

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED

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

31 MARCH 2023



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

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

I have reviewed the interim consolidated financial information of Inoue Rubber (Thailand) Public Company Limited and its subsidiaries, and the interim separate financial information of Inoue Rubber (Thailand) Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2023, the consolidated and separate statements of comprehensive income for the three-month and six-month periods then ended, the related consolidated and separate statements of changes in equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Sanicha', followed by a stylized signature that includes a large, sweeping flourish.

Sanicha Akarakittilap
Certified Public Accountant (Thailand) No. 8470
Bangkok
12 May 2023

Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position

As at 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000
Assets					
Current assets					
Cash and cash equivalents		813,361	897,272	777,505	845,988
Financial assets measured at fair value through other comprehensive income					
- debt instruments	6, 8	485,952	443,801	485,952	443,801
Trade and other receivables, net	7	1,027,293	1,047,492	1,029,883	1,050,879
Derivatives assets	6	880	1,127	880	1,127
Inventories, net		763,475	838,257	761,307	835,619
Other current assets		8,617	6,677	7,883	6,003
Total current assets		3,099,578	3,234,626	3,063,410	3,183,417
Non-current assets					
Financial assets measured at fair value through other comprehensive income					
- debt instruments	6, 8	91,024	141,804	91,024	141,804
Financial asset measured at fair value through other comprehensive income					
- equity instrument	6, 8	98,527	93,302	98,527	93,302
Investments in subsidiaries		-	-	20,049	20,049
Investment property, net		9,021	9,021	9,632	9,646
Property, plant and equipment, net	9	1,567,245	1,634,419	1,516,489	1,580,399
Right-of-use assets, net		674	764	674	764
Computer software, net	10	39,772	49,086	33,179	42,593
Deferred tax assets		54,021	51,977	49,849	47,851
Other non-current assets		74,726	57,351	74,666	57,291
Total non-current assets		1,935,010	2,037,724	1,894,089	1,993,699
Total assets		5,034,588	5,272,350	4,957,499	5,177,116

Director _____

Director _____

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Financial Position (Cont'd)
 As at 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000
Liabilities and equity					
Current liabilities					
Trade and other payables	11	871,389	1,147,029	879,989	1,147,131
Derivatives liabilities	6	1,516	2,607	1,516	2,607
Income tax payable		7,230	1,924	4,999	670
Current portion of lease liabilities		210	217	210	217
Other current liabilities		743	1,444	-	-
Total current liabilities		881,088	1,153,221	886,714	1,150,625
Non-current liabilities					
Lease liabilities		385	577	385	577
Deferred tax liabilities		509	703	-	-
Employee benefit obligations	12	293,884	285,819	267,356	259,684
Other non-current liabilities		961	-	961	-
Total non-current liabilities		295,739	287,099	268,702	260,261
Total liabilities		1,176,827	1,440,320	1,155,416	1,410,886

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Financial Position (Cont'd)
 As at 31 March 2023

	Note	Consolidated financial information		Separate financial information	
		Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000
Liabilities and equity (Cont'd)					
Equity					
Share capital					
Authorised share capital					
Ordinary shares, 200 million shares at par value of Baht 1 each					
		200,000	200,000	200,000	200,000
Issued and fully paid-up share capital					
Ordinary shares, 200 million shares paid-up of Baht 1 each					
		200,000	200,000	200,000	200,000
Share premium					
		298,000	298,000	298,000	298,000
Retained earnings					
Appropriated - legal reserve					
		20,000	20,000	20,000	20,000
Appropriated - treasury shares reserve					
	13	114,012	114,012	114,012	114,012
Unappropriated					
		3,288,068	3,267,375	3,231,128	3,200,313
<u>Less</u> Treasury shares					
	13	(114,012)	(114,012)	(114,012)	(114,012)
Other components of equity					
		51,688	46,650	52,955	47,917
Equity attributable to:					
Owners of the parent					
		3,857,756	3,832,025	3,802,083	3,766,230
Non-controlling interests					
		5	5	-	-
Total equity					
		3,857,761	3,832,030	3,802,083	3,766,230
Total liabilities and equity					
		5,034,588	5,272,350	4,957,499	5,177,116

