

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND SEPARATE  
FINANCIAL INFORMATION (UNAUDITED)

31 DECEMBER 2021



## 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 December 2021, the related consolidated and separate statements of comprehensive income, changes in equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

### Scope of review

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

### Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

**Sanicha Akarakittilap**  
Certified Public Accountant (Thailand) No. 8470  
Bangkok  
10 February 2022

Inoue Rubber (Thailand) Public Company Limited  
 Statements of Financial Position  
 As at 31 December 2021

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		908,479	1,003,321	868,121	971,211
Trade and other receivables, net	8	1,039,534	884,203	1,043,186	887,022
Derivatives assets	7	722	3,055	722	3,055
Financial assets measured at fair value through other comprehensive income					
- debt instruments	7, 9	233,217	217,090	233,217	217,090
Inventories, net		743,371	789,819	740,431	786,896
Other current assets		9,104	8,949	7,253	5,925
<b>Total current assets</b>		<b>2,934,427</b>	<b>2,906,437</b>	<b>2,892,930</b>	<b>2,871,199</b>
<b>Non-current assets</b>					
Financial assets measured at fair value through other comprehensive income					
- debt instruments	7, 9	359,092	374,958	359,092	374,958
Financial asset measured at fair value through other comprehensive income					
- equity instrument	7	168,020	174,598	168,020	174,598
Investments in subsidiaries		-	-	20,049	20,049
Investment property, net		9,021	9,021	9,669	9,676
Property, plant and equipment, net	10	1,677,165	1,692,876	1,618,448	1,632,179
Right-of-use assets, net		898	944	898	944
Computer software, net	11	43,737	44,873	38,463	39,472
Deferred tax assets, net		47,226	44,247	42,013	39,166
Other non-current assets		49,131	47,421	49,071	47,361
<b>Total non-current assets</b>		<b>2,354,290</b>	<b>2,388,938</b>	<b>2,305,723</b>	<b>2,338,403</b>
<b>Total assets</b>		<b>5,288,717</b>	<b>5,295,375</b>	<b>5,198,653</b>	<b>5,209,602</b>

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 December 2021

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade and other payables	12	986,172	1,025,835	1,000,020	1,035,340
Derivatives liabilities	7	2,045	2,810	2,045	2,810
Income tax payable		25,528	20,084	23,584	19,234
Current portion of lease liabilities		220	217	220	217
Other current liabilities		2,512	1,214	246	-
<b>Total current liabilities</b>		<b>1,016,477</b>	<b>1,050,160</b>	<b>1,026,115</b>	<b>1,057,601</b>
<b>Non-current liabilities</b>					
Lease liabilities		759	748	759	748
Deferred tax liabilities, net		270	280	-	-
Employee benefit obligations	13	354,683	349,718	320,472	316,264
<b>Total non-current liabilities</b>		<b>355,712</b>	<b>350,746</b>	<b>321,231</b>	<b>317,012</b>
<b>Total liabilities</b>		<b>1,372,189</b>	<b>1,400,906</b>	<b>1,347,346</b>	<b>1,374,613</b>

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 December 2021

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	31 December	30 September	31 December	30 September
	2021	2021	2021	2021
Note	Baht'000	Baht'000	Baht'000	Baht'000
<b>Liabilities and equity (Cont'd)</b>				
<b>Equity</b>				
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
Unappropriated				
	3,468,597	3,441,455	3,393,873	3,372,472
<u>Less</u> Treasury shares	14	(114,012)	(114,012)	(114,012)
Other components of equity	43,938	49,021	53,446	58,529
<b>Equity attributable to:</b>				
Owners of the parent	3,916,523	3,894,464	3,851,307	3,834,989
Non-controlling interests	5	5	-	-
<b>Total equity</b>	<b>3,916,528</b>	<b>3,894,469</b>	<b>3,851,307</b>	<b>3,834,989</b>
<b>Total liabilities and equity</b>	<b>5,288,717</b>	<b>5,295,375</b>	<b>5,198,653</b>	<b>5,209,602</b>

