u>(7,354,695)</u>
Closing net book amount	<u>44,873,500</u>	<u>39,471,834</u>
<b>As at 30 September 2021</b>		
Cost	121,207,218	88,098,597
<u>Less</u> Accumulated amortisation	<u>(76,333,718)</u>	<u>(48,626,763)</u>
Net book amount	<u>44,873,500</u>	<u>39,471,834</u>
<b>For the year ended 30 September 2022</b>		
Opening net book amount	44,873,500	39,471,834
Additions	12,457,721	10,342,121
Amortisation charges	<u>(8,244,560)</u>	<u>(7,220,923)</u>
Closing net book amount	<u>49,086,661</u>	<u>42,593,032</u>
<b>As at 30 September 2022</b>		
Cost	133,664,939	98,440,718
<u>Less</u> Accumulated amortisation	<u>(84,578,278)</u>	<u>(55,847,686)</u>
Net book amount	<u>49,086,661</u>	<u>42,593,032</u>

Amortisation charges of Baht 808,089 (2021: Baht 767,598) were included in the costs of sales and services and Baht 7,436,471 (2021: Baht 7,620,830) in administrative expenses in the consolidated statement of comprehensive income.

Amortisation charges of Baht 7,220,923 (2021: Baht 7,354,695) were included in the administrative expenses in the separate statement of comprehensive income.

**19 Deferred income taxes**

The analysis of deferred tax assets and deferred tax liabilities was as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>The Company and subsidiary with net deferred tax asset position</b>				
Deferred tax assets	59,065,939	70,978,997	54,914,597	65,850,093
Deferred tax liabilities	(7,088,802)	(26,732,394)	(7,063,481)	(26,683,890)
<b>Deferred income taxes, net (assets)</b>	<b>51,977,137</b>	<b>44,246,603</b>	<b>47,851,116</b>	<b>39,166,203</b>
<b>Subsidiary with net deferred tax liability position</b>				
Deferred tax assets	1,075,788	1,561,884	-	-
Deferred tax liabilities	(1,778,413)	(1,841,673)	-	-
<b>Deferred income taxes, net (liabilities)</b>	<b>(702,625)</b>	<b>(279,789)</b>	<b>-</b>	<b>-</b>

Deferred tax assets and liabilities in the statements of financial position are presented at net position of deferred tax assets or liabilities incurred by each entity of the Group. Deferred tax assets and liabilities are offset where the income taxes relate to the same tax authority, being the Revenue Department.

The movements of deferred income taxes during the years were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Net deferred taxes (assets):</b>				
Opening balance	44,246,603	40,677,033	39,166,203	36,109,278
Recognised to profit or loss	6,715,025	6,801,388	6,031,770	6,288,743
Recognised to other comprehensive income	1,015,509	(3,231,818)	2,653,143	(3,231,818)
<b>Closing balance</b>	<b>51,977,137</b>	<b>44,246,603</b>	<b>47,851,116</b>	<b>39,166,203</b>
<b>Net deferred taxes (liabilities)</b>				
Opening balance	(279,789)	(331,106)	-	-
Recognised to profit or loss	-	51,317	-	-
Recognised to other comprehensive income	(422,836)	-	-	-
<b>Closing balance</b>	<b>(702,625)</b>	<b>(279,789)</b>	<b>-</b>	<b>-</b>

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The deferred taxation relates to the temporary differences between the book values and the tax bases of significant assets and liabilities of the Group, which were summarised below:

	Consolidated financial statements			
	As at 1 October 2021 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2022 Baht
<b>Deferred tax assets</b>				
Derivative liabilities	562,088	(40,684)	-	521,404
Lease liabilities	192,835	(34,058)	-	158,777
Provisions and accruals	72,585,800	3,345,332	(16,091,400)	59,839,732
	<u>73,340,723</u>	<u>3,270,590</u>	<u>(16,091,400)</u>	<u>60,519,913</u>
<b>Deferred tax liabilities</b>				
Derivative assets	(611,061)	385,693	-	(225,368)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	352,522	-	424,751	777,273
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	(28,763,283)	-	16,259,322	(12,503,961)
Right-of-use assets	(188,787)	35,968	-	(152,819)
Plant and equipment	(163,300)	3,022,774	-	2,859,474
	<u>(29,373,909)</u>	<u>3,444,435</u>	<u>16,684,073</u>	<u>(9,245,401)</u>
<b>Deferred income tax, net</b>	<u>43,966,814</u>	<u>6,715,025</u>	<u>592,673</u>	<u>51,274,512</u>
	Consolidated financial statements			
	As at 1 October 2020 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2021 Baht
<b>Deferred income tax assets</b>				
Derivative liabilities	246,649	315,439	-	562,088
Lease liabilities	-	192,835	-	192,835
Provisions and accruals	68,994,904	3,590,896	-	72,585,800
	<u>69,241,553</u>	<u>4,099,170</u>	<u>-</u>	<u>73,340,723</u>
<b>Deferred income tax liabilities</b>				
Derivative assets	(50,026)	(561,035)	-	(611,061)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	444,220	-	(91,698)	352,522
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	(25,623,163)	-	(3,140,120)	(28,763,283)
Right-of-use assets	(5)	(188,782)	-	(188,787)
Plant and equipment	(3,666,652)	3,503,352	-	(163,300)
	<u>(28,895,626)</u>	<u>2,753,535</u>	<u>(3,231,818)</u>	<u>(29,373,909)</u>
<b>Deferred income tax, net</b>	<u>40,345,927</u>	<u>6,852,705</u>	<u>(3,231,818)</u>	<u>43,966,814</u>

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	Separate financial statements			
	As at 1 October 2021 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2022 Baht
<b>Deferred tax assets</b>				
Derivative liabilities	562,088	(40,684)	-	521,404
Lease liabilities	192,835	(34,058)	-	158,777
Provisions and accruals	65,895,014	2,748,519	(14,030,930)	54,612,603
	66,649,937	2,673,777	(14,030,930)	55,292,784
<b>Deferred tax liabilities</b>				
Derivative assets	(611,061)	385,693	-	(225,368)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	352,522	-	424,751	777,273
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	(28,763,283)	-	16,259,322	(12,503,961)
Right-of-use assets	(188,787)	35,968	-	(152,819)
Plant and equipment	1,726,875	2,936,332	-	4,663,207
	(27,483,734)	3,357,993	16,684,073	(7,441,668)
<b>Deferred income tax, net</b>	39,166,203	6,031,770	2,653,143	47,851,116
	Separate financial statements			
	As at 1 October 2020 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2021 Baht
<b>Deferred income tax assets</b>				
Derivative liabilities	246,649	315,439	-	562,088
Lease liabilities	-	192,835	-	192,835
Provisions and accruals	63,002,818	2,892,196	-	65,895,014
	63,249,467	3,400,470	-	66,649,937
<b>Deferred income tax liabilities</b>				
Derivative assets	(50,026)	(561,035)	-	(611,061)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	444,220	-	(91,698)	352,522
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	(25,623,163)	-	(3,140,120)	(28,763,283)
Right-of-use assets	(5)	(188,782)	-	(188,787)
Plant and equipment	(1,911,215)	3,638,090	-	1,726,875
	(27,140,189)	2,888,273	(3,231,818)	(27,483,734)
<b>Deferred income tax, net</b>	36,109,278	6,288,743	(3,231,818)	39,166,203

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As at 30 September 2022, the Group only recognised those deferred tax assets that in the management's judgement were likely to be realised, due to the historical operating profits generated by the operations of the entities within the Group. This is disclosed in the note regarding the gross deferred and income taxes to enable users of the financial statements to understand the nature of the movements in this balance.

As at 30 September 2022, the Group has no tax loss carried forward.

Under the Thai Revenue Code, all entities are taxed as separate entities with no relief available for the Group.

