

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

30 SEPTEMBER 2021



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 2021, 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 (TFRS).

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 2021;
- 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
<p>Allowance for obsolete and slow-moving inventories</p> <p>Refer to Note 6.5 (accounting policies) and Note 14 (inventories), allowance is made for obsolete and slow-moving inventories.</p> <p>As at 30 September 2021, the gross amounts of inventories in the consolidated and separate statements of financial position were Baht 794.41 million and Baht 791.48 million, respectively. The allowance for inventories obsolescence was equally Baht 4.59 million.</p> <p>The valuation of inventories was an area of focus because inventories were a significant part of total assets and the allowances for obsolete and slow-moving inventories were subject to management's judgement and experience and market situation.</p> <p>The Group recorded allowance for obsolete and slow-moving inventories, where necessary. 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.</p>	<p>I performed the following procedures:</p> <ul style="list-style-type: none">• Updated my understanding of the Group's assumptions used to develop the allowances for obsolete and 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 obsolete and slow-moving inventories by considering historical data and prior years' 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 allowances of the inventories obsolescence derived from management's assumptions. No material variances arose from performing this work. <p>Using the above procedures, I determined that management's assumption was properly applied. In addition, the estimation of the allowances for obsolete and slow-moving inventories were applied appropriately.</p>

Key audit matter	How my audit addressed the key audit matter
<p>Measurement of investment in equity instrument at fair value through other comprehensive income</p> <p>Refer to Note 6.6 (accounting policies), Note 8 (fair value) and Note 13 (financial assets and financial liabilities), the Group has chosen to measure the investment in unlisted equity instrument at fair value through other comprehensive income.</p> <p>As at 30 September 2021, 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 174.60 million.</p> <p>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 market data.</p> <p>The Group applied net cash inflow from dividends as the valuation technique to determine the 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, which estimated based on public companies' weighted average cost of capital, in the Group's opinion, they are in a 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.</p>	<p>I performed the following procedures:</p> <ul style="list-style-type: none"> • Updated my understanding of the Group's valuation technique and assumptions used to measure the investment in unlisted 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. <p>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.</p>

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 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 be 'Nopanuch Apichatsatien', written in a cursive style.

Nopanuch Apichatsatien
Certified Public Accountant (Thailand) No. 5266
Bangkok
24 November 2021

Inoue Rubber (Thailand) Public Company Limited
 Statements of Financial Position
 As at 30 September 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Assets					
Current assets					
Cash and cash equivalents	11	1,003,320,726	905,100,452	971,210,977	869,496,013
Trade and other receivables, net	12	884,202,783	817,259,982	887,021,715	819,082,994
Derivatives assets		3,055,306	-	3,055,306	-
Financial assets measured at fair value through other comprehensive income					
- debt instruments	13.2	217,089,944	-	217,089,944	-
Available-for-sale investments		-	124,538,922	-	124,538,922
Held to maturity investments		-	188,655,406	-	188,655,406
Inventories, net	14	789,819,075	459,436,928	786,896,016	456,847,460
Other current assets		8,949,139	6,458,760	5,924,953	3,716,584
Total current assets		2,906,436,973	2,501,450,450	2,871,198,911	2,462,337,379
Non-current assets					
Financial assets measured at fair value through other comprehensive income					
- debt instruments	13.2	374,957,953	-	374,957,953	-
Available-for-sale investments		-	79,542,967	-	79,542,967
Investments in subsidiaries	15	-	-	20,049,230	20,049,230
Financial assets measured at fair value through other comprehensive income					
- equity instrument	13.2	174,598,217	-	174,598,217	-
Other long-term investment		-	30,781,799	-	30,781,799
Investment property, net	16	9,020,821	9,020,821	9,675,837	9,705,095
Property, plant and equipment, net	17	1,692,876,381	1,817,643,817	1,632,179,532	1,749,718,355
Right-of-use assets, net	18	943,910	-	943,910	-
Computer software, net	19	44,873,500	50,373,577	39,471,834	44,236,178
Deferred tax assets	20	44,246,603	66,190,243	39,166,203	61,622,488
Other non-current assets		47,420,597	33,563,316	47,360,597	33,503,316
Total non-current assets		2,388,937,982	2,087,116,540	2,338,403,313	2,029,159,428
Total assets		5,295,374,955	4,588,566,990	5,209,602,224	4,491,496,807

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 2021

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade and other payables	21	1,025,835,403	701,525,581	1,035,339,839	700,828,849
Derivatives liabilities		2,810,438	-	2,810,438	-
Income tax payable		20,084,021	9,875,553	19,234,234	9,875,553
Current portion of lease liabilities	30	216,614	-	216,614	-
Other current liabilities		1,214,235	1,040,150	-	-
Total current liabilities		1,050,160,711	712,441,284	1,057,601,125	710,704,402
Non-current liabilities					
Lease liabilities	30	747,560	-	747,560	-
Deferred tax liabilities	20	279,789	331,106	-	-
Employee benefit obligations	22	349,717,892	326,796,733	316,263,957	296,281,462
Total non-current liabilities		350,745,241	327,127,839	317,011,517	296,281,462
Total liabilities		1,400,905,952	1,039,569,123	1,374,612,642	1,006,985,864

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 2021

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Liabilities and equity (Cont'd)					
Equity					
Share capital	23				
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	23	298,000,000	298,000,000	298,000,000	298,000,000
Retained earnings					
Appropriated - legal reserve	24	20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		3,441,455,020	3,211,750,355	3,372,472,300	3,137,760,268
<u>Less</u> Treasury shares	25	(114,011,638)	(114,011,638)	(114,011,638)	(114,011,638)
Other components of equity		49,020,980	(66,745,627)	58,528,920	(57,237,687)
Equity attributable to:					
Owners of the parent		3,894,464,362	3,548,993,090	3,834,989,582	3,484,510,943
Non-controlling interests		4,641	4,777	-	-
Total equity		3,894,469,003	3,548,997,867	3,834,989,582	3,484,510,943
Total liabilities and equity		5,295,374,955	4,588,566,990	5,209,602,224	4,491,496,807

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 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Revenues					
Revenue from sales and services	32	5,297,380,806	4,364,108,574	5,295,588,246	4,361,683,099
Dividend income	26	21,561,709	22,102,083	44,561,317	39,101,773
Other income		52,153,736	47,677,692	55,160,266	50,698,927
Total revenues		5,371,096,251	4,433,888,349	5,395,309,829	4,451,483,799
Expenses					
Cost of sales and services		4,577,495,702	3,799,049,893	4,605,314,379	3,821,922,193
Selling expenses		93,352,733	101,339,263	93,352,733	101,339,263
Administrative expenses		259,926,426	248,365,326	255,034,787	241,535,260
Other expenses		19,256,170	20,809,708	19,218,986	20,435,049
Total expenses		4,950,031,031	4,169,564,190	4,972,920,885	4,185,231,765
Profit before finance costs and income tax					
Finance cost	30	(60,448)	-	(60,448)	-
Profit before income tax		421,004,772	264,324,159	422,328,496	266,252,034
Income tax expense	28	(80,974,192)	(45,261,309)	(77,290,805)	(42,042,915)
Net profit for the year		340,030,580	219,062,850	345,037,691	224,209,119

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 2021

	Notes	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Other comprehensive income (expense):					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of employee benefit obligations	22	-	(62,939,359)	-	(57,271,622)
Changes in fair value of equity instrument measured at fair value through other comprehensive income	13.2 b)	15,700,603	-	15,700,603	-
Income tax on items that will not be reclassified subsequently to profit or loss	28	(3,140,120)	12,587,872	(3,140,120)	11,454,324
Total items that will not be reclassified subsequently to profit or loss		12,560,483	(50,351,487)	12,560,483	(45,817,298)
Items that will be reclassified subsequently to profit or loss:					
Change in value of available-for-sale investments		-	(4,482,770)		(4,482,770)
Changes in fair value of debt instruments measured at fair value through other comprehensive income	13.2 b)	458,490	-	458,490	-
Income tax on items that will be reclassified subsequently to profit or loss	28	(91,698)	896,554	(91,698)	896,554
Total items that will be reclassified subsequently to profit or loss		366,792	(3,586,216)	366,792	(3,586,216)
Other comprehensive income (expense) for the year, net of tax		12,927,275	(53,937,703)	12,927,275	(49,403,514)
Total comprehensive income for the year		352,957,855	165,125,147	357,964,966	174,805,605

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 2021

	Note	Consolidated		Separate	
		financial statements		financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Profit attributable to:					
Owners of the parent		340,030,324	219,062,878	345,037,691	224,209,119
Non-controlling interests		256	(28)	-	-
		<u>340,030,580</u>	<u>219,062,850</u>	<u>345,037,691</u>	<u>224,209,119</u>
Total comprehensive income					
attributable to:					
Owners of the parent		352,957,599	165,125,304	357,964,966	174,805,605
Non-controlling interests		256	(157)	-	-
		<u>352,957,855</u>	<u>165,125,147</u>	<u>357,964,966</u>	<u>174,805,605</u>
Earnings per share					
Basic earnings per share (Baht)	29	1.77	1.12	1.80	1.15