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 December 2021

	Notes	Consolidated financial information		Separate financial information	
		2021	2020	2021	2020
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Revenues</b>					
Revenue from sales and services	6	1,403,032	1,329,181	1,402,705	1,328,942
Other income		14,383	12,936	13,715	13,710
<b>Total revenues</b>		<b>1,417,415</b>	<b>1,342,117</b>	<b>1,416,420</b>	<b>1,342,652</b>
<b>Expenses</b>					
Cost of sales and services		1,282,348	1,094,715	1,289,864	1,103,169
Selling expenses		29,810	28,050	29,810	28,050
Administrative expenses		67,081	62,730	65,809	61,398
Other expenses		6,342	6,277	6,339	6,273
<b>Total expenses</b>		<b>1,385,581</b>	<b>1,191,772</b>	<b>1,391,822</b>	<b>1,198,890</b>
<b>Profit before finance costs and income tax</b>					
		31,834	150,345	24,598	143,762
Finance cost		(14)	(17)	(14)	(17)
<b>Profit before income tax</b>		<b>31,820</b>	<b>150,328</b>	<b>24,584</b>	<b>143,745</b>
Income tax expense	15	(4,678)	(29,149)	(3,183)	(27,807)
<b>Net profit for the period</b>		<b>27,142</b>	<b>121,179</b>	<b>21,401</b>	<b>115,938</b>

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 December 2021

	Consolidated		Separate	
	financial information		financial information	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
<b>Other comprehensive income (expense):</b>				
Item that will not be reclassified				
subsequently to profit or loss:				
Losses from measurement of				
equity instruments at fair value through				
other comprehensive income, net of tax	(5,263)	(3,625)	(5,263)	(3,625)
Total item that will not be reclassified				
subsequently to profit or loss	(5,263)	(3,625)	(5,263)	(3,625)
Item that will be reclassified				
subsequently to profit or loss:				
Gains from measurement of				
debt instruments at fair value through				
other comprehensive income, net of tax	180	300	180	300
Total item that will be reclassified				
subsequently to profit or loss	180	300	180	300
<b>Other comprehensive expense</b>				
<b>  for the period, net of tax</b>	<b>(5,083)</b>	<b>(3,325)</b>	<b>(5,083)</b>	<b>(3,325)</b>
<b>Total comprehensive income</b>				
<b>  for the period</b>	<b>22,059</b>	<b>117,854</b>	<b>16,318</b>	<b>112,613</b>
<b>Profit attributable to:</b>				
Owners of the parent	27,142	121,179	21,401	115,938
Non-controlling interests	-	-	-	-
	<b>27,142</b>	<b>121,179</b>	<b>21,401</b>	<b>115,938</b>
<b>Total comprehensive income</b>				
<b>  attributable to:</b>				
Owners of the parent	22,059	117,854	16,318	112,613
Non-controlling interests	-	-	-	-
	<b>22,059</b>	<b>117,854</b>	<b>16,318</b>	<b>112,613</b>
<b>Earnings per share</b>				
Basic earnings per share (Baht)	0.14	0.63	0.11	0.60

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 three-month period ended 31 December 2021

Consolidated financial information												
Attributable to owners of the parent												
	Capital contributed			Retained earnings			Other components of equity					
	Issued and fully paid-up share capital	Share premium	Treasury shares	Appropriated - legal reserve	Unappropriated retained earnings	Measurement of debt instruments at fair value through other comprehensive income	Measurement of equity instrument at fair value through other comprehensive income	Remeasurements of post-employment benefit obligations	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance	200,000	298,000	(114,012)	20,000	3,210,964	(1,777)	102,493	(64,622)	36,094	3,651,046	5	3,651,051
as at 1 October 2020												
Changes in equity for the three-month period ended 31 December 2020												
Total comprehensive income for the period	-	-	-	-	121,179	300	(3,625)	-	(3,325)	117,854	-	117,854
Closing balance	200,000	298,000	(114,012)	20,000	3,332,143	(1,477)	98,868	(64,622)	32,769	3,768,900	5	3,768,905
as at 31 December 2020												
Opening balance	200,000	298,000	(114,012)	20,000	3,441,455	(1,410)	115,053	(64,622)	49,021	3,894,464	5	3,894,469
as at 1 October 2021												
Changes in equity for the three-month period ended 31 December 2021												
Total comprehensive income for the period	-	-	-	-	27,142	180	(5,263)	-	(5,083)	22,059	-	22,059
Closing balance	200,000	298,000	(114,012)	20,000	3,468,597	(1,230)	109,790	(64,622)	43,938	3,916,523	5	3,916,528
as at 31 December 2021												

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 three-month period ended 31 December 2021