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

Inoue Rubber (Thailand) Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2023

	Notes	Consolidated		Separate	
		financial information		financial information	
		2023	2022	2023	2022
		Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Revenue from sales and services		1,441,143	1,568,214	1,440,850	1,567,832
Dividend income	14	-	13,176	24,000	32,176
Other income		19,354	13,399	20,112	13,679
Total revenues		1,460,497	1,594,789	1,484,962	1,613,687
Expenses					
Cost of sales and services		1,297,569	1,423,563	1,308,541	1,429,511
Selling expenses		24,733	26,283	24,733	26,283
Administrative expenses		65,202	70,174	63,849	69,027
Other expenses		7,808	4,475	7,807	4,465
Total expenses		1,395,312	1,524,495	1,404,930	1,529,286
Profit before finance costs and income tax		65,185	70,294	80,032	84,401
Finance costs		(9)	(12)	(9)	(12)
Profit before income tax		65,176	70,282	80,023	84,389
Income tax expense	15	(4,261)	(6,132)	(2,867)	(5,148)
Net profit for the period		60,915	64,150	77,156	79,241

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

Inoue Rubber (Thailand) Public Company Limited
Statements of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 31 March 2023

	Consolidated		Separate	
	financial information		financial information	
	2023	2022	2023	2022
	Baht'000	Baht'000	Baht'000	Baht'000
Other comprehensive income:				
Item that will not be reclassified subsequently to profit or loss:				
Gain (loss) from measurement of equity instruments at fair value through other comprehensive income, net of tax	2,557	(91,040)	2,557	(91,040)
Total item that will not be reclassified subsequently to profit or loss	2,557	(91,040)	2,557	(91,040)
Item that will be reclassified subsequently to profit or loss:				
Gain (loss) from measurement of debt instruments at fair value through other comprehensive income, net of tax	181	(288)	181	(288)
Total item that will be reclassified subsequently to profit or loss	181	(288)	181	(288)
Other comprehensive income (expense) for the period, net of tax	2,738	(91,328)	2,738	(91,328)
Total comprehensive income (expense) for the period	63,653	(27,178)	79,894	(12,087)
Profit attributable to:				
Owners of the parent	60,915	64,150	77,156	79,241
Non-controlling interests	-	-	-	-
	60,915	64,150	77,156	79,241
Total comprehensive income (expense) attributable to:				
Owners of the parent	63,653	(27,178)	79,894	(12,087)
Non-controlling interests	-	-	-	-
	63,653	(27,178)	79,894	(12,087)
Earnings per share				
Basic earnings per share (Baht)	0.32	0.33	0.40	0.41

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

Inoue Rubber (Thailand) Public Company Limited
Statements of Comprehensive Income (Unaudited) (Cont'd)
For the six-month period ended 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		2023 Baht'000	2022 Baht'000	2023 Baht'000	2022 Baht'000
Revenues					
Revenue from sales and services		2,904,765	2,971,246	2,904,147	2,970,537
Dividend income	14	-	13,176	24,000	32,176
Other income		29,718	27,549	31,234	27,161
Total revenues		2,934,483	3,011,971	2,959,381	3,029,874
Expenses					
Cost of sales and services		2,658,772	2,705,911	2,679,147	2,719,375
Selling expenses		56,600	56,093	56,600	56,093
Administrative expenses		123,956	137,255	121,207	134,837
Other expenses		12,945	10,584	12,933	10,571
Total expenses		2,852,273	2,909,843	2,869,887	2,920,876
Profit before finance costs and income tax		82,210	102,128	89,494	108,998
Finance costs		(21)	(26)	(21)	(26)
Profit before income tax		82,189	102,102	89,473	108,972
Income tax expense	15	(5,564)	(10,811)	(2,726)	(8,332)
Net profit for the period		76,625	91,291	86,747	100,640

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

Inoue Rubber (Thailand) Public Company Limited
Statements of Comprehensive Income (Unaudited) (Cont'd)
For the six-month period ended 31 March 2023