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

Consolidated financial statements

	Attributable to owners of the parent																	
	Capital contributed				Retained earnings				Other components of equity									
									Measurement of debt instruments		Measurement of equity instrument		Remeasurements of employee benefit obligations		Total other components of equity			
	Issued and fully paid-up share capital	Share premium	Treasury shares	Appropriated - legal reserve	Unappropriated retained earnings	Change in value of available-for-sale investments	at fair value through other comprehensive income	at fair value through other comprehensive income	at fair value through other comprehensive income	at fair value through other comprehensive income	at fair value through other comprehensive income	at fair value through other comprehensive income	at fair value through other comprehensive income	at fair value through other comprehensive income	at fair value through other comprehensive income	at fair value through other comprehensive income		
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		
Opening balance as at 1 October 2019	200,000,000	298,000,000	-	20,000,000	3,075,882,823	1,462,651	-	-	-	-	-	-	-	(12,808,053)	3,581,074,770	5,244	3,581,080,014	
Changes in equity for 2020																		
Total comprehensive income (expense) for the year	-	-	-	-	219,062,878	(3,586,216)	-	-	-	-	-	-	-	(50,351,358)	165,125,304	(157)	165,125,147	
Dividends paid	-	-	-	-	(83,195,346)	-	-	-	-	-	-	-	-	-	(83,195,346)	(310)	(83,195,656)	
Treasury shares	-	-	(114,011,638)	-	-	-	-	-	-	-	-	-	-	-	(114,011,638)	-	(114,011,638)	
Closing balance as at 30 September 2020	200,000,000	298,000,000	(114,011,638)	20,000,000	3,211,750,355	(2,123,565)	-	-	-	(64,622,062)	(66,745,627)	102,492,652	102,839,332	102,839,332	102,052,841	4,777	3,548,997,867	
Opening balance as at 1 October 2020	200,000,000	298,000,000	(114,011,638)	20,000,000	3,211,750,355	(2,123,565)	-	-	-	(64,622,062)	(66,745,627)	102,492,652	102,839,332	102,839,332	102,052,841	4,777	3,548,997,867	
Retrospective adjustments from changes in accounting policies	-	-	-	-	(786,491)	2,123,565	-	-	-	(1,776,885)	-	-	-	-	-	-	-	-
Opening balance as at 1 October 2020 - restated	200,000,000	298,000,000	(114,011,638)	20,000,000	3,210,963,864	-	-	-	-	(1,776,885)	-	-	-	-	102,052,841	4,777	3,651,050,708	
Changes in equity for 2021																		
Total comprehensive income for the year	-	-	-	-	340,030,324	-	366,792	-	-	-	-	12,560,483	-	-	352,957,599	256	352,957,855	
Dividends paid	-	-	-	-	(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	3,441,455,020	-	(1,410,093)	-	-	(64,622,062)	49,020,980	115,053,135	49,020,980	49,020,980	3,894,464,362	4,641	3,894,469,003	

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 2021

		Separate financial statements																						
		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		Change in value of available-for-sale investments		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 equity		
Notes		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 October 2019		200,000,000	298,000,000	-	20,000,000	-	2,996,746,495	-	1,462,651	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,506,912,322
Changes in equity for 2020																								
Total comprehensive income (expense) for the year		-	-	-	-	-	224,209,119	-	(3,586,216)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	174,805,605
Dividends paid		-	-	-	-	-	(83,195,346)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(83,195,346)
Treasury shares		-	-	-	-	(114,011,638)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(114,011,638)
Closing balance as at 30 September 2020		200,000,000	298,000,000	(114,011,638)	20,000,000	3,137,760,268	-	(2,123,565)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,484,510,943
Opening balance as at 1 October 2020		200,000,000	298,000,000	(114,011,638)	20,000,000	3,137,760,268	-	(2,123,565)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,484,510,943
Retrospective adjustments from changes in accounting policies		-	-	-	-	(786,491)	-	2,123,565	-	(1,776,885)	-	-	-	-	-	-	-	-	-	-	-	-	-	102,839,332
Opening balance as at 1 October 2020 - restated		200,000,000	298,000,000	(114,011,638)	20,000,000	3,136,973,777	-	-	-	(1,776,885)	-	-	-	-	-	-	-	-	-	-	-	-	-	3,586,563,784
Changes in equity for 2021																								
Total comprehensive income for the year		-	-	-	-	345,037,691	-	-	366,792	-	-	-	-	-	-	-	-	-	-	-	-	-	-	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	3,372,472,300	-	(1,410,093)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,834,989,582

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 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
		Baht	Baht	Baht	Baht
Cash flows from operating activities					
Profit before income tax		421,004,772	264,324,159	422,328,496	266,252,034
Adjustments for:					
Depreciation of investment property and plant and equipment	16, 17	352,674,200	342,885,633	339,391,585	329,267,671
Amortisation of computer software	19	8,388,428	8,246,547	7,354,695	7,025,041
Amortisation of right-of-use assets	18	179,816	-	179,816	-
(Gains) losses on disposals of investments in debt instruments	13.2 a)	129,698	(1,336,674)	129,698	(1,336,674)
Loss on diminution in value of inventories	14	55,034	5,611,883	55,034	5,611,883
Losses on write-offs and sale of property, plant and equipment		209,833	1,361,670	243,099	1,238,774
Fair value gains on derivatives		(1,227,981)	-	(1,227,981)	-
Unrealised (gains) losses on exchange rates		1,669,995	(480,812)	1,669,995	(487,826)
Dividends income	26	(21,561,709)	(22,102,083)	(44,561,317)	(39,101,773)
Interest income		(10,267,296)	(14,766,672)	(10,230,917)	(14,607,457)
Finance costs	30	60,448	-	60,448	-
Employee benefits	22	29,781,495	27,162,735	26,842,831	31,892,029
Changes in working capital					
Trade and other receivables		(65,361,085)	196,306,231	(66,357,351)	197,631,953
Inventories		(330,437,181)	103,052,313	(330,103,590)	102,247,756
Other current assets		(2,206,767)	4,220,110	(2,208,369)	4,218,734
Other non-current assets		(13,857,281)	(14,263,283)	(13,857,281)	(14,263,284)
Trade and other payables		314,902,220	(260,304,406)	306,741,334	(255,246,645)
Other current liabilities		174,085	(1,138,453)	-	-
Employee benefits paid	22	(6,860,336)	(23,855,850)	(6,860,336)	(21,702,303)
Cash generated from operations		677,450,388	614,923,048	629,589,889	598,639,913
Interest received		10,393,055	15,742,290	10,357,020	15,548,258
Income tax paid		(78,003,700)	(51,984,055)	(74,220,868)	(48,996,008)
Income tax refund received		101,656	1,792,082	-	-
Net cash generated from operating activities		609,941,399	580,473,365	565,726,041	565,192,163

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 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cash flows from investing activities					
Purchases of investments in debt instruments	13.2 a)	(1,265,334,433)	(350,035,770)	(1,265,334,433)	(350,035,770)
Proceeds from disposals of investments in debt instruments		1,066,837,282	655,114,364	1,066,837,282	655,114,364
Purchases of property, plant and equipment		(226,418,791)	(393,739,717)	(201,973,441)	(387,197,264)
Purchases of computer software	19	(2,888,351)	(16,122,283)	(2,590,351)	(13,502,883)
Proceeds from disposals of property, plant and equipment		4,281,019	5,309,549	4,247,717	5,308,796
Dividends received	26	21,561,709	22,102,083	44,561,317	39,101,773
Net cash used in investing activities		(401,961,565)	(77,371,774)	(354,251,909)	(51,210,984)
Cash flows from financing activities					
Payments for treasury shares	25	-	(114,011,638)	-	(114,011,638)
Payment for principal elements of lease payments	30	(220,000)	-	(220,000)	-
Dividends paid	33	(109,539,560)	(83,195,656)	(109,539,168)	(83,195,346)
Net cash used in financing activities		(109,759,560)	(197,207,294)	(109,759,168)	(197,206,984)
Net increase in cash and cash equivalents		98,220,274	305,894,297	101,714,964	316,774,195
Cash and cash equivalents at the beginning of the year		905,100,452	599,206,155	869,496,013	552,721,818
Cash and cash equivalents at the end of the year		1,003,320,726	905,100,452	971,210,977	869,496,013

Non-cash transactions

Significant non-cash transactions for the years ended 30 September 2021 and 2020 comprise:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Other payables from purchases of property, plant and equipment	24,995,825	19,017,000	47,510,196	23,169,318

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 15.

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 2021.

2 Significant events during the current year

Coronavirus Disease 2019 outbreak

Since April 2021, Thailand has faced the third wave of the Coronavirus Disease 2019 ("COVID-19") pandemic. Under such situation, the Group values the health and safety of its employees as well as customer needs. The COVID-19 outbreak upended the normal way of business including employees' travelling and workspace and avoiding in-person meeting and activities. The Group may have additional actions in accordance with the government's COVID-19 measures for the best to its employees, customers, suppliers and other stakeholders. Moreover, the Group's management has been closely monitoring all costs and operating expenses and taking step to preserve the business continuity with measures of effective cost and working capital managements. The Group also establishes an internal division to be responsible for regular monitoring situation to ensure whether measures and decision are effective and supportive to the Group's strategy.