	Separate financial information									
	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	Unappropriated retained earnings Baht'000	Measurement of debt instruments at fair value through other comprehensive income Baht'000	Measurement of equity instrument at fair value through other comprehensive income Baht'000	Remeasurements of post-employment benefit obligations Baht'000	Total other components of equity Baht'000	Total equity Baht'000
Opening balance as at 1 October 2020	200,000	298,000	(114,012)	20,000	3,136,974	(1,777)	102,493	(55,114)	45,602	3,586,564
Changes in equity for the three-month period ended 31 December 2020	-	-	-	-	115,938	300	(3,625)	-	(3,325)	112,613
Total comprehensive income for the period	-	-	-	-	115,938	300	(3,625)	-	(3,325)	112,613
Closing balance as at 31 December 2020	200,000	298,000	(114,012)	20,000	3,252,912	(1,477)	98,868	(55,114)	42,277	3,699,177
Opening balance as at 1 October 2021	200,000	298,000	(114,012)	20,000	3,372,472	(1,410)	115,053	(55,114)	58,529	3,834,989
Changes in equity for the three-month period ended 31 December 2021	-	-	-	-	21,401	180	(5,263)	-	(5,083)	16,318
Total comprehensive income for the period	-	-	-	-	21,401	180	(5,263)	-	(5,083)	16,318
Closing balance as at 31 December 2021	200,000	298,000	(114,012)	20,000	3,393,873	(1,230)	109,790	(55,114)	53,446	3,851,307

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 three-month period ended 31 December 2021

	Notes	Consolidated		Separate	
		financial information		financial information	
		2021	2020	2021	2020
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flows from operating activities</b>					
Profit before income tax		31,820	150,328	24,584	143,745
Adjustments for:					
Depreciation of plant and equipment and investment property	10	89,344	88,254	85,950	84,950
Amortisation of computer software	11	2,161	2,149	1,918	1,849
Amortisation of right-of-use assets		46	46	46	46
Reversal on loss on diminution in value of inventories		(33)	(395)	(33)	(395)
Net (gains) losses on write-offs and sales of property, plant and equipment		1,031	(950)	1,031	(937)
Unrealised gains on exchange rates		(2,163)	(67)	(2,163)	(67)
Fair value losses on derivatives		1,569	270	1,569	270
(Gains) losses on disposals of investments in debt instruments	9	115	(10)	115	(10)
Interest income		(2,663)	(2,837)	(2,642)	(2,824)
Finance costs		14	17	14	17
Employee benefits	13	7,550	7,378	6,793	6,711
Changes in working capital					
Trade and other receivables		(158,603)	(86,613)	(159,435)	(88,795)
Inventories		46,481	(55,994)	46,498	(55,233)
Other current assets		(1,340)	(2,619)	(1,328)	(2,626)
Other non-current assets		(1,710)	(2,266)	(1,710)	(2,266)
Trade and other payables		(49,656)	84,202	(36,692)	90,004
Other current liabilities		1,298	776	246	-
Employee benefits paid	13	(2,585)	(1,147)	(2,585)	(1,147)
<b>Cash generated from (used in) operations</b>		<b>(37,324)</b>	<b>180,522</b>	<b>(37,824)</b>	<b>173,292</b>
Interest received		665	917	643	903
Income tax paid		(1,179)	(1,073)	(410)	(394)
Income tax refund		1,412	-	-	-
<b>Net cash generated from (used in) operating activities</b>		<b>(36,426)</b>	<b>180,366</b>	<b>(37,591)</b>	<b>173,801</b>

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 three-month period ended 31 December 2021

	Notes	Consolidated		Separate	
		financial information		financial information	
		2021	2020	2021	2020
		Baht'000	Baht'000	Baht'000	Baht'000
<b>Cash flows from investing activities</b>					
Purchases of investments in debt instruments	9	(18,159)	(454,853)	(18,159)	(454,853)
Proceeds from disposals of investments in debt instruments		20,005	253,504	20,005	253,504
Purchases of property, plant and equipment		(59,670)	(35,807)	(66,869)	(29,365)
Purchases of computer software	11	(1,025)	(175)	(909)	(175)
Proceeds from sales of property, plant and equipment		433	2,132	433	2,119
<b>Net cash used in investing activities</b>		<b>(58,416)</b>	<b>(235,199)</b>	<b>(65,499)</b>	<b>(228,770)</b>
<b>Cash flows from financing activities</b>					
Payments for lease liabilities		-	-	-	-
<b>Net cash used in financing activities</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>					
		(94,842)	(54,833)	(103,090)	(54,969)
Cash and cash equivalents at the beginning of the period		1,003,321	905,100	971,211	869,496
<b>Cash and cash equivalents at the end of the period</b>		<b>908,479</b>	<b>850,267</b>	<b>868,121</b>	<b>814,527</b>