	Consolidated		Separate	
	financial information		financial information	
	2023	2022	2023	2022
	Baht'000	Baht'000	Baht'000	Baht'000
Other comprehensive income (expense):				
Item that will not be reclassified subsequently to profit or loss:				
Gain (loss) from measurement of equity instruments at fair value through other comprehensive income, net of tax	4,180	(96,302)	4,180	(96,302)
Total item that will not be reclassified subsequently to profit or loss	4,180	(96,302)	4,180	(96,302)
Item that will be reclassified subsequently to profit or loss:				
Gain (loss) from measurement of debt instruments at fair value through other comprehensive income, net of tax	858	(108)	858	(108)
Total item that will be reclassified subsequently to profit or loss	858	(108)	858	(108)
Other comprehensive income (expense) for the period, net of tax	5,038	(96,410)	5,038	(96,410)
Total comprehensive income (expense) for the period	81,663	(5,119)	91,785	4,230
Profit attributable to:				
Owners of the parent	76,625	91,291	86,747	100,640
Non-controlling interests	-	-	-	-
	76,625	91,291	86,747	100,640
Total comprehensive income (expense) attributable to:				
Owners of the parent	81,663	(5,119)	91,785	4,230
Non-controlling interests	-	-	-	-
	81,663	(5,119)	91,785	4,230
Earnings per share				
Basic earnings per share (Baht)	0.40	0.47	0.45	0.52

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

Inoue Rubber (Thailand) Public Company Limited
Statements of Changes in Equity (Unaudited)
For the six-month period ended 31 March 2023

Consolidated financial information													
Attributable to owners of the parent													
	Capital contributed				Retained earnings			Other components of equity				Total equity Baht'000	
	Issue and fully paid-up share capital Baht'000	Share premium Baht'000	Treasury shares Baht'000	Appropriated -legal reserve Baht'000	Appropriated -treasury shares reserve Baht'000	Unappropriated retained earnings Baht'000	Measurement of debt instruments at fair value through other comprehensive income Baht'000	Measurement of equity instruments at fair value through other comprehensive income Baht'000	Measurement of revaluations of post-employment benefit obligations Baht'000	Total other components of equity Baht'000	Total owners of the parent Baht'000		Non-controlling Interests Baht'000
Opening balance as at 1 October 2021	200,000	298,000	(114,012)	20,000	114,012	3,327,443	(1,410)	115,053	(64,622)	49,021	3,894,464	5	3,894,469
Changes in equity for the six-month period ended 31 March 2022	-	-	-	-	-	91,291	(108)	(96,302)	-	(96,410)	(5,119)	-	(5,119)
Total comprehensive income (expense) for the period	-	-	-	-	-	(170,007)	-	-	-	-	(170,007)	-	(170,007)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 31 March 2022	200,000	298,000	(114,012)	20,000	114,012	3,248,727	(1,518)	18,751	(64,622)	(47,389)	3,719,338	5	3,719,343
Opening balance as at 1 October 2022	200,000	288,000	(114,012)	20,000	114,012	3,287,375	3,709	50,016	(257)	46,650	3,832,025	5	3,832,030
Changes in equity for the six-month period ended 31 March 2023	-	-	-	-	-	76,625	858	4,180	-	5,038	81,663	-	81,663
Total comprehensive income for the period	-	-	-	-	-	(55,932)	-	-	-	-	(55,932)	-	(55,932)
Dividends paid	-	-	-	-	-	3,288,068	3,967	54,196	(257)	51,668	3,857,756	5	3,857,761
Closing balance as at 31 March 2023	200,000	288,000	(114,012)	20,000	114,012	3,288,068	3,967	54,196	(257)	51,668	3,857,756	5	3,857,761

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Changes in Equity (Unaudited) (Cont'd)
 For the six-month period ended 31 March 2023