3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS") 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 9.

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 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 which are relevant and have significant impacts to the Group

a) Financial instruments

The new financial standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 October 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the statement of financial position as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 October 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 which 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) 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.

4.3 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 Impacts from initial application of the new and amended financial reporting standards

The Group has adopted financial reporting standards relating to financial instruments (TAS 32, TFRS 7 and TFRS 9) and leases standard (TFRS 16) retrospectively from 1 October 2020, but has not restated comparatives for the year ended 30 September 2020, as permitted in the standards. The adjustments and reclassifications arising from the new requirements are therefore recognised in the opening statement of financial position on 1 October 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16):

	Notes	Consolidated financial statements			As at 1 October 2020 Restated Baht
		As at 30 September 2020 Previously reported Baht	Adjustments and reclassifications		
		TAS 32 and TFRS 9 Baht	TFRS 16 Baht		
Assets					
Current assets					
Derivative assets	a)	-	250,134	-	250,134
Financial assets measured at fair value through other comprehensive income					
- debt instruments	b)	-	313,627,678	-	313,627,678
Available-for-sale investments	b)	124,538,922	(124,538,922)	-	-
Held-to-maturity investments	b)	188,655,406	(188,655,406)	-	-
Total current assets affected		313,194,328	683,484	-	313,877,812

Inoue Rubber (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 30 September 2021

	Notes	Consolidated financial statements			As at 1 October 2020 Restated Baht
		As at 30 September 2020 Previously reported Baht	Adjustments and reclassifications		
		TAS 32 and TFRS 9 Baht	TFRS 16 Baht		
Non-current assets					
Financial assets measured at fair value through other comprehensive income - debt instruments	b)	-	79,542,967	-	79,542,967
Financial assets measured at fair value through other comprehensive income - equity instrument	c)	-	158,897,614	-	158,897,614
Available-for-sale investments	b)	79,542,967	(79,542,967)	-	-
Other long-term investment	c)	30,781,799	(30,781,799)	-	-
Right-of-use assets	d)	-	-	1,123,726	1,123,726
Deferred tax assets	e)	66,190,243	(25,513,210)	-	40,677,033
Total non-current assets affected		176,515,009	102,602,605	1,123,726	280,241,340
Total assets affected		489,709,337	103,286,089	1,123,726	594,119,152
Liabilities and equity					
Current liabilities					
Derivative liabilities	a)	-	1,233,247	-	1,233,247
Current portion of lease liabilities	d)	-	-	216,614	216,614
Total current liabilities affected		-	1,233,247	216,614	1,449,861
Non-current liabilities					
Lease liabilities	d)	-	-	907,112	907,112
Total non-current liabilities affected		-	-	907,112	907,112
Total liabilities affected		-	1,233,247	1,123,726	2,356,973
Equity					
Unappropriated retained earnings	a), e)	3,211,750,355	(786,491)	-	3,210,963,864
Other components of equity	b), c), e)	(66,745,627)	102,839,332	-	36,093,705
Total equity affected		3,145,004,728	102,052,841	-	3,247,057,569
Total liabilities and equity affected		3,145,004,728	103,286,088	1,123,726	3,249,414,542

Inoue Rubber (Thailand) Public Company Limited
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For the year ended 30 September 2021

	Notes	Separate financial statements			As at 1 October 2020 Restated Baht
		As at 30 September 2020 Previously reported Baht	Adjustments and reclassifications	TFRS 16 Baht	
		TAS 32 and TFRS 9 Baht			
Assets					
Current assets					
Derivative assets	a)	-	250,134	-	250,134
Financial assets measured at fair value through other comprehensive income - debt instruments	b)	-	313,627,678	-	313,627,678
Available-for-sale investments	b)	124,538,922	(124,538,922)	-	-
Held-to-maturity investments	b)	188,655,406	(188,655,406)	-	-
Total current assets affected		313,194,328	683,484	-	313,877,812
Non-current assets					
Financial assets measured at fair value through other comprehensive income - debt instruments	b)	-	79,542,967	-	79,542,967
Financial assets measured at fair value through other comprehensive income - equity instrument	c)	-	158,897,614	-	158,897,614
Available-for-sale investments	b)	79,542,967	(79,542,967)	-	-
Other long-term investment	c)	30,781,799	(30,781,799)	-	-
Right-of-use assets	d)	-	-	1,123,726	1,123,726
Deferred tax assets	e)	61,622,488	(25,513,210)	-	36,109,278
Total non-current assets affected		171,947,254	102,602,605	1,123,726	275,673,585
Total assets affected		485,141,582	103,286,089	1,123,726	589,551,397
Liabilities and equity					
Current liabilities					
Derivative liabilities	a)	-	1,233,247	-	1,233,247
Current portion of lease liabilities	d)	-	-	216,614	216,614
Total current liabilities affected		-	1,233,247	216,614	1,449,861
Non-current liabilities					
Lease liabilities	d)	-	-	907,112	907,112
Total non-current liabilities affected		-	-	907,112	907,112
Total liabilities affected		-	1,233,247	1,123,726	2,356,973
Equity					
Unappropriated retained earnings	a), e)	3,137,760,268	(786,491)	-	3,136,973,777
Other components of equity	b), c), e)	(57,237,687)	102,839,332	-	45,601,645
Total equity affected		3,080,522,581	102,052,841	-	3,182,575,422
Total liabilities and equity affected		3,080,522,581	103,286,088	1,123,726	3,184,932,395

The adoption of the new financial reporting standards on financial instruments and leases mainly affects the Group's accounting treatment as follows:

5.1 Financial instruments

The Group has adopted the financial reporting standards relating to financial instruments from 1 October 2020 by applying the modified retrospective approach.

The impact on the Group's and the Company's unappropriated retained earnings as at 1 October 2020 were as follows:

	Notes	Consolidated financial statements Baht	Separate financial statements Baht
Unappropriated retained earnings as at 30 September 2020 (as previously reported)		3,211,750,355	3,137,760,268
Fair value adjustments on derivatives	a)	(983,113)	(983,113)
Adjusted deferred tax assets / liabilities resulted from the above adjustments	e)	196,622	196,622
Total adjustments to opening unappropriated retained earnings from adoption of TFRS 9		(786,491)	(786,491)
Unappropriated retained earnings as at 1 October 2020 (as restated)		3,210,963,864	3,136,973,777

The impacts on the Group's and the Company's equity as at 1 October 2020 were as follows:

	Notes	Consolidated financial statements - Equity			Unappropriated retained earnings Baht
		Available-for-sale investments reserve Baht	Debt instruments measured at FVOCI reserve Baht	Equity instrument measured at FVOCI reserve Baht	
Balance as at 30 September 2020 (as previously reported)		(2,123,565)	-	-	3,211,750,355
Reclassified available-for-sale and held-to-maturity investments to debt instruments measured at FVOCI and transferred the available-for-sale investments reserve to the debt instruments measured at FVOCI reserve	b)	2,123,565	(1,776,885)	-	-
Reclassified other long-term investment to equity instrument measured at FVOCI	c)	-	-	102,492,652	-
Total adjustments to opening unappropriated retained earnings from adoption of TFRS 9 (from the above table)		-	-	-	(786,491)
Total impacts on equity		2,123,565	(1,776,885)	102,492,652	(786,491)
Opening balance as at 1 October 2020 (as restated)		-	(1,776,885)	102,492,652	3,210,963,864

Inoue Rubber (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 30 September 2021

	Separate financial statements - Equity				
	Notes	Available-for-sale investments reserve Baht	Debt instruments measured at FVOCI reserve Baht	Equity instrument measured at FVOCI reserve Baht	Unappropriated retained earnings Baht
Balance as at 30 September 2020 (as previously reported)		(2,123,565)	-	-	3,137,760,268
Reclassified available-for-sale and held-to-maturity investments to debt instruments measured at FVOCI and transferred the available-for-sale investments reserve to the debt instruments measured at FVOCI reserve	b)	2,123,565	(1,776,885)	-	-
Reclassified other long-term investment to equity instrument measured at FVOCI	c)	-	-	102,492,652	-
Total adjustments to opening unappropriated retained earnings from adoption of TFRS 9 (from the above table)		-	-	-	(786,491)
Total impact on equity		2,123,565	(1,776,885)	102,492,652	(786,491)
Opening balance as at 1 October 2020 (as restated)		-	(1,776,885)	102,492,652	3,136,973,777

On 1 October 2020 (the date of initial application), the management has assessed which business models apply to the financial assets and financial liabilities and has classified its financial instruments into the appropriate TFRS 9 categories as follows:

	Consolidated and Separate financial statements					
	Notes	Available-for-sale investments Baht	Held-to-maturity investments Baht	Other long-term investments Baht	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht
Financial assets						
Balance as at 30 September 2020 (as previously reported)		204,081,889	188,655,406	30,781,799	-	-
Reclassify debt instruments from available-for-sale investments to investments measured at FVOCI	b)	(204,081,889)	-	-	-	204,081,889
Reclassify debt instruments from held to maturity investments to investments measured at FVOCI	b)	-	(188,655,406)	-	-	189,088,756
Reclassify equity instrument from other long-term investment to investment measured at FVOCI	c)	-	-	(30,781,799)	-	158,897,614
Fair value adjustments on derivative assets	a)	-	-	-	250,134	-
Opening balance as at 1 October 2020 from adoption of TFRS 9		-	-	-	250,134	552,068,259
Financial liabilities						
Balance as at 30 September 2020 (as previously reported)		-	-	-	-	-
Fair value adjustments on derivative liabilities	a)	-	-	-	1,233,247	-
Opening balance as at 1 October 2020 from adoption of TFRS 9		-	-	-	1,233,247	-

Notes

The above adjustments and reclassifications are summarised below:

- a) Recognised derivative assets and liabilities at fair value through profit or loss (FVPL) and recognised fair value adjustments to opening retained earnings.
- b) Reclassified available-for-sale investments and held-to-maturity investments to financial assets measured at fair value through other comprehensive income (FVOCI) and recognised cumulative fair value adjustments at the beginning period in other components of equity. Transferred from the available-for-sale investments reserve to the FVOCI reserve.
- c) Reclassified other long-term investment to financial assets measured at fair value through other comprehensive income (FVOCI) and recognised fair value adjustments at the beginning period in other components of equity.
- d) Recognised right of use assets and lease liabilities; and
- e) Adjusted deferred tax assets / liabilities resulted from the above adjustments.

The adoption of the new financial reporting standards on financial instruments mainly affects the Group's accounting treatment in relation to classification and measurement and impairment of financial assets as follows:

- a) Classification and measurement of investments in debt instruments (previously classified as available-for-sale and held-to-maturity investments) as financial assets measured at fair value through other comprehensive income (FVOCI)

The Group reclassified investments in debt instruments, which previously classified as available-for-sale and held-to-maturity investments to financial assets measured at fair value through other comprehensive income (FVOCI), as the Group's business model is achieved both by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely principal and interest (SPPI). As a result, these available-for-sale and held-to-maturity investments with a fair value as at 1 October 2020 of Baht 393.17 million were reclassified to investments in debt instruments measured at FVOCI and respective fair value adjustments of Baht 0.43 million (net of tax of Baht 0.35 million), were recognised to beginning other components of equity. In addition, fair value loss of Baht 2.12 million was transferred from the available-for-sale investment reserve to the investments in debt instruments measured at FVOCI reserve.

- b) Classification and measurement of investment in equity instrument (previously classified as other long-term investment) as financial assets measured at fair value through other comprehensive income (FVOCI)

The Group reclassified investment in equity instrument, which previously classified as other long-term investment and measured at cost less impairment of Baht 30.78 million to financial assets measured at fair value through other comprehensive income (FVOCI) as they are held as long-term investments. As a result, other long-term investment with a fair value as at 1 October 2020 of Baht 158.90 million was reclassified to investment in equity instrument measured at FVOCI and respective fair value adjustment of Baht 128.12 million (net of tax of Baht 102.49 million), was recognised in the investment in equity instrument measured at FVOCI reserve at beginning period, without subsequent recycling to profit or loss.

- c) Recognition of derivative as assets and liabilities at fair value through profit or loss

Before 1 October 2020, the Group did not recognise derivatives as assets and liabilities in the financial statements. The derivative contracts and related fair values were disclosed in the note.

As at 1 October 2020, the Group recognised derivative assets and liabilities at their fair values of Baht 0.25 million and Baht 1.23 million, respectively and recognised a corresponding fair value adjustment of Baht 0.98 million (net of tax of Baht 0.79 million) to opening retained earnings.

d) Reclassifications of financial instruments on adoption of TFRS 9

As at 1 October 2020 (the date of initial application), the measurement categories and carrying amounts of financial assets and financial liabilities were as follows.

	Consolidated financial statements				
	Measurement categories		Carrying amounts		
	Previously reported (TAS 105 and other TAS)	Restated (TFRS 9)	Previously reported Baht	Restated Baht	Difference Baht
Financial assets					
- Current					
Cash and cash equivalents	Amortised cost	Amortised cost	905,100,452	905,100,452	-
Trade and other receivables, net	Amortised cost	Amortised cost	817,259,982	817,259,982	-
Derivative assets	Unrecognised	FVPL	-	250,134	250,134
Available-for-sale investments	FVOCI	FVOCI	124,538,922	124,538,922	-
Held to maturity investments	Amortised cost	FVOCI	188,655,406	189,088,756	433,350
- Non-current					
Available-for-sale investments	FVOCI	FVOCI	79,542,967	79,542,967	-
Other long-term investment	Cost less impairment	FVOCI	30,781,799	158,897,614	128,115,815

	Consolidated financial statements				
	Measurement categories		Carrying amounts		
	Previously reported (TAS 105 and other TAS)	Restated (TFRS 9)	Previously reported Baht	Restated Baht	Difference Baht
Financial liabilities					
- Current					
Trade and other payables	Amortised cost	Amortised cost	701,525,581	701,525,581	-
Derivative liabilities	Unrecognised	FVPL	-	1,233,247	1,233,247
Current portion of lease liabilities	Unrecognised	Amortised cost	-	216,614	216,614
- Non-current					
Lease liabilities	Unrecognised	Amortised cost	-	907,112	907,112

Inoue Rubber (Thailand) Public Company Limited
Notes to the Consolidated and Separate Financial Statements
For the year ended 30 September 2021

	Separate financial statements				
	Measurement categories		Carrying amounts		
	Previously reported (TAS 105 and other TAS)	Restated (TFRS 9)	Previously reported Baht	Restated Baht	Difference Baht
Financial assets					
- Current					
Cash and cash equivalents	Amortised cost	Amortised cost	869,496,013	869,496,013	-
Trade and other receivables, net	Amortised cost	Amortised cost	819,082,994	819,082,994	-
Derivative assets	Unrecognised	FVPL	-	250,134	250,134
Available-for-sale investments	FVOCI	FVOCI	124,538,922	124,538,922	-
Held to maturity investments	Amortised cost	FVOCI	188,655,406	189,088,756	433,350
- Non-current					
Available-for-sale investments	FVOCI	FVOCI	79,542,967	79,542,967	-
Other long-term investment	Cost less impairment	FVOCI	30,781,799	158,897,614	128,115,815
Financial liabilities					
- Current					
Trade and other payables	Amortised cost	Amortised cost	700,828,849	700,828,849	-
Derivative liabilities	Unrecognised	FVPL	-	1,233,247	1,233,247
Current portion of lease liabilities	Unrecognised	Amortised cost	-	216,614	216,614
- Non-current					
Lease liabilities	Unrecognised	Amortised cost	-	907,112	907,112

e) Impairment of financial assets

The Group has the following financial assets that are subjected 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)
- Investments in equity instruments measured at fair value through other comprehensive income (FVOCI)

The Group was required to revise its impairment methodology of financial assets under TFRS 9. The management considered the impact of the change in impairment methodology was immaterial to the Group's accounting treatment and no impact to the Group's and the Company's retained earnings as at 1 October 2020.

5.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases. At the date of initial application of TFRS 16, these liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as at 1 October 2020 (the date of initial application). The lessee's incremental borrowing rates applied to the lease liabilities was 6.22%.

The associated right-of-use assets for property leases were measured at the amount equal to the lease liability. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application of TFRS 16.

	<u>Consolidated and Separate financial statements Baht</u>
Operating lease commitments disclosed as at 30 September 2020 (Note 34.1)	1,179,260
(Less): Discounted using the lessee's incremental borrowing rate at the date of initial application of TFRS 16	(196,274)
(Less): Short-term leases recognised as expense on a straight-line basis	(379,550)
(Less): Low-value leases recognised as expense on a straight-line basis	(799,710)
Add: Adjustments as a result of a different treatment of extension and termination options	<u>1,320,000</u>
Lease liabilities recognised as at 1 October 2020	<u>1,123,726</u>
Current lease liabilities	216,614
Non-current lease liabilities	907,112

The recognised right-of-use assets relate to the following types of assets:

	<u>Consolidated and Separate financial statements</u>	
	<u>30 September 2021 Baht</u>	<u>1 October 2020 Baht</u>
Billboard space	943,910	1,123,726
Total right-of-use assets	<u>943,910</u>	<u>1,123,726</u>

Practical expedients applied

In applying TFRS 16 for the first time to the leases which existed before 1 October 2020, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous before adoption of TFRS 16
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 October 2020 as short-term leases
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is, or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 Leases and TFRIC 4 Determining whether an arrangement contains a lease.

6 Accounting policies

6.1 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 15.

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.

6.2 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.

6.3 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.

6.4 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 6.6 f).

6.5 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.

6.6 Financial assets

For the year ended 30 September 2021

a) Classification

From 1 October 2020, 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)
- Investments in equity 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

From 1 October 2020, 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 2020 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.

For the year ended 30 September 2020

Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at cost, which is fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of trading investments are recognised in profit or loss. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

6.7 Investment properties

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

Investment property is 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

6.8 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.