**Non-cash transactions**

Significant non-cash transactions for the three-month periods ended 31 December 2021 and 2020 comprise:

	Consolidated		Separate	
	financial information		financial information	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Other payables from purchases of property, plant and equipment	40,422	35,807	54,317	45,282

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 10 February 2022.

## 2 Significant events during the current period

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

## 3 Basis of preparation

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

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

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



#### 4 Accounting policies

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

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

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

#### 5 Accounting estimates

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

#### 6 Segment and revenue information

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

The Group's financial information for the three-month periods ended 31 December 2021 and 2020 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Revenue from sales and services	1,157,179	1,088,214	245,853	240,967	1,403,032	1,329,181
Cost of sales and services	(1,078,950)	(911,731)	(203,398)	(182,984)	(1,282,348)	(1,094,715)
Gross profit	78,229	176,483	42,455	57,983	120,684	234,466
Other income					14,383	12,936
Selling expenses					(29,810)	(28,050)
Administrative expenses					(67,081)	(62,730)
Other expenses					(6,342)	(6,277)
Finance cost					(14)	(17)
Income tax expense					(4,678)	(29,149)
<b>Net profit for the period</b>					<b>27,142</b>	<b>121,179</b>
<b>Timing of revenue recognition</b>						
At a point in time	1,157,048	1,088,214	245,853	240,965	1,402,901	1,329,179
Overtime	131	-	-	2	131	2
<b>Total revenues</b>	<b>1,157,179</b>	<b>1,088,214</b>	<b>245,853</b>	<b>240,967</b>	<b>1,403,032</b>	<b>1,329,181</b>

## 7 Fair value

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

	Consolidated and separate financial information							
	Level 1		Level 2		Level 3		Total	
	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000
<b>Assets</b>								
<b>Financial assets at fair value through profit or loss (FVPL)</b>								
Derivatives - Foreign currency forwards	-	-	722	3,055	-	-	722	3,055
<b>Financial assets at fair value through other comprehensive income (FVOCI)</b>								
- Debt instruments	592,309	592,048	-	-	-	-	592,309	592,048
- Equity instrument	-	-	-	-	168,020	174,598	168,020	174,598
<b>Total assets</b>	<b>592,309</b>	<b>592,048</b>	<b>722</b>	<b>3,055</b>	<b>168,020</b>	<b>174,598</b>	<b>761,051</b>	<b>769,701</b>
<b>Liabilities</b>								
<b>Financial liabilities at fair value through profit or loss (FVPL)</b>								
Derivatives - Foreign exchange contracts	-	-	2,045	2,810	-	-	2,045	2,810
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>2,045</b>	<b>2,810</b>	<b>-</b>	<b>-</b>	<b>2,045</b>	<b>2,810</b>

### 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 three-month period ended 31 December 2021 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance as at 1 October 2021	174,598
Losses recognised in other comprehensive income	(6,578)
Closing balance as at 31 December 2021	168,020

Valuation processes

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

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

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

	Fair value		Unobservable inputs	Range of inputs	
	Consolidated and separate financial information			Consolidated and separate financial information	
	Unaudited	Audited		Unaudited	Audited
	31 December 2021	30 September 2021		31 December 2021	30 September 2021
	Million Baht	Million Baht		%	%
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instrument	168.02	174.60	Future revenue growth rate	1.0%	1.0%
			Risk-adjusted discount rate	17.5%	17.5%

As at 31 December 2021, 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	1.00%	Increase by 0.53%	Decrease by 0.53%
	Risk-adjusted discount rate	1.00%	Decrease by 0.89%	Increase by 0.93%