	Separate financial information										Total equity Baht'000
	Capital contributed			Retained earnings			Other components of equity				
	Issued and fully paid-up share capital Baht'000	Share premium Baht'000	Treasury shares Baht'000	Appropriated - legal reserve Baht'000	Appropriated - treasury shares reserve Baht'000	Unappropriated retained earnings Baht'000	Measurement of debt Instruments at fair value through other comprehensive Income Baht'000	Measurement of equity Instruments at fair value through other comprehensive Income Baht'000	Remeasurements of post-employment benefit obligations Baht'000	Total other components of equity Baht'000	
Opening balance as at 1 October 2021	200,000	298,000	(114,012)	20,000	114,012	3,258,460	(1,410)	115,053	(55,114)	58,529	3,834,869
Changes in equity for the six-month period ended 31 March 2022	-	-	-	-	-	100,640 (170,007)	(108)	(96,302)	-	(96,410)	4,230 (170,007)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 31 March 2022	200,000	298,000	(114,012)	20,000	114,012	3,189,093	(1,518)	18,751	(55,114)	(37,881)	3,669,212
Opening balance as at 1 October 2022	200,000	298,000	(114,012)	20,000	114,012	3,200,313	(3,109)	50,016	1,010	47,917	3,766,230
Changes in equity for the six-month period ended 31 March 2023	-	-	-	-	-	86,747 (55,932)	868	4,180	-	5,038	91,785 (55,932)
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 31 March 2023	200,000	298,000	(114,012)	20,000	114,012	3,231,128	(2,251)	54,196	1,010	52,955	3,802,083

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Cash Flows (Unaudited)
 For the six-month period ended 31 March 2023

	Notes	Consolidated		Separate	
		financial information		financial information	
		2023	2022	2023	2022
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Profit before income tax		82,189	102,102	89,473	108,972
Adjustments for:					
Depreciation of plant and equipment and investment property		167,921	176,438	161,678	169,787
Amortisation of computer software		3,948	4,117	3,356	3,633
Amortisation of right-of-use assets		90	90	90	90
Loss on diminution in value of inventories		1,795	469	1,795	469
Net (gain) loss on write-offs and disposals of property, plant and equipment		(449)	1,050	(449)	1,096
Unrealised (gain) loss on exchange rate		2,571	(3,696)	2,571	(3,696)
Fair value gain (loss) on derivatives		(844)	3,844	(844)	3,844
Loss on disposals of investments in debt instruments	8	48	116	48	116
Interest income		(6,312)	(5,132)	(6,193)	(5,093)
Finance costs		21	26	21	26
Dividends income	14	-	(13,176)	(24,000)	(32,176)
Employee benefits	12	13,285	15,101	12,343	13,586
Changes in working capital					
Trade and other receivables		15,402	(265,599)	16,199	(264,876)
Inventories		72,987	66,853	72,517	67,942
Other current assets		(1,853)	(1,827)	(1,880)	(1,823)
Other non-current assets		(17,375)	(6,765)	(17,375)	(6,764)
Trade and other payables		(253,727)	113,685	(241,826)	121,007
Other current liabilities		(701)	196	-	-
Other non-current liabilities		961	-	961	-
Employee benefits paid	12	(5,220)	(5,508)	(4,671)	(5,508)
Cash generated from operations		74,737	182,384	63,814	170,632
Interest received		5,935	5,174	5,817	5,131
Interest paid		(47)	(57)	(47)	(57)
Income tax paid		(3,842)	(22,181)	(1,655)	(19,817)
Income tax received		-	2,883	-	-
Net cash generated from operating activities		76,783	168,203	67,929	155,889

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Cash Flows (Unaudited) (Cont'd)
 For the six-month period ended 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		2023 Baht'000	2022 Baht'000	2023 Baht'000	2022 Baht'000
Cash flows from investing activities					
Purchases of investments in debt instruments	8	(356,035)	(126,912)	(356,035)	(126,912)
Proceeds from disposals of investments in debt instruments		365,835	138,982	365,835	138,982
Purchases of property, plant and equipment		(116,209)	(147,082)	(116,558)	(153,789)
Purchases of computer software		(2,076)	(1,141)	(1,384)	(1,025)
Proceeds from disposals of property, plant and equipment		3,896	1,356	3,835	1,309
Dividends received		-	13,176	24,000	32,176
Net cash used in investing activities		(104,589)	(121,621)	(80,307)	(109,259)
Cash flows from financing activities					
Payments for principal elements of lease payments		(173)	(164)	(173)	(164)
Dividends paid	16	(55,932)	(170,007)	(55,932)	(170,007)
Net cash used in financing activities		(56,105)	(170,171)	(56,105)	(170,171)
Net decrease in cash and cash equivalents		(83,911)	(123,589)	(68,483)	(123,541)
Cash and cash equivalents at the beginning of the period		897,272	1,003,321	845,988	971,211
Cash and cash equivalents at the end of the period		813,361	879,732	777,505	847,670
Non-cash transactions					
Other payables from purchases of property, plant and equipment		21,735	34,111	31,080	47,914