6.9 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.

6.10 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. 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.

6.11 Leases

For the year ended 30 September 2021

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.

For the year ended 30 September 2020

Leases - where the Group is a lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

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.

6.12 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.

6.13 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) Other long-term benefits

The Group gives gold rewards to employees when they have worked for the Group until retirement. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period.

These obligations are measured similar to defined benefit plans except remeasurement gains and losses that are charged to profit or loss.

e) 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.

6.14 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.

6.15 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.

6.16 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.

6.17 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.

6.18 Derivatives and hedging activities

For the year ended 30 September 2021

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.

For the year ended 30 September 2020

The Group is a counterparty in derivatives which are financial instruments, i.e. forward exchange contracts. Such instruments were not recognised in financial statements at the date of initial application.

Foreign currency forward contracts prevent the Group from movements in exchange rates by establishing the rate at which a foreign currency asset will be realised or a foreign currency liability settled. Any increase or decrease in the amount required to realise the asset or settle the liability is offset by a corresponding movement in the value of the forward exchange contract. The gains and losses on the derivative instruments and the underlying financial asset or liability are not recognised in the financial statements. The fee incurred in establishing each agreement is amortised over the contract period, if any.

6.19 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 10.

7 Financial risk management

7.1 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.

7.1.1 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 94.09% of foreign currency transactions to manage the foreign exchange risk.

Exposure

The Group's exposures to foreign currency risk as at 30 September 2021 and 2020, expressed in Baht are as follows:

	Consolidated financial statements					
	30 September 2021			30 September 2020		
	US Dollar Baht	Japanese Yen Baht	Others Baht	US Dollar Baht	Japanese Yen Baht	Others Baht
Trade and other receivables	101,315,628	48,086,499	889,596	91,119,329	26,844,449	253,412
Trade and other payables	59,716,729	82,091,380	-	28,235,283	36,204,260	3,911

	Separate financial statements					
	30 September 2021			30 September 2020		
	US Dollar Baht	Japanese Yen Baht	Others Baht	US Dollar Baht	Japanese Yen Baht	Others Baht
Trade and other receivables	101,315,628	48,086,499	889,596	91,119,329	26,844,449	253,412
Trade and other payables	59,716,729	82,091,380	-	28,235,283	36,204,260	-

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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Baht to US Dollar exchange rate				
- Increase 10%*	4,159,893	6,288,405	4,159,893	6,288,405
- Decrease 10%*	(4,159,893)	(6,288,405)	(4,159,893)	(6,288,405)
Baht to Japanese Yen exchange rate				
- Increase 10%*	(3,400,488)	(904,502)	(3,400,488)	(904,502)
- Decrease 10%*	3,400,488	904,502	3,400,488	904,502

* 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 below.

	Consolidated 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	Over 5 years Baht	1 - 5 years Baht	Over 5 years Baht	Non-interest bearing Baht	Total Baht		
As at 30 September 2021										
Financial assets										
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	
	1,189,789,944	374,957,953	27,656,794	-	-	-	2,963,932	1,595,368,623		
Financial liabilities										
Lease liabilities	216,614	747,560	-	-	-	-	-	964,174	6.22	
	216,614	747,560	-	-	-	-	-	964,174		
As at 30 September 2020										
Financial assets										
Cash and cash equivalents	627,450,685	-	271,509,667	-	-	-	6,140,100	905,100,452	0.05 - 0.80	
Available-for-sale investments	124,538,922	79,542,967	-	-	-	-	-	204,081,889	1.62 - 4.60	
Held to maturity investments	188,655,406	-	-	-	-	-	-	188,655,406	0.67 - 5.03	
	940,645,013	79,542,967	271,509,667	-	-	-	6,140,100	1,297,837,747		

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	Separate financial statements										Interest rate (% p.a.)	
	Maturity date					Floating interest rates						Total Baht
	Fixed interest rates		Over 5 years		Within 1 year	1 - 5 years		Over 5 years		Non-interest bearing		
Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Over 5 years Baht	1 year Baht	1 - 5 years Baht	1 - 5 years Baht	Over 5 years Baht	Over 5 years Baht	Baht	Baht		
As at 30 September 2021												
Financial assets												
Cash and cash equivalents	950,000,000	-	-	21,075,128	-	-	-	-	-	135,849	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
	1,167,089,944	374,957,953	-	21,075,128	-	-	-	-	-	135,849	1,563,258,874	
Financial liabilities												
Lease liabilities	216,614	747,560	-	-	-	-	-	-	-	-	964,174	6.22
	216,614	747,560	-	-	-	-	-	-	-	-	964,174	
As at 30 September 2020												
Financial assets												
Cash and cash equivalents	605,450,685	-	-	262,223,964	-	-	-	-	-	1,821,364	869,496,013	0.05 - 0.80
Available-for-sale investments	124,538,922	79,542,967	-	-	-	-	-	-	-	-	204,081,889	1.62 - 4.60
Held to maturity investments	188,655,406	-	-	-	-	-	-	-	-	-	188,655,406	0.67 - 5.03
	918,645,013	79,542,967	-	262,223,964	-	-	-	-	-	1,821,364	1,262,233,308	

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

7.1.2 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 derivatives 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 6.6 f).

7.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due. As at 30 September 2021, the Group and the Company had deposits at call with banks of Baht 1,003.18 million and Baht 971.11 million, respectively (2020: Baht 904.98 million and Baht 869.40 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			
As at 30 September 2021							
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	
Total non-derivatives	9,699,086	1,016,356,317	880,000	-	1,026,935,403	1,026,799,577	
Derivatives liabilities	-	2,810,438	-	-	2,810,438	2,810,438	
Total derivatives	-	2,810,438	-	-	2,810,438	2,810,438	
Total	9,699,086	1,019,166,755	880,000	-	1,029,745,841	1,029,610,015	
As at 30 September 2020							
Trade and other payables	6,014,752	695,510,829	-	-	701,525,581	701,525,581	
Total non-derivatives	6,014,752	695,510,829	-	-	701,525,581	701,525,581	
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			
As at 30 September 2021							
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	
Total non-derivatives	9,478,597	1,026,081,242	880,000	-	1,036,439,839	1,036,304,013	
Derivatives liabilities	-	2,810,438	-	-	2,810,438	2,810,438	
Total derivatives	-	2,810,438	-	-	2,810,438	2,810,438	
Total	9,478,597	1,028,891,680	880,000	-	1,039,250,277	1,039,114,451	
As at 30 September 2020							
Trade and other payables	5,234,844	695,594,005	-	-	700,828,849	700,828,849	
Total non-derivatives	5,234,844	695,594,005	-	-	700,828,849	700,828,849	

7.2 Capital management

7.2.1 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 2021 and 2020, the Group's debt to equity ratios were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Net debt	1,400,905,952	1,039,569,123	1,374,612,642	1,006,985,864
Total equity	3,894,469,003	3,548,997,867	3,834,989,582	3,484,510,943
Debt to equity ratio	0.36	0.29	0.36	0.29

8 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
Financial assets <ul style="list-style-type: none"> Cash and cash equivalents Trade and other receivables 	Financial assets <ul style="list-style-type: none"> Cash and cash equivalents Trade and other receivables
Financial liabilities <ul style="list-style-type: none"> Trade and other payables Lease liabilities 	Financial liabilities <ul style="list-style-type: none"> Trade and other payables Lease liabilities

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The following table shows fair values of financial assets and liabilities:

	Consolidated and Separate financial statements				
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Carrying amount Baht	Fair value Baht
As at 30 September 2021					
Financial assets measured at fair value					
Derivatives assets	3,055,306	-	-	3,055,306	3,055,306
Financial assets measured at fair value through other comprehensive income (FVOCI)					
- Debt instruments	-	592,047,897	-	592,047,897	592,047,897
- Equity instrument	-	174,598,217	-	174,598,217	174,598,217
	3,055,306	766,646,114	-	769,701,420	769,701,420
Financial liabilities at fair value					
Derivatives liabilities	2,810,438	-	-	2,810,438	2,810,438
	2,810,438	-	-	2,810,438	2,810,438
Financial asses not measured at fair value					
Lease liabilities	-	-	964,174	964,174	964,174
	-	-	964,174	964,174	964,174

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	Consolidated and Separate financial statements				
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Carrying amount Baht	Fair value Baht
As at 1 October 2020					
Financial assets measured at fair value					
Derivatives assets	250,134	-	-	250,134	250,134
Financial assets measured at fair value through other comprehensive income (FVOCI)					
- Debt instruments	-	393,170,645	-	393,170,645	393,170,645
- Equity instrument	-	158,897,614	-	158,897,614	158,897,614
	250,134	552,068,259	-	552,318,393	552,318,393
Financial liabilities at fair value					
Derivatives liabilities	1,233,247	-	-	1,233,247	1,233,247
	1,233,247	-	-	1,233,247	1,233,247
Financial assets not measured at fair value					
Lease liabilities	-	-	1,123,726	1,123,726	1,123,726
	-	-	1,123,726	1,123,726	1,123,726

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	
	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht
As at 30 September								
Assets								
Derivatives assets	-	-	3.06	-	-	-	3.06	-
Financial assets measured at fair value through other comprehensive income (FVOCI)								
- Debt instruments	592.05	-	-	-	-	-	592.05	-
- Equity instrument	-	-	-	-	174.60	-	174.60	-
Available-for-sale investments	-	204.08	-	-	-	-	-	204.08
Total assets	592.05	204.08	3.06	-	174.60	-	769.71	204.08
Liabilities								
Derivatives liabilities	-	-	2.81	-	-	-	2.81	-
Total liabilities	-	-	2.81	-	-	-	2.81	-

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

As at 30 September	Consolidated financial statements							
	Level 1		Level 2		Level 3		Total	
	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht
Assets								
Investment property (Note 16)	-	-	-	-	33.42	30.33	33.42	30.33
Total assets	-	-	-	-	33.42	30.33	33.42	30.33

As at 30 September	Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht
Assets								
Investment property (Note 16)	-	-	-	-	43.41	41.66	43.41	41.66
Total assets	-	-	-	-	43.41	41.66	43.41	41.66

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 6.6.