**20 Trade and other payables**

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Trade payables - related companies (Note 30)	271,628,810	281,678,985	271,628,810	282,652,257
Trade payables - other companies	635,452,589	553,924,496	630,076,088	545,227,621
Amounts due to related parties (Note 30)	76,315	963,445	26,433,864	32,525,946
Accrued expenses	163,774,032	135,683,035	145,364,863	122,586,728
Down payments received from customers	2,983,786	2,076,387	2,983,786	2,076,387
Other payables	73,113,002	51,509,055	70,643,939	50,270,900
<b>Trade and other payables</b>	<b>1,147,028,534</b>	<b>1,025,835,403</b>	<b>1,147,131,350</b>	<b>1,035,339,839</b>

Outstanding accrued expenses as at 30 September 2022 and 2021 were detailed as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Accrued bonuses	126,517,893	99,337,730	113,626,895	89,407,916
Accrued employee income taxes	10,615,839	6,822,999	10,146,698	6,498,171
Accrued employee welfare	9,401,655	9,957,105	8,573,048	9,156,925
Other accruals	17,238,645	19,565,201	13,018,222	17,523,716
<b>Total accrued expenses</b>	<b>163,774,032</b>	<b>135,683,035</b>	<b>145,364,863</b>	<b>122,586,728</b>

**21 Employee benefit obligations**

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
The statement of financial position:				
Retirement benefits	285,819,444	349,717,892	259,683,793	316,263,957
<b>Total</b>	<b>285,819,444</b>	<b>349,717,892</b>	<b>259,683,793</b>	<b>316,263,957</b>

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salaries in the final years leading up to retirement.

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The movements in the obligations over the years were as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Opening balance	349,717,892	326,796,733	316,263,957	296,281,462
Current service cost	24,222,417	24,122,392	21,766,395	21,708,612
Interest cost	5,979,468	5,659,103	5,405,452	5,134,219
Remeasurements on employee benefit obligations:				
- Gain on change in financial assumptions	(86,710,472)	-	(76,035,810)	-
- Experience loss	6,253,470	-	5,881,152	-
	299,462,775	356,578,228	273,281,146	323,124,293
<u>Add</u> Additional provisions from transfer of employees	-	-	45,978	-
<u>Less</u> Benefits paid during the year	(13,643,331)	(6,860,336)	(13,643,331)	(6,860,336)
At 30 September	285,819,444	349,717,892	259,683,793	316,263,957

The Group accounts for these liabilities on an estimated basis using the following principal actuarial assumptions:

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Discount rate	2.75%	1.75%	2.75%	1.75%
Future salary increase rates	4.50%	6.00% - 6.50%	4.50%	6.00% - 6.50%
Other fixed allowance rate	3.50%	1.75%	3.50%	1.75%
1 Baht Gold price	Baht 30,000	Baht 21,500	Baht 30,000	Baht 21,500
Gold Inflation rate	3.00%	3.00%	3.00%	3.00%
Retirement age	58 years old	58 years old	58 years old	58 years old

The sensitivity analysis for each significant assumption disclosed in 2022 was as follows:

	Consolidated financial statement		
	Change in assumptions	Impact on employee benefit obligations	
		Change in the obligations (%)	Change in the obligations (Baht)
Discount rate	Increased by 0.5%	Decrease by 4.9%	Decreased by Baht 14,109,775
	Decreased by 0.5%	Increase by 5.3%	Increased by Baht 15,255,286
Future salary increase rate	Increased by 1%	Increase by 9.6%	Increased by Baht 27,544,450
	Decreased by 1%	Decrease by 8.4%	Decreased by Baht 23,895,305
1 Baht Gold price	Increased by Baht 1,000	Increase by 0.4%	Increased by Baht 1,026,488
	Decreased by Baht 1,000	Decrease by 0.4%	Decreased by Baht 1,026,486
	Separate financial statement		
	Change in assumptions	Impact on employee benefit obligations	
		Change in the obligations (%)	Change in the obligations (Baht)
Discount rate	Increased by 0.5%	Decrease by 4.8%	Decreased by Baht 12,449,299
	Decreased by 0.5%	Increase by 5.2%	Increased by Baht 13,446,993
Future salary increase rate	Increased by 1%	Increase by 9.3%	Increased by Baht 24,195,798
	Decreased by 1%	Decrease by 8.1%	Decreased by Baht 21,028,489
1 Baht Gold Price	Increased by Baht 1,000	Increase by 0.4%	Increased by Baht 949,342
	Decreased by Baht 1,000	Decrease by 0.4%	Decreased by Baht 949,342