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

1 General information

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

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

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

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

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

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

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

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

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

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

The interim consolidated and separate financial information were authorised for issue by the Board of Directors on 12 May 2023.

2 Basis of preparation

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

The interim financial information should be read in conjunction with the annual financial statements for the year ended 30 September 2022.

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

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 30 September 2022.

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2023 do not have material impact on the Group.

4 Accounting estimates

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

Inoue Rubber (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 31 March 2023

5 Segment and revenue information

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

The Group's financial information for the three-month periods ended 31 March 2023 and 2022 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2023 Baht'000	2022 Baht'000	2023 Baht'000	2022 Baht'000	2023 Baht'000	2022 Baht'000
Revenue from sales and services	1,155,404	1,263,659	285,739	304,555	1,441,143	1,568,214
Cost of sales and services	(1,052,203)	(1,167,293)	(245,366)	(256,270)	(1,297,569)	(1,423,563)
Gross profit	103,201	96,366	40,373	48,285	143,574	144,651
Other income					19,354	13,399
Dividend income					-	13,176
Selling expenses					(24,733)	(26,283)
Administrative expenses					(65,202)	(70,174)
Other expenses					(7,808)	(4,475)
Finance cost					(9)	(12)
Income tax expense					(4,261)	(6,132)
Net profit for the period					60,915	64,150
Timing of revenue recognition						
At a point in time	1,155,272	1,263,422	285,739	304,555	1,441,011	1,567,977
Overtime	132	237	-	-	132	237
Total revenues	1,155,404	1,263,659	285,739	304,555	1,441,143	1,568,214

The Group's financial information for the six-month periods ended 31 March 2023 and 2022 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2023 Baht'000	2022 Baht'000	2023 Baht'000	2022 Baht'000	2023 Baht'000	2022 Baht'000
Revenue from sales and services	2,305,371	2,420,838	599,394	550,408	2,904,765	2,971,246
Cost of sales and services	(2,142,306)	(2,246,243)	(516,466)	(459,668)	(2,658,772)	(2,705,911)
Gross profit	163,065	174,595	82,928	90,740	245,993	265,335
Other income					29,718	27,549
Dividend income					-	13,176
Selling expenses					(56,600)	(56,093)
Administrative expenses					(123,956)	(137,255)
Other expenses					(12,945)	(10,584)
Finance cost					(21)	(26)
Income tax expense					(5,564)	(10,811)
Net profit for the period					76,625	91,291
Timing of revenue recognition						
At a point in time	2,305,123	2,420,470	599,340	550,408	2,904,463	2,970,878
Overtime	248	368	54	-	302	368
Total revenues	2,305,371	2,420,838	599,394	550,408	2,904,765	2,971,246

6 Fair value

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

	Consolidated and separate financial information							
	Level 1		Level 2		Level 3		Total	
	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000
Assets								
Financial assets at fair value through profit or loss (FVPL)								
Derivatives - Foreign exchange contracts	-	-	880	1,127	-	-	880	1,127
Financial assets at fair value through other comprehensive income (FVOCI)								
- Debt instruments	576,976	585,605	-	-	-	-	576,976	585,605
- Equity instruments	-	-	-	-	98,527	93,302	98,527	93,302
Total assets	576,976	585,605	880	1,127	98,527	93,302	676,383	680,034
Liabilities								
Financial liabilities at fair value through profit or loss (FVPL)								
Derivatives - Foreign exchange contracts	-	-	1,516	2,607	-	-	1,516	2,607
Total liabilities	-	-	1,516	2,607	-	-	1,516	2,607