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 2021 and 2020 were as follows:

	Consolidated and Separate financial statements Baht
Opening balance as at 1 October 2020 - as previously reported (Cost less impairment)	30,781,799
Retrospective adjustments from changes in accounting policies (Note 5)	128,115,815
Opening balance as at 1 October 2020 - as restated (Fair value)	158,897,614
Change in fair value	15,700,603
Closing balance as at 30 September 2021	174,598,217

The following table summarises the quantitative information about the significant unobservable inputs used in fair value measurements of the investment in equity instrument 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	
	2021	2020		2021	2020
	Million Baht	Million Baht		%	%
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	174.60	-	Future revenue growth rate Risk-adjusted discount rate	1.0 17.5	- -

As at 30 September 2021, 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%	Increased by 1.08%	Decreased by 1.07%
	Risk-adjusted discount rate	1.0%	Decreased by 0.94%	Increased by 0.98%

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.

9 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 8.

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 22.

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 6.6 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.

10 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 2021 and 2020 classified by market were presented as follows:

	Consolidated financial statements					
	Local		Export		Total	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Revenue from sales and services	4,251,120,078	3,433,765,824	1,046,260,728	930,342,750	5,297,380,806	4,364,108,574
Cost of sales and services	(3,726,223,606)	(3,055,383,349)	(851,272,096)	(743,666,544)	(4,577,495,702)	(3,799,049,893)
Gross profit	524,896,472	378,382,475	194,988,632	186,676,206	719,885,104	565,058,681
Other income					52,153,736	47,677,692
Dividend income					21,561,709	22,102,083
Selling expenses					(93,352,733)	(101,339,263)
Administrative expenses					(259,926,426)	(248,365,326)
Other expenses					(19,256,170)	(20,809,708)
Finance cost					(60,448)	-
Profit before income tax					421,004,772	264,324,159
Income tax expense					(80,974,192)	(45,261,309)
Net profit for the year					340,030,580	219,062,850
Timing of revenue recognition						
At a point in time	4,250,190,978	3,433,424,579	1,046,258,579	928,953,305	5,296,449,557	4,362,377,884
Overtime	929,100	341,245	2,149	1,389,445	931,249	1,730,690
Total revenues	4,251,120,078	3,433,765,824	1,046,260,728	930,342,750	5,297,380,806	4,364,108,574

11 Cash and cash equivalents

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Cash on hand	143,060	119,524	104,849	91,348
Deposits with banks				
- Saving deposits	27,656,794	271,509,667	21,075,128	262,223,964
- Current deposits	2,820,872	6,020,576	31,000	1,730,016
- Fixed deposits	972,700,000	627,450,685	950,000,000	605,450,685
Cash and cash equivalents	1,003,320,726	905,100,452	971,210,977	869,496,013

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

	Consolidated financial statements		Separate financial statements	
	2021 % p.a.	2020 % p.a.	2021 % per p.a.	2020 % per p.a.
Saving deposits	0.05 - 0.13	0.05 - 0.13	0.05 - 0.13	0.05 - 0.13
Fixed deposits	0.125 - 0.40	0.16 - 0.80	0.125 - 0.38	0.16 - 0.80

Fixed deposits comprise 11 days, 18 days and 3 months fixed deposits with banks (2020: 13 days and 3 months fixed deposits).

12 Trade and other receivables, net

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade receivables - related companies (Note 31)	457,228,073	406,335,696	462,209,286	408,932,086
Trade receivables - other companies	418,453,890	405,131,511	415,365,541	403,873,240
<u>Less</u> Allowance for expected credit loss (2020: Allowance for doubtful accounts under TAS 101)	-	-	-	-
Trade receivables, net	875,681,963	811,467,207	877,574,827	812,805,326
Prepayments	6,683,202	3,885,531	5,859,864	3,095,802
Accrued income	302,788	476,096	290,871	468,283
Advanced payments	10,000	10,000	-	-
Amounts due from related parties (Note 31)	1,512,434	1,405,924	3,283,757	2,698,359
Other receivables	12,396	15,224	12,396	15,224
Trade and other receivables, net	884,202,783	817,259,982	887,021,715	819,082,994

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Outstanding trade receivables as at 30 September 2021 and 2020 can be analysed by aging as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Related companies				
Current	457,225,669	406,335,696	462,206,882	408,932,086
Overdue up to 3 months	-	-	-	-
Overdue 3 - 6 months	2,404	-	2,404	-
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	457,228,073	406,335,696	462,209,286	408,932,086
Other companies				
Current	418,076,498	404,995,435	414,988,149	403,737,164
Overdue up to 3 months	377,392	84,099	377,392	84,099
Overdue 3 - 6 months	-	51,977	-	51,977
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	418,453,890	405,131,511	415,365,541	403,873,240
Less Allowance for expected credit loss (2020: Allowance for doubtful accounts under TAS 101)	-	-	-	-
	418,453,890	405,131,511	415,365,541	403,873,240
Total trade receivables, net	875,681,963	811,467,207	877,574,827	812,805,326

During 2021, none of receivables written-off as uncollectible (2020: total amounts of receivables written-off as uncollectible was Baht 2,167,775).

13 Financial assets and financial liabilities

The classification of the Group's financial assets and financial liabilities as at 30 September 2021 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
Financial assets				
Cash and cash equivalents	-	-	1,003,320,726	1,003,320,726
Trade and other receivables, net	-	-	884,202,783	884,202,783
Derivative assets	3,055,306	-	-	3,055,306
Financial assets measured at fair value through other comprehensive income (FVOCI)				
- Debt instruments	-	592,047,897	-	592,047,897
- Equity instrument	-	174,598,217	-	174,598,217
	3,055,306	766,646,114	1,887,523,509	2,657,224,929

	Consolidated financial statements		
	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total Baht
Financial liabilities			
Trade and other payables	-	1,025,835,403	1,025,835,403
Derivative liabilities	2,810,438	-	2,810,438
Lease liabilities	-	747,560	747,560
	2,810,438	1,026,582,963	1,029,393,401

	Separate financial statements			
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total Baht
Financial assets				
Cash and cash equivalents	-	-	971,210,977	971,210,977
Trade and other receivables, net	-	-	887,021,715	887,021,715
Derivative assets	3,055,306	-	-	3,055,306
Financial assets measured at fair value through other comprehensive income (FVOCI)				
- Debt instruments	-	592,047,897	-	592,047,897
- Equity instrument	-	174,598,217	-	174,598,217
	3,055,306	766,646,114	1,858,232,692	2,627,934,112

	Separate financial statements		
	Fair value through profit or loss (FVPL) Baht	Amortised cost Baht	Total Baht
Financial liabilities			
Trade and other payables	-	1,035,339,839	1,035,339,839
Derivative liabilities	2,810,438	-	2,810,438
Lease liabilities	-	747,560	747,560
	2,810,438	1,036,087,399	1,038,897,837

13.1 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 2021 and 2020, the Group's financial assets at amortised cost were presented in current and non-current as follows:

	Consolidated financial statements					
	30 September 2021			30 September 2020		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Cash and cash equivalents	1,003,320,726	-	1,003,320,726	905,100,452	-	905,100,452
Trade and other receivables, net	884,202,783	-	884,202,783	817,259,982	-	817,259,982
Total	1,887,523,509	-	1,887,523,509	1,722,360,434	-	1,722,360,434

	Separate financial statements					
	30 September 2021			30 September 2020		
	Current Baht	Non-current Baht	Total Baht	Current Baht	Non-current Baht	Total Baht
Cash and cash equivalents	971,210,977	-	971,210,977	869,496,013	-	869,496,013
Trade and other receivables, net	887,021,715	-	887,021,715	819,082,994	-	819,082,994
Total	1,858,232,692	-	1,858,232,692	1,688,579,007	-	1,688,579,007

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 6.6 f).