The above sensitivity analysis were based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method of calculating the retirement benefit obligation recognised within the statements of financial position at the end of the reporting period (present value of the defined benefit obligation calculated with the projected unit credit method).

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the retirement benefit obligation was 11.01 years.

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Less than a year	8,103,016	10,542,886	8,062,111	10,419,877
Between 1 - 5 years	60,239,961	40,119,160	57,973,965	38,646,926
Over 5 years	319,004,823	360,393,439	282,930,440	313,247,854
	<b>387,347,800</b>	<b>411,055,485</b>	<b>348,966,516</b>	<b>362,314,657</b>

## 22 Share capital and premium on share capital

	Consolidated and Separate financial statements			
	Number of shares	Ordinary shares Baht	Share premium Baht	Total Baht
As at 1 October 2020	192,207,700	85,988,362	298,000,000	383,988,362
Issue of shares	-	-	-	-
As at 30 September 2021	192,207,700	85,988,362	298,000,000	383,988,362
Issue of shares	-	-	-	-
As at 30 September 2022	192,207,700	85,988,362	298,000,000	383,988,362

As at 30 September 2022, the total number of registered ordinary shares was 200 million shares (2021: 200 million shares) with a par value of Baht 1 per share (2021: Baht 1 per share). All issued shares are fully paid.

The details of the treasury shares are disclosed in Note 24.

## 23 Legal reserve

Under the Public Companies Act, the Company is required to set aside as a legal reserve at least 5% of profit derived from the business of the Company after accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital. This reserve is non-distributable.

In consolidated financial statements, legal reserve of subsidiaries included in unappropriated retained earnings.

## 24 Treasury shares

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

At the Board of Directors Meeting no. 8/2019 of the Company held on 22 November 2019, the meeting passed a resolution approving the share repurchase project for financial management purpose with amount not exceeding Baht 118 million, approximately represents 8 million shares or 4% of the total issued shares. The Company repurchases the ordinary shares via main board of the Stock Exchange of Thailand within 6 months, during the period from 9 December 2019 to 5 June 2020. Treasury share has to be resold after 6 months but no later than 3 years from the completion date of share repurchases. The payment for treasury shares presented as reduction in equity in the statement of financial position.

On 5 June 2020, the share repurchase project for financial management purpose had been completed. The Company repurchased 7,792,300 shares for total treasury shares of Baht 114,011,638, represents 3.9% of the Company's total issued shares.

## 25 Dividend Income

### Dividend income from subsidiaries

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.

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 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.

### Dividend income from investment in equity instruments

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).

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).

## 26 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Raw materials and consumables used	2,958,362,592	2,415,820,424	2,937,304,457	2,393,574,298
Changes in finished goods and work in progress	16,178,454	60,039,808	16,341,406	59,420,999
Depreciation of investment properties and plant and equipment (Notes 15 and 16)	352,463,476	352,674,200	339,172,026	339,391,585
Amortisation of right-of-use assets (Note 17)	179,816	179,816	179,816	179,816
Amortisation of computer software (Note 18)	8,244,560	8,388,428	7,220,923	7,354,695
Staff costs	814,290,991	777,988,414	735,099,744	704,604,627
Advertising and promotion expenses	15,540,774	17,561,780	15,540,774	17,561,780
Rental expenses	2,949,252	1,804,532	2,949,252	1,754,876
Purchases of finished goods	960,568,188	827,481,834	960,568,188	827,481,834
Utility expenses	158,222,673	145,781,128	150,103,498	138,921,133
Transportation expenses	75,418,686	67,996,851	75,320,627	67,954,380
Repair and maintenance expenses	117,631,364	101,215,454	113,490,555	98,250,991
Professional fees	47,262,156	43,617,528	46,933,942	43,317,121
Insurance premiums	17,428,580	16,601,068	17,209,963	16,146,233