Valuation techniques used to measure fair value level 1

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

Valuation techniques used to measure fair value level 2

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

Valuation techniques used to measure fair value level 3

Changes in fair value in level 3 of unlisted equity instruments which is financial assets measured at fair value through other comprehensive income (FVOCI) for the six-month period ended 31 March 2023 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance as at 1 October 2022	93,302
Gains recognised in other comprehensive income	5,225
Closing balance as at 31 March 2023	98,527

Valuation processes

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

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

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

	Fair value		Unobservable inputs	Range of inputs	
	Consolidated and separate financial information			Consolidated and separate financial information	
	Unaudited	Audited		Unaudited	Audited
	31 March 2023	30 September 2022		31 March 2023	30 September 2022
Million Baht	Million Baht		%	%	
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instrument	98.53	93.30	Future revenue growth rate Risk-adjusted discount rate	1.0 17.9	1.0 17.5

As at 31 March 2023, relationship of unobservable inputs to fair value are shown as follows:

	Unobservable inputs	Movement	Change in fair value	
			Consolidated and separate financial information	
			Increase in assumptions	Decrease in assumptions
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instrument	Future revenue growth rate Risk-adjusted discount rate	1.0% 1.0%	Increase by 5.42% Decrease by 4.85%	Decrease by 4.81% Increase by 5.39%

7 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2023	Audited 30 September 2022	Unaudited 31 March 2023	Audited 30 September 2022
	Baht'000	Baht'000	Baht'000	Baht'000
Trade receivables - related companies (Note 18 b))	483,910	509,613	488,000	513,660
Trade receivables - other companies	521,231	520,539	519,432	518,802
<u>Less</u> Allowance for expected credit loss	-	-	-	-
Trade receivables, net	1,005,141	1,030,152	1,007,432	1,032,462
Prepayments	19,680	15,295	18,212	14,484
Accrued income	701	438	648	418
Advanced payments	35	20	-	-
Amounts due from related parties (Note 18 b))	1,566	1,530	3,421	3,458
Other receivables	170	57	170	57
Trade and other receivables, net	1,027,293	1,047,492	1,029,883	1,050,879

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As at 31 March 2023 and 30 September 2022, trade receivables, included in trade and other receivables in the statements of financial position, can be analysed by aging as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000
Related companies				
Current	483,905	509,580	487,995	513,627
Overdue up to 3 months	5	33	5	33
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	483,910	509,613	488,000	513,660
Other companies				
Current	514,592	515,899	512,794	514,310
Overdue up to 3 months	6,280	4,488	6,280	4,340
Overdue 3 - 6 months	207	152	206	152
Overdue 6 - 12 months	152	-	152	-
Overdue more than 12 months	-	-	-	-
	521,231	520,539	519,432	518,802
<u>Less</u> Allowance for expected credit loss	-	-	-	-
	521,231	520,539	519,432	518,802
Total trade receivables, net	1,005,141	1,030,152	1,007,432	1,032,462

8 Financial assets measured at fair value through other comprehensive income

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

	Consolidated and separate financial information	
	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000
Current assets		
Investments in debt instruments (Government bond and debentures)	485,952	443,801
	485,952	443,801
Non-current assets		
Investments in debt instruments (Government bond and debentures)	91,024	141,804
Investment in unlisted equity instrument	98,527	93,302
	189,551	235,106
Total	675,503	678,907

Movements of investments in debt instruments for the six-month period ended 31 March 2023 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance as at 1 October 2022	585,605
Additions	356,035
Disposals	(369,240)
Interest income	3,505
Change in fair values	1,071
Closing balance as at 31 March 2023	576,976

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

During the current interim period, the group disposed the partial debt investments and realised a loss on disposal (transferred FVOCI reserve to other expenses of Baht 48,248).

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 6).

Movements of investment in equity instrument for the six-month period ended 31 March 2023 are disclosed in Note 6.