13.2 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) (2020: fair value / amortised cost / at cost under TAS105)

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 instrument, 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 2021 and 2020, the Group has financial assets measured at fair value through other comprehensive income (FVOCI) as follows;

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
	Current assets			
Investments in debt instruments (Government bond and debentures) (2020: Fair value / amortised cost)	217,089,944	313,194,328	217,089,944	313,194,328
	217,089,944	313,194,328	217,089,944	313,194,328
Non-current				
Investments in debt instruments (Government bond and debentures) (2020: Fair value)	374,957,953	79,542,967	374,957,953	79,542,967
Investment in unlisted equity instrument (2020: at cost)	174,598,217	30,781,799	174,598,217	30,781,799
	549,556,170	110,324,766	549,556,170	110,324,766
Total	766,646,114	423,519,094	766,646,114	423,519,094

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 7.1.1 c).

The movements of investments in debt instruments for the years ended 30 September 2021 and 2020 are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Opening balance - as previously reported	204,081,889	702,121,829	204,081,889	702,121,829
Retrospective adjustments from changes in accounting policies (Note 5)	189,088,756	-	189,088,756	-
Opening balance - as restated	393,170,645	702,121,829	393,170,645	702,121,829
Additions	1,265,334,433	350,035,770	1,265,334,433	350,035,770
Disposals	(1,074,358,793)	(571,903,162)	(1,074,358,793)	(571,903,162)
Reclassified to held to maturity investments	-	(283,163,246)	-	(283,163,246)
Interest income	7,443,122	11,473,468	7,443,122	11,473,468
Change in fair value	458,490	(4,482,770)	458,490	(4,482,770)
Closing balance as at 30 September 2021	592,047,897	204,081,889	592,047,897	204,081,889

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 2021, the group disposed partial debt instruments and realised a loss on disposal (transferred the debt instruments measured at FVOCI reserve to other gain or loss amounted Baht 129,698).

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 8).

Investment in equity instrument

As at 30 September 2021 and 2020, the Group had an investment in unlisted equity instrument as follows:

Company	Nature of business	Country of incorporation	Registered capital	% Ownership interest	Consolidated and Separated financial statements	
					2021 Fair value Baht	2020 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	174,598,217	30,781,799
Investment in equity instrument					174,598,217	30,781,799

From 1 October 2021, the Group transfers the equity instrument measured at FVOCI reserve to retained earnings when disposing this equity investment.

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

The following gains/(losses) 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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Recognised in profit or loss				
Losses on disposals of debt instruments (transferred the debt instruments measured at FVOCI reserve in OCI to profit or loss)	(129,698)	(24,862)	(129,698)	(24,862)
Dividends received from equity investment (Note 26)	21,561,709	22,102,083	21,561,709	22,102,083
	<u>21,432,011</u>	<u>22,077,221</u>	<u>21,432,011</u>	<u>22,077,221</u>
Recognised in other comprehensive income				
Fair value gains/(losses) on debt instruments measured at FVOCI (2020: available-for-sale investments)	458,490	(4,482,770)	458,490	(4,482,770)
Fair value gains on equity instrument measured at FVOCI	15,700,603	-	15,700,603	-
	<u>16,159,093</u>	<u>(4,482,770)</u>	<u>16,159,093</u>	<u>(4,482,770)</u>

13.3 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 amounts	Gross amounts	Net amounts
	offset in the	offset in the	presented in
	financial	financial	the financial
	position	position	position
	Baht	Baht	Baht
As at 30 September 2021			
Trade and other receivables	295,222,788	(38,547,274)	256,675,514
Total	<u>295,222,788</u>	<u>(38,547,274)</u>	<u>256,675,514</u>

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.

14 Inventories, net

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Raw materials	417,736,158	158,706,895	417,382,896	158,560,889
Work in process	143,165,751	106,434,607	142,027,281	105,914,946
Finished goods	140,177,947	116,869,283	140,177,947	116,869,283
Supplies and spare parts	47,313,659	46,801,380	45,882,332	44,877,579
Inventories in transit	46,012,380	36,125,741	46,012,380	36,125,741
	794,405,895	464,937,906	791,482,836	462,348,438
<u>Less</u> Allowance for inventories obsolescence - raw materials	(2,246,536)	(2,369,671)	(2,246,536)	(2,369,671)
Allowance for inventories obsolescence - finished goods	(2,340,284)	(2,906,181)	(2,340,284)	(2,906,181)
Allowance for inventories obsolescence - supplies and spare parts	-	(225,126)	-	(225,126)
Inventories, net	789,819,075	459,436,928	786,896,016	456,847,460

As at 30 September 2021, inventories with a value of Baht 6,210,680 (2020: Baht 6,637,824) were carried at net realisable value, this being lower than cost.

During 2021, the Group reversed a previously recognised allowance for inventories obsolescence of Baht 969,192. 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 55,034 (2020: Baht 5,611,883) to the consolidated and separate statements of comprehensive income, equally.

15 Investments in subsidiaries

As at 30 September 2021 and 2020, the Company had investments in subsidiaries as follows:

Company	Nature of business	Country of incorporation	Separate financial statements As at 30 September 2021 and 2020		
			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

16 Investment properties, net

	Consolidated financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
As at 1 October 2019			
Cost	9,020,819	6,493,523	15,514,342
<u>Less</u> Accumulated depreciation	-	(6,326,028)	(6,326,028)
Net book amount	9,020,819	167,495	9,188,314
For the year ended 30 September 2020			
Opening net book amount	9,020,819	167,495	9,188,314
Transferred to property, plant and equipment, net (Note17)	-	(162,894)	(162,894)
Depreciation charges	-	(4,599)	(4,599)
Closing net book amount	9,020,819	2	9,020,821
As at 30 September 2020			
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
For the year ended 30 September 2021			
Opening net book amount	9,020,819	2	9,020,821
Depreciation charges	-	-	-
Closing net book amount	9,020,819	2	9,020,821
As at 30 September 2021			
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
As at 1 October 2019			
Cost	9,564,949	16,245,243	25,810,192
<u>Less</u> Accumulated depreciation	-	(15,908,347)	(15,908,347)
Net book amount	9,564,949	336,896	9,901,845
For the year ended 30 September 2020			
Opening net book amount	9,564,949	336,896	9,901,845
Transferred to property, plant and equipment, net (Note 17)	-	(162,894)	(162,894)
Depreciation charges	-	(33,856)	(33,856)
Closing net book amount	9,564,949	140,146	9,705,095
As at 30 September 2020			
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
For the year ended 30 September 2021			
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
As at 30 September 2021			
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

As at 30 September 2021 and 2020, the fair values of investment property were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Land	13,875,000	13,875,000	17,830,500	17,726,827
Building and building improvements	19,547,000	16,455,440	25,575,327	23,932,160
	33,422,000	30,330,440	43,405,827	41,658,987

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 8). 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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Rental income				
- Subsidiaries (Note 31)	-	-	3,248,820	3,224,004
- Related parties (Note 31)	1,332,000	1,386,000	1,332,000	1,386,000
- Other party	434,000	587,000	434,000	587,000
Direct operating expense arising from investment property that generated rental income for the year	-	4,599	29,258	33,856
Direct operating expense arising from investment property that did not generated rental income for the year	-	-	-	-

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17 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	
As at 1 October 2019								
Cost	210,137,447	925,536,691	2,834,660,307	1,915,640,138	142,804,709	68,397,520	142,856,309	6,240,033,121
Less Accumulated depreciation	(60,310,878)	(675,233,096)	(1,880,576,498)	(1,660,170,670)	(110,693,680)	(49,386,213)	-	(4,436,371,035)
Net book amount	149,826,569	250,303,595	954,083,809	255,469,468	32,111,029	19,011,307	142,856,309	1,803,662,086
For the year ended 30 September 2020								
Opening net book amount	149,826,569	250,303,595	954,083,809	255,469,468	32,111,029	19,011,307	142,856,309	1,803,662,086
Additions	3,141,140	12,149,385	158,964,035	62,170,762	11,573,490	2,700,929	112,671,349	363,371,090
Disposals, net	-	(138,998)	(4,555,572)	(519,464)	(58,836)	(38)	-	(5,272,908)
Write-offs, net	(1)	(1)	(189,863)	(1,146,436)	(62,010)	-	-	(1,398,311)
Transferred from investment property, net (Note 16)	-	162,894	-	-	-	-	-	162,894
Transfers in (out)	108,000	42,272,783	109,896,065	14,181,592	1,708,950	-	(168,167,390)	-
Depreciation charges	(7,763,134)	(41,061,526)	(177,818,073)	(93,528,700)	(15,610,764)	(7,098,837)	-	(342,881,034)
Closing 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
As at 30 September 2020								
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

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	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
For the year ended 30 September 2021								
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
As at 30 September 2021								
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