## 27 Income tax expenses

Income tax expenses for the years ended 30 September 2022 and 2021 were summarised below:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Current tax:				
Current tax on profits for the year	19,335,050	87,421,008	14,392,744	82,836,563
Adjustments in respect of prior year	(233,408)	405,889	(262,604)	742,985
<b>Total current tax</b>	<b>19,101,642</b>	<b>87,826,897</b>	<b>14,130,140</b>	<b>83,579,548</b>
Deferred income tax (Note 19):				
Decrease in deferred tax assets	(3,270,590)	(4,099,170)	(2,673,777)	(3,400,470)
Decrease in deferred tax liabilities	(3,444,435)	(2,753,535)	(3,357,993)	(2,888,273)
<b>Total deferred income tax</b>	<b>(6,715,025)</b>	<b>(6,852,705)</b>	<b>(6,031,770)</b>	<b>(6,288,743)</b>
<b>Income tax expense</b>	<b>12,386,617</b>	<b>80,974,192</b>	<b>8,098,370</b>	<b>77,290,805</b>

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Reconciliation of income tax expenses and the results of accounting profit using the basic tax rate of the year was presented as below:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Profit before income tax expenses	122,326,694	421,004,772	119,958,639	422,328,496
Tax calculated at statutory tax rates of 20% Impact:	24,465,339	84,200,954	23,991,728	84,465,699
Income not subjected to tax and expenses that are deductible at a greater amount	(5,262,287)	(3,413,736)	(8,955,124)	(7,915,627)
Expenses not deductible for tax purpose	4,250,297	723,210	4,157,694	602,354
Additional income subjected to tax	-	-	-	-
Profit from promoted activities which exempt from payment of corporate income tax	(10,833,324)	(633,768)	(10,833,324)	(604,606)
Tax losses for which no deferred income tax asset was recognised	-	-	-	-
Utilisation of previously unrecognised tax losses	-	(308,357)	-	-
Adjustment in respect of prior year	(233,408)	405,889	(262,604)	742,985
Income tax expenses	12,386,617	80,974,192	8,098,370	77,290,805

The average income tax rate was 10.13% (2021: 19.23%) for the consolidated financial statements and 6.75% (2021: 18.30%) for the separate financial statements. The increase in the average income tax rate is due to a decrease in the profit from promoted activities with tax-exempt for the current year.

The tax relating to component of other comprehensive income was as follows:

	Consolidated financial statements					
	2022			2021		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Measurement of debt instruments at fair value through other comprehensive income	(2,123,754)	424,751	(1,699,003)	458,490	(91,698)	366,792
Measurement of equity instruments at fair value through other comprehensive income	(81,296,610)	16,259,322	(65,037,288)	15,700,603	(3,140,120)	12,560,483
Remeasurements of employee benefit obligations	80,457,002	(16,091,400)	64,365,602	-	-	-
	(2,963,362)	592,673	(2,370,689)	16,159,093	(3,231,818)	12,927,275

  

	Separate financial statements					
	2022			2021		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Measurement of debt instruments at fair value through other comprehensive income	(2,123,754)	424,751	(1,699,003)	458,490	(91,698)	366,792
Measurement of equity instruments at fair value through other comprehensive income	(81,296,610)	16,259,322	(65,037,288)	15,700,603	(3,140,120)	12,560,483
Remeasurements of employee benefit obligations	70,154,658	(14,030,930)	56,123,728	-	-	-
	(13,265,706)	2,653,143	(10,612,563)	16,159,093	(3,231,818)	12,927,275

## 28 Earnings per share

Basic earnings per share are calculated by dividing the net profit attributable to the owner of the parent company by the weighted average number of ordinary shares in issue during the year.