**8 Trade and other receivables, net**

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000
Trade receivables - related companies (Note 17 b))	507,487	457,228	512,208	462,209
Trade receivables - other companies	520,564	418,454	519,040	415,366
Less Allowance for expected credit loss	-	-	-	-
<b>Trade receivables, net</b>	<b>1,028,051</b>	<b>875,682</b>	<b>1,031,248</b>	<b>877,575</b>
Prepayments	9,628	6,684	8,493	5,860
Accrued income	298	303	293	291
Advanced payments	10	10	-	-
Amounts due from related parties (Note 17 b))	1,528	1,512	3,133	3,284
Other receivables	19	12	19	12
<b>Trade and other receivables, net</b>	<b>1,039,534</b>	<b>884,203</b>	<b>1,043,186</b>	<b>887,022</b>

As at 31 December 2021 and 30 September 2021, trade receivables, included in trade and other receivables in the statements of financial position, can be analysed by aging as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000
<b>Related companies</b>				
Current	507,485	457,226	512,206	462,207
Overdue up to 3 months	2	-	2	-
Overdue 3 - 6 months	-	2	-	2
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	<b>507,487</b>	<b>457,228</b>	<b>512,208</b>	<b>462,209</b>
<b>Other companies</b>				
Current	518,150	418,077	516,626	414,989
Overdue up to 3 months	2,414	377	2,414	377
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	<b>520,564</b>	<b>418,454</b>	<b>519,040</b>	<b>415,366</b>
Less Allowance for expected credit loss	-	-	-	-
	<b>520,564</b>	<b>418,454</b>	<b>519,040</b>	<b>415,366</b>
<b>Total trade receivables, net</b>	<b>1,028,051</b>	<b>875,682</b>	<b>1,031,248</b>	<b>877,575</b>



**9 Financial assets measured at fair value through other comprehensive income**

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

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000
<b>Current assets</b>				
Investments in debt instruments (Government bond and debentures)	233,217	217,090	233,217	217,090
	<u>233,217</u>	<u>217,090</u>	<u>233,217</u>	<u>217,090</u>
<b>Non-current</b>				
Investments in debt instruments (Government bond and debentures)	359,092	374,958	359,092	374,958
Investment in unlisted equity instrument	168,020	174,598	168,020	174,598
	<u>527,112</u>	<u>549,556</u>	<u>527,112</u>	<u>549,556</u>
<b>Total</b>	<u><b>760,329</b></u>	<u><b>766,646</b></u>	<u><b>760,329</b></u>	<u><b>766,646</b></u>

Movements of investments in debt instruments for the three-month period ended 31 December 2021 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance as at 1 October 2021	592,048
Additions	18,159
Disposals	(20,120)
Interest income	1,997
Change in fair values	<u>225</u>
Closing balance as at 31 December 2021	<u><b>592,309</b></u>

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 securities and realised a loss on disposal (transferred FVOCI reserve to other expenses of Baht 115,252).

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).

#### 10 Property, plant and equipment, net

Movements of property, plant and equipment for the three-month period ended 31 December 2021 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	1,692,876	1,632,179
Additions	75,097	73,676
Disposals, net	(1,464)	(1,464)
Write-offs, net	-	-
Depreciation charges	(89,344)	(85,943)
Closing net book amount	<u>1,677,165</u>	<u>1,618,448</u>

#### 11 Computer software, net

Movements of computer software for the three-month period ended 31 December 2021 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	44,873	39,472
Additions	1,025	909
Amortisation charges	(2,161)	(1,918)
Closing net book amount	<u>43,737</u>	<u>38,463</u>

#### 12 Trade and other payables

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000
Trade payables - related companies (Note 17 b))	283,947	281,645	283,947	281,645
Trade payables - other companies	544,067	544,119	538,715	535,422
Amounts due to related parties (Note 17 b))	1,216	997	27,742	33,533
Accrued expenses	55,069	135,683	49,603	122,587
Advance received from customers	3,764	2,076	3,764	2,076
Other payables	98,109	61,315	96,249	60,077
Trade and other payables	<u>986,172</u>	<u>1,025,835</u>	<u>1,000,020</u>	<u>1,035,340</u>



### 13 Employee benefit obligations

Movements of employee benefit obligations for the three-month period ended 31 December 2021 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening balance	349,718	316,264
Additional provisions during the period	7,550	6,793
<u>Less</u> Employee benefits paid during the period	<u>(2,585)</u>	<u>(2,585)</u>
Closing balance	<b>354,683</b>	<b>320,472</b>

### 14 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.

As of 31 December 2021, the Company had unappropriated retained earnings of Baht 3,393.87 million (as of 30 September 2021: Baht 3,372.47 million). The retained earnings amounted of Baht 114.01 million should be maintained and not be distributed a dividend until all repurchased shares are resold, or the Company reduces capital by reducing shares unsold.