9 Property, plant and equipment, net

Movements of property, plant and equipment for the six-month period ended 31 March 2023 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	1,634,419	1,580,399
Additions	96,752	93,698
Reclassifications from computer software	7,442	7,442
Disposals, net	(3,107)	(3,107)
Write-offs, net	(340)	(279)
Depreciation charges	(167,921)	(161,664)
Closing net book amount	1,567,245	1,516,489

10 Computer software, net

Movements of computer software for the six-month period ended 31 March 2023 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	49,086	42,593
Additions	2,076	1,384
Reclassifications to property, plant and equipment	(7,442)	(7,442)
Amortisation charges	(3,948)	(3,356)
Closing net book amount	39,772	33,179

11 Trade and other payables

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000
Trade payables - related companies (Note 18 b))	230,691	271,629	230,691	271,629
Trade payables - other companies	535,043	635,453	531,733	630,076
Amounts due to related parties (Note 18 b))	112	76	22,009	26,433
Accrued expenses	55,731	163,774	47,632	145,365
Advance received from customers	2,502	2,984	2,502	2,984
Other payables	47,310	73,113	45,422	70,644
Trade and other payables	871,389	1,147,029	879,989	1,147,131

12 Employee benefit obligations

Movements of employee benefit obligations for the six-month period ended 31 March 2023 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening balance	285,819	259,684
Additional provisions during the period	13,285	12,343
<u>Less</u> Employee benefits paid during the period	(5,220)	(4,671)
Closing balance	293,884	267,356

13 Treasury shares

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

Treasury shares reserve

As of 31 March 2023, the Company had treasury shares reserve of Baht 114.01 million that has been set aside from unappropriated retained earnings. The amount of treasury share reserve should be maintained and not be distributed a dividend until all repurchased shares are resold, or the Company reduces capital by reducing shares unsold.

14 Dividend income

Dividend income from subsidiaries

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 2023 of Kin No Hoshi Engineering Company Limited held on 30 January 2023, the shareholders passed a resolution approving dividend payment from its operating results for 2022 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 2023.

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

At the Annual General Meeting of shareholders for 2023 of IRC (Asia) Research Limited held on 30 January 2023, the shareholders passed a resolution approving dividend payment from its operating results for 2022 at Baht 7 per share from non-BOI promoted operations, amounting to a total dividend of Baht 21 million. The Company received the dividend on 28 February 2023.

15 Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the three-month period ended 31 March 2023 is 6.54% (2022: 8.72%) for the Group and 3.58% (2022: 6.10%) for the Company and for the six-month period ended 31 March 2023 is 6.77% (2022: 10.59%) for the Group and 3.05% (2022: 7.65%) for the Company.

16 Dividends paid

At the Annual General Meeting of shareholders for 2023 of the Company held on 30 January 2023, the shareholders passed a resolution approving 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.

17 Letters of bank guarantee

As at 31 March 2023, the Group had outstanding letters of guarantee issued by banks on behalf of the Company in the normal course of business comprise guarantee for electricity consumption to the Provincial Electricity Authority of Baht 20.62 million (30 September 2022: Baht 20.62 million), guarantee for the due fulfillment of the terms and conditions in respect of grant of Certification Mark License by the licensor of Baht 0.34 million (30 September 2022: Baht 0.38 million) and guarantee for contractual performance of Baht 8.22 million (30 September 2022: Baht 5.42 million).

18 Related party transactions

a) Transactions with related parties

The significant related party transactions for the three-month periods ended 31 March 2023 and 2022 were as follows:

	Consolidated financial information		Separate financial information	
	2023 Baht'000	2022 Baht'000	2023 Baht'000	2022 Baht'000
Sales of goods				
Subsidiary	-	-	3,823	3,227
Related parties	629,189	679,844	629,189	679,844
	629,189	679,844	633,012	683,071
Service income				
Related parties	3,988	4,022	3,988	4,022
Rental income				
Subsidiaries	-	-	826	812
Related party	333	333	333	333
	333	333	1,159	1,145
Purchases of raw materials				
Related parties	217,713	229,185	217,713	229,185
Purchases of machineries and metal molds and repair costs				
Subsidiary	-	-	9,435	11,728
Related parties	54	269	54	269
	54	269	9,489	11,997
Research and development expenses				
Subsidiary	-	-	30,203	28,312
Related party	702	983	-	-
	702	983	30,203	28,312
Technical assistance fee expenses				
Related parties	23,202	22,362	23,202	22,362
Advertising expenses				
Related party	239	50	239	50
Dividend income (Note 14)				
Subsidiaries	-	-	24,000	19,000
Related party	-	13,176	-	13,176
	-	13,176	24,000	32,176
Rental and service expenses				
Related parties	374	378	374	378
Utility expense				
Related parties	81	90	81	90

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The significant related party transactions for the six-month periods ended 31 March 2023 and 2022 were summarised as follows:

	Consolidated financial information		Separate financial information	
	2023 Baht'000	2022 Baht'000	2023 Baht'000	2022 Baht'000
Sales of goods				
Subsidiary	-	-	7,681	7,639
Related parties	1,304,162	1,319,643	1,304,108	1,319,643
	1,304,162	1,319,643	1,311,789	1,327,282
Service income				
Related parties	7,961	7,980	7,961	7,980
Rental income				
Subsidiaries	-	-	1,651	1,624
Related party	666	666	666	666
	666	666	2,317	2,290
Purchases of raw materials				
Related parties	431,466	451,520	431,466	451,520
Purchases of machineries and metal molds and repair costs				
Subsidiary	-	-	17,040	20,464
Related parties	57	477	57	477
	57	477	17,097	20,941
Research and development expenses				
Subsidiary	-	-	58,773	55,817
Related party	1,594	1,349	-	-
	1,594	1,349	58,773	55,817
Technical assistance fee expenses				
Related parties	46,277	43,407	46,277	43,407
Advertising expenses				
Related parties	560	2,100	560	2,100
Dividend income (Note 14)				
Subsidiaries	-	-	24,000	19,000
Related party	-	13,176	-	13,176
	-	13,176	24,000	32,176
Rental and service expenses				
Related parties	752	756	752	756
Utility expense				
Related parties	185	205	185	205

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

The outstanding balances as at 31 March 2023 and 30 September 2022 in relation to transactions between the Group and the Company and those subsidiaries and related companies were summarised as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000	Unaudited 31 March 2023 Baht'000	Audited 30 September 2022 Baht'000
Trade receivables (Note 7)				
Subsidiary		-	4,090	4,047
Related companies	483,910	509,613	483,910	509,613
Total trade receivables	483,910	509,613	488,000	513,660
Amounts due from related parties (Note 7)				
Subsidiaries	-	-	1,855	1,928
Related companies	1,566	1,530	1,566	1,530
Total amounts due from related parties	1,566	1,530	3,421	3,458
Trade payables (Note 11)				
Related companies	230,691	271,629	230,691	271,629
Total trade payables	230,691	271,629	230,691	271,629
Amounts due to related parties (Note 11)				
Subsidiaries	-	-	21,897	26,357
Related companies	112	76	112	76
Total amounts due to related parties	112	76	22,009	26,433

c) Directors' and key management's remunerations

The Company and its subsidiaries had the compensation paid or payable to their key directors and key management for the six-month periods ended 31 March 2023 and 2022 as follows:

	Consolidated financial information		Separate financial information	
	2023 Baht'000	2022 Baht'000	2023 Baht'000	2022 Baht'000
Salaries and other short-term benefits	40,548	40,914	40,548	40,914
Post-employment benefits	1,269	798	1,269	798
Other long-term benefits	602	692	602	692
	42,419	42,404	42,419	42,404

19 Events occurring after the statement of financial position date

On 12 May 2023, the Board of Directors held a meeting (No.3/2023) where a resolution was passed to reduce the registered capital of the Company. This was a result of the mandatory cancellation of treasury stocks that were not resold within three years from the repurchased date, and which amounted to 7,792,300 shares. The total value of these shares was Baht 114,011,638, which was equivalent to 3.9% of the issued and paid-up shares.