	Consolidated financial statements		Separate financial statements	
	2022	2021	2022	2021
Net profit attributable to the owners of the parent company (Baht)	109,940,057	340,030,324	111,860,269	345,037,691
Weighted average number of ordinary shares outstanding (shares)	192,207,700	192,207,700	192,207,700	192,207,700
Basic earnings per share (Baht per share)	0.57	1.77	0.58	1.80

There were no dilutive potential ordinary shares in issue during the years presented.

## 29 Changes in liabilities arising from financing activities

	Consolidated and separate financial statements Lease liabilities Baht
Balance as at 1 October 2021	964,174
Finance cost	49,708
Payment for principal elements of lease payments	(220,000)
Balance as at 30 September 2022	793,882
Lease liabilities - current portion	216,614
Lease liabilities - non-current portion	577,268

### 30 Related party transactions

Individuals and entities that directly, or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

The Company's major shareholders are the Leeissaranukuls group in proportion of 39.51% and Inoue Rubber Company Limited, which is incorporated and domiciled in Japan, in proportion of 35.69%. The remaining 24.80% of the shares are widely held.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

During the year, the Group and the Company entered into several transactions with its subsidiaries and related parties. The terms and basis of such transactions were negotiated between the parties in the ordinary course of business and according to normal trade conditions.

	<u>Terms and basis</u>
Sales of goods	Market price or cost plus margin according to type of products
Service income	Cost plus margin
Rental income	Contract price which is in line with market
Purchases of raw materials, machinery and metal molds	Prices which approximate to the price charged to a third party
Research and development expenses	Prices as agreed in the contract which is near to the market price
Technical assistance fees	Prices as agreed in the contract based on percentage of sales
Advertising expenses	Prices which approximate to the price charged nearly to the market price
Utility expenses	Price as agreed to the price charged by a third party
Employee service sharing expenses	Prices which approximate to the price charged to a third party

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The significant related party transactions for the years ended 30 September 2022 and 2021 were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Sales of goods</b>				
Subsidiaries	-	-	14,057,304	17,937,953
Related parties	2,594,188,187	2,389,845,908	2,594,062,552	2,389,843,760
	<u>2,594,188,187</u>	<u>2,389,845,908</u>	<u>2,608,119,856</u>	<u>2,407,781,713</u>
<b>Services income</b>				
Related parties	15,894,970	14,714,817	15,894,970	14,714,817
<b>Rental income (Note 15)</b>				
Subsidiaries	-	-	3,266,700	3,248,820
Related parties	1,332,000	1,332,000	1,332,000	1,332,000
	<u>1,332,000</u>	<u>1,332,000</u>	<u>4,598,700</u>	<u>4,580,820</u>
<b>Dividend income (Note 25)</b>				
Subsidiaries	-	-	18,999,753	22,999,608
Related party	13,175,780	21,561,709	13,175,780	21,561,709
	<u>13,175,780</u>	<u>21,561,709</u>	<u>32,175,533</u>	<u>44,561,317</u>
<b>Purchases of raw materials</b>				
Related parties	931,611,821	911,501,462	931,611,821	911,501,462
<b>Purchases of machinery and metal molds and repair costs</b>				
Subsidiary	-	-	44,525,875	47,187,825
Related parties	1,830,016	1,998,414	1,830,016	1,998,414
	<u>1,830,016</u>	<u>1,998,414</u>	<u>46,355,891</u>	<u>49,186,239</u>
<b>Research and development expenses</b>				
Subsidiary	-	-	112,887,126	102,997,082
Related party	3,181,447	1,343,390	-	-
	<u>3,181,447</u>	<u>1,343,390</u>	<u>112,887,126</u>	<u>102,997,082</u>
<b>Technical assistance fees</b>				
Related parties	86,397,658	79,267,496	86,397,658	79,267,496
<b>Rental and service fees</b>				
Related parties	1,512,696	530,541	1,512,696	530,541
<b>Advertising expenses</b>				
Related parties	6,425,485	8,855,302	6,425,485	8,855,302
<b>Utility expenses</b>				
Related parties	430,505	380,593	430,505	380,593

The Company entered into rental agreements of land, building, and machinery and equipment with two subsidiaries and related company with total annual rental income of approximately Baht 4.60 million. The lease terms are 1 year.