### 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 by the Company for the year to the interim period ended 31 December 2021 was 12.95 %, compared to 19.34 %, for the interim period ended 31 December 2020. The tax rate was lower in the current interim period due to the Group has been additionally granted corporate income tax exemption for net income from promotional operations during current interim period.

### 16 Letters of bank guarantee

As at 31 December 2021, the Group had outstanding letters of guarantee issued by banks on behalf of the Company in the normal course of business comprise guarantee for electricity consumption to the Provincial Electricity Authority of Baht 20.62 million (30 September 2021: Baht 20.62 million), guarantee for the due fulfillment of the terms and conditions in respect of grant of Certification Mark License by the licensor of Baht 0.33 million (30 September 2021: Baht 0.34 million) and guarantee for contractual performance of Baht 1.60 million (30 September 2021: Baht 1.06 million).

## 17 Related party transactions

### a) Transactions with related parties

The significant related party transactions for the three-month periods ended 31 December 2021 and 2020 were as follows:

	Consolidated financial information		Separate financial information	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
<b>Sales of goods</b>				
Subsidiary	-	-	4,412	4,750
Related parties	639,799	579,282	639,799	579,280
	639,799	579,282	644,211	584,030
<b>Service income</b>				
Related parties	3,957	3,484	3,957	3,484
<b>Rental income</b>				
Subsidiaries	-	-	812	812
Related party	333	333	333	333
	333	333	1,145	1,145
<b>Purchases of raw materials</b>				
Related parties	220,941	228,809	220,941	228,809
<b>Purchases of metal molds and machineries</b>				
Subsidiary	-	-	8,735	8,068
Related parties	108	-	108	-
	108	-	8,843	8,068
<b>Research and development expenses</b>				
Subsidiary	-	-	27,506	25,382
Related party	365	472	-	-
	365	472	27,506	25,382
<b>Technical assistance fee expenses</b>				
Related parties	21,045	19,297	21,045	19,297
<b>Advertising expenses</b>				
Related parties	2,050	4,708	2,050	4,708
<b>Rental and service fee expenses</b>				
Related party	378	-	378	-
<b>Utility expense</b>				
Related parties	115	97	115	97



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

The outstanding balances as at 31 December 2021 and 30 September 2021 in relation to transactions between the Group and the Company and those subsidiaries and related companies were summarised as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000	Unaudited 31 December 2021 Baht'000	Audited 30 September 2021 Baht'000
<b>Trade receivables (Note 8)</b>				
Subsidiary	-	-	4,721	4,981
Related companies	507,487	457,228	507,487	457,228
<b>Total trade receivables</b>	<b>507,487</b>	<b>457,228</b>	<b>512,208</b>	<b>462,209</b>
<b>Amounts due from related parties (Note 8)</b>				
Subsidiaries	-	-	1,605	1,772
Related companies	1,528	1,512	1,528	1,512
<b>Total amounts due from related parties</b>	<b>1,528</b>	<b>1,512</b>	<b>3,133</b>	<b>3,284</b>
<b>Trade payables (Note 12)</b>				
Subsidiary	-	-	-	-
Related companies	283,947	281,645	283,947	281,645
<b>Total trade payables</b>	<b>283,947</b>	<b>281,645</b>	<b>283,947</b>	<b>281,645</b>
<b>Amounts due to related parties (Note 12)</b>				
Subsidiaries	-	-	26,526	33,242
Related companies	1,216	997	1,216	291
<b>Total amounts due to related parties</b>	<b>1,216</b>	<b>997</b>	<b>27,742</b>	<b>33,533</b>

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 three-month periods ended 31 December 2021 and 2020 as follows:

	Consolidated financial information		Separate financial information	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Salaries and other short-term benefits	26,891	22,882	26,891	22,882
Post-employment benefits	399	436	399	436
Other long-term benefits	341	303	341	303
	<b>27,631</b>	<b>23,621</b>	<b>27,631</b>	<b>23,621</b>

**18 Events occurring after the statement of financial position date**

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 to shareholders who are on the register as at 9 February 2022, amounting to a total dividend of Baht 170.01 million. The dividend will be distributed on 28 February 2022.

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 5.33 per share from non-BOI promoted operations, amounting to a total dividend of Baht 16 million. The dividend will be distributed on 28 February 2022.

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