The Company charged certain utility expenses to certain related companies at which approximate to the price charged to a third party.

The Company entered into marketing and sales cooperation and product quality assurance and quality control service agreements with a local related company. Under these agreements the Company has obliged to pay service fees to such company at the rate as stipulated in the agreements. The agreements have been in effect since May 2009 until cancelled by either party.

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The Company entered into research and development services agreement with a subsidiary. Under this agreement, the Company has obliged to pay service fee to the subsidiary at the rate stipulated in the agreement. The agreement is effective for a period of 1 year which commenced from May 2022.

The Company entered into professional service agreements with a local related company to provide the professional services at total annual services income of approximately Baht 13.24 million. The service fees will be reviewed mutually by both parties in June of a year. The agreement is effective for a period of 1 year which commenced from June 2022.

The Company entered into a space rental and security service agreement with a local related company. Under this agreement, the Company has obliged to pay rental and service fee to the related party approximately Baht 1.54 million. The term of the agreement are 6 months which commenced from August 2022.

The outstanding balances as at 30 September 2022 and 2021 between the Company and those related companies were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
<b>Trade receivables</b>				
Subsidiaries	-	-	4,046,646	4,981,212
Related companies	509,613,182	457,228,073	509,613,182	457,228,074
<b>Total trade receivables</b>	<b>509,613,182</b>	<b>457,228,073</b>	<b>513,659,828</b>	<b>462,209,286</b>
<b>Amounts due from related parties</b>				
Subsidiaries	-	-	1,928,815	1,771,323
Related companies	1,529,673	1,512,434	1,529,673	1,512,434
<b>Total amounts due from related parties</b>	<b>1,529,673</b>	<b>1,512,434</b>	<b>3,458,488</b>	<b>3,283,757</b>
<b>Trade payables</b>				
Subsidiaries	-	-	-	973,272
Related companies	271,628,810	281,678,985	271,628,810	281,678,985
<b>Total trade payables</b>	<b>271,628,810</b>	<b>281,678,985</b>	<b>271,628,810</b>	<b>282,652,257</b>
<b>Amounts due to related parties</b>				
Subsidiaries	-	-	26,357,550	32,268,301
Related companies	76,315	963,445	76,314	257,645
<b>Total amounts due to related parties</b>	<b>76,315</b>	<b>963,445</b>	<b>26,433,864</b>	<b>32,525,946</b>

**Directors' and key management's remunerations**

The Company and its subsidiaries had the compensation paid or payable to their key directors and management for the years ended 30 September 2022 and 2021 as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Salaries and short-term employee benefits	68,323,785	65,275,947	68,323,785	65,275,947
Post-employee benefits	1,596,821	1,744,164	1,596,821	1,744,164
Other long-term employee benefits	1,316,516	1,270,930	1,316,516	1,270,930
	<b>71,237,122</b>	<b>68,291,041</b>	<b>71,237,122</b>	<b>68,291,041</b>



**31 Promotional privileges**

The Company and its subsidiary have been granted promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment. Under certain significant conditions, significant privileges are as follows:

Details	Inoue Rubber (Thailand) Public Company Limited		Kin No Hoshi Engineering Company Limited
	64-0737-1-07-1-0 17 March 2021	64-0736-1-07-1-0 17 March 2021	
1. Certificate No. Dated	64-0737-1-07-1-0 17 March 2021	64-0736-1-07-1-0 17 March 2021	63-0570-1-00-1-0 15 April 2020
2. Promotional privileges for	Manufacturing of motorcycle tires and tubes	Manufacturing of rubber parts for vehicles and compound rubber	Manufacturing of molds and repairing of its own manufactured molds
3. The significant privileges are	3 years	3 years	5 years
3.1 Exemption of corporate income tax for net income from promotional operations and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.	Granted	Granted	Granted
3.2 Allowance for carry-forward of annual loss from operations incurred during the exemption of corporate income tax on net income to offset with net income for a period of 5 years, after exemption period in 3.1.	Granted	Granted	Granted
3.3 Exemption/Reduction of import duty on machinery as approved by the Board.	Granted	Granted	Granted
3.4 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.	None	Granted	None
3.5 50% reduction of corporate income tax rate for net income from promotional operations for a period of 5 years, after exemption period in 3.1.	None	None	None
4. Date of first earning operating income	24 July 2021	24 July 2021	3 May 2021

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Sales of the Group are both export and local sales which could be separated between promoted and non-promoted operations as follows:

	Consolidated financial statements					
	BOI		non-BOI		Total	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Sales:						
Export	985,164,997	210,399,351	106,119,978	835,861,377	1,091,284,975	1,046,260,728
Local	3,465,351,016	475,645,866	1,326,531,780	3,775,474,212	4,791,882,796	4,251,120,078
	<b>4,450,516,013</b>	<b>686,045,217</b>	<b>1,432,651,758</b>	<b>4,611,335,589</b>	<b>5,883,167,771</b>	<b>5,297,380,806</b>
	Separate financial statements					
	BOI		non - BOI		Total	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Sales:						
Export	985,164,997	210,399,351	105,994,343	835,859,228	1,091,159,340	1,046,258,579
Local	3,465,351,016	475,645,866	1,325,109,840	3,773,683,801	4,790,460,856	4,249,329,667
	<b>4,450,516,013</b>	<b>686,045,217</b>	<b>1,431,104,183</b>	<b>4,609,543,029</b>	<b>5,881,620,196</b>	<b>5,295,588,246</b>

### 32. 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.

### 33. Commitments

#### 33.1 Lease commitments

The Group has entered into several lease agreements with low-value assets, lease term of 12 months or less in respect of building area, accommodation for employees, motor vehicles and office equipment.

As at 30 September 2022 and 2021, the Group had future minimum lease payments required under these non-cancellable low-value assets and lease term of 12 months or less leases (2021: Baht 0.63 million) as follows:

	Consolidated financial statements		Separate financial statements	
	2022 Baht	2021 Baht	2022 Baht	2021 Baht
Within 1 year	647,022	610,504	647,022	610,504
Later than 1 year but not later than 3 years	377,190	20,110	377,190	20,110
<b>Total</b>	<b>1,024,212</b>	<b>630,614</b>	<b>1,024,212</b>	<b>630,614</b>

### 33.2 Letters of guarantee

As at 30 September 2022, the Company had outstanding letters of guarantee issued by financial institutions of approximately Baht 20.62 million (2021: Baht 20.62 million) to the Provincial Electricity Authority for electricity consumption on behalf of the Company and Baht 0.38 million (2021: Baht 0.34 million) for the due fulfillment by the Company of the terms and conditions in respect of grant of Certification Mark License by the licensor and Baht 5.42 million (2021: Baht 1.06 million) for the contractual performance.

The guarantees are issued in the ordinary course of business. No liabilities are expected to arise from the above guarantees.

### 33.3 Operating commitments

The Company entered into agreements for technical assistance in production with foreign related companies. Under the agreements, the Company has obliged to pay technical assistance fees at the rates as stipulated in the agreements, which are percentage of sales.

## 34 Events occurring after the statement of financial position date

On 24 November 2022, the Board of Directors' Meeting of the Company No.6/2022 had a resolution for the proposed dividend payment from its operating results for 2022 at Baht 0.2910 per share (Baht 0.2496 per share from BOI-promoted operations and Baht 0.0414 per share from non-BOI promoted operations) to shareholders who are on the register as at 9 February 2023, amounting to a total dividend of Baht 55.93 million. The dividend will be distributed on 28 February 2023. The dividend has not been recognized as liability in the financial statements. The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.