Depreciation charges of Baht 331,437,222 (2020: Baht 320,650,113) were included in the costs of sales and services, Baht 21,236,978 (2020: Baht 22,230,921) 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	
As at 1 October 2019								
Cost	209,593,316	902,690,651	2,637,622,349	1,878,350,546	118,856,536	64,995,501	141,798,109	5,953,907,008
Less Accumulated depreciation	(60,310,878)	(653,993,825)	(1,735,629,575)	(1,626,825,453)	(88,450,488)	(47,440,763)	-	(4,212,650,982)
Net book amount	149,282,438	248,696,826	901,992,774	251,525,093	30,406,048	17,554,738	141,798,109	1,741,256,026
For the year ended 30 September 2020								
Opening net book amount	149,282,438	248,696,826	901,992,774	251,525,093	30,406,048	17,554,738	141,798,109	1,741,256,026
Additions	3,141,140	11,437,387	143,166,550	60,613,253	10,908,693	2,558,499	112,255,299	344,080,821
Disposals, net	-	(138,998)	(4,433,938)	(517,455)	(58,835)	(38)	-	(5,149,264)
Writes-off, net	(1)	(1)	(189,863)	(1,146,436)	(62,006)	-	-	(1,398,307)
Transferred from investment property, net (Note 16)	-	162,894	-	-	-	-	-	162,894
Transfers in (out)	108,000	42,272,783	109,099,565	14,181,592	1,708,950	-	(167,370,890)	-
Depreciation charges	(7,763,134)	(40,402,270)	(167,930,762)	(91,721,444)	(14,747,986)	(6,668,219)	-	(329,233,815)
Closing 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
As at 30 September 2020								
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

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	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	
For the year ended 30 September 2021								
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	-	-	-
Depreciation charges	(7,795,910)	(41,208,790)	(180,312,415)	(89,670,488)	(13,817,308)	(6,557,416)	(98,246,727)	(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
As at 30 September 2021								
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

Depreciation charges of Baht 318,807,787 (2020: Baht 307,817,610) were included in the costs of sales and services, Baht 20,554,540 (2020: Baht 21,416,205) in administrative expenses in the separate statements of comprehensive income.

18 Right-of-use assets, net

As at 30 September 2021 and 2020, right-of-use assets balances were as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Billboard space	943,910	-	943,910	-
Total	943,910	-	943,910	-

For the years ended 30 September 2021 and 2020, amounts charged to profit or loss and cash flows relating to leases are as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Amortisation of right-of-use assets	179,816	-	179,816	-
Payment for principal elements of lease payments	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	793,311	-	743,655	-
- Expense relating to leases of low-value assets	455,951	-	455,951	-
- Expense relating to operating leases	-	1,584,540	-	1,559,712
Total cash outflow for leases	1,249,262	1,584,540	1,199,606	1,559,712

19 Computer software, net

	Consolidated financial statements Baht	Separate financial statements Baht
As at 1 October 2019		
Cost	102,196,584	72,005,363
<u>Less</u> Accumulated amortisation	(59,698,743)	(34,247,027)
Net book amount	42,497,841	37,758,336
For the year ended 30 September 2020		
Opening net book amount	42,497,841	37,758,336
Additions	16,122,283	13,502,883
Amortisation charges	(8,246,547)	(7,025,041)
Closing net book amount	50,373,577	44,236,178
As at 30 September 2020		
Cost	118,318,867	85,508,246
<u>Less</u> Accumulated amortisation	(67,945,290)	(41,272,068)
Net book amount	50,373,577	44,236,178
For the year ended 30 September 2021		
Opening net book amount	50,373,577	44,236,178
Additions	2,888,351	2,590,351
Amortisation charges	(8,388,428)	(7,354,695)
Closing net book amount	44,873,500	39,471,834
As at 30 September 2021		
Cost	121,207,218	88,098,597
<u>Less</u> Accumulated amortisation	(76,333,718)	(48,626,763)
Net book amount	44,873,500	39,471,834

Amortisation charges of Baht 767,598 (2020: Baht 808,522) were included in the costs of sales and services and Baht 7,620,830 (2020: Baht 7,438,025) in administrative expenses in the consolidated statement of comprehensive income.

Amortisation charges of Baht 7,354,695 (2020: Baht 7,025,041) were included in the administrative expenses in the separate statement of comprehensive income.

20 Deferred income taxes

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
The Company and subsidiary with net deferred tax asset position				
Deferred tax assets	70,978,997	67,642,256	65,850,093	63,002,817
Deferred tax liabilities	(26,732,394)	(1,452,013)	(26,683,890)	(1,380,329)
Deferred income taxes, net (assets)	44,246,603	66,190,243	39,166,203	61,622,488
Subsidiary with net deferred tax liability position				
Deferred tax assets	1,561,884	1,463,613	-	-
Deferred tax liabilities	(1,841,673)	(1,794,719)	-	-
Deferred income taxes, net (liabilities)	(279,789)	(331,106)	-	-

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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Net deferred taxes (assets):				
Opening balance - as previously reported	66,190,243	50,738,842	61,622,488	45,696,023
Retrospective adjustments from changes in accounting policies (Note 5)	(25,513,210)	-	(25,513,210)	-
Opening balance as at 1 October 2020 - as restated	40,677,033	50,738,842	36,109,278	45,696,023
Recognised to profit or loss	6,801,388	2,404,917	6,288,743	3,575,587
Recognised to other comprehensive income	(3,231,818)	13,046,484	(3,231,818)	12,350,878
Closing balance	44,246,603	66,190,243	39,166,203	61,622,488
Net deferred taxes (liabilities)				
Opening balance	(331,106)	(612,489)	-	-
Recognised to profit or loss	51,317	(156,558)	-	-
Recognised to other comprehensive income	-	437,941	-	-
Closing balance	(279,789)	(331,106)	-	-

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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 2020 - as previously reported Baht	Retrospective adjustments from changes in accounting policies (Note 5) Baht	As at 1 October 2020 - as restated Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2021 Baht
	Deferred tax assets					
Derivatives liabilities	-	246,649	246,649	315,439	-	562,088
Lease liabilities	-	-	-	192,835	-	192,835
Provisions and accruals	68,994,904	-	68,994,904	3,590,896	-	72,585,800
	68,994,904	246,649	69,241,553	4,099,170	-	73,340,723
Deferred tax liabilities						
Derivatives assets	-	(50,026)	(50,026)	(561,035)	-	(611,061)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	530,890	(86,670)	444,220	-	(91,698)	352,523
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instrument	-	(25,623,163)	(25,623,163)	-	(3,140,120)	(28,763,283)
Right-of-use assets	(5)	-	(5)	(188,782)	-	(188,787)
Plant and equipment	(3,666,652)	-	(3,666,652)	3,503,352	-	(163,300)
	(3,135,767)	(25,759,859)	(28,895,626)	2,753,535	(3,231,818)	(29,373,909)
Deferred income tax, net	65,859,137	(25,513,210)	40,345,927	6,852,705	(3,231,818)	43,966,814

	Consolidated financial statements			
	As at 1 October 2019 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2020 Baht
	Deferred tax assets			
Provisions and accruals	56,433,432	(26,400)	12,587,872	68,994,904
	56,433,432	(26,400)	12,587,872	68,994,904
Deferred tax liabilities				
Available-for-sale investments	(365,664)	-	896,554	530,890
Equipment under finance leases	(5)	-	-	(5)
Plant and equipment	(5,941,411)	2,274,759	-	(3,666,652)
	(6,307,080)	2,274,759	896,554	(3,135,767)
Deferred income tax, net	50,126,352	2,248,359	13,484,426	65,859,137

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	Separate financial statements					
	As at 1 October 2020 - as previously reported Baht	Retrospective adjustments from changes in accounting policies (Note 5) Baht	As at 1 October 2020 - as restated Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2021 Baht
Deferred tax assets						
Derivatives liabilities	-	246,649	246,649	315,439	-	562,088
Lease liabilities	-	-	-	192,835	-	192,835
Provisions and accruals	63,002,818	-	63,002,818	2,892,196	-	65,895,014
	63,002,818	246,649	63,249,467	3,400,470	-	66,649,937
Deferred tax liabilities						
Derivatives assets	-	(50,026)	(50,026)	(561,035)	-	(611,061)
Financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments	530,890	(86,670)	444,220	-	(91,698)	352,522
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instrument	-	(25,623,163)	(25,623,163)	-	(3,140,120)	(28,763,283)
Right-of-use assets	(5)	-	(5)	(188,782)	-	(188,787)
Plant and equipment	(1,911,215)	-	(1,911,215)	3,638,090	-	1,726,875
	(1,380,330)	(25,759,859)	(27,140,189)	2,888,273	(3,231,818)	(27,483,734)
Deferred income tax, net	61,622,488	(25,513,210)	36,109,278	6,288,743	(3,231,818)	39,166,203

	Separate financial statements			
	As at 1 October 2019 Baht	Recognised to profit or loss Baht	Recognised to other comprehensive income Baht	As at 30 September 2020 Baht
Deferred tax assets				
Provisions and accruals	50,198,325	1,350,169	11,454,324	63,002,818
	50,198,325	1,350,169	11,454,324	63,002,818
Deferred tax liabilities				
Available-for-sale investments	(365,664)	-	896,554	530,890
Equipment under finance leases	(5)	-	-	(5)
Plant and equipment	(4,136,633)	2,225,418	-	(1,911,215)
	(4,502,302)	2,225,418	896,554	(1,380,330)
Deferred income tax, net	45,696,023	3,575,587	12,350,878	61,622,488

As at 30 September 2021, 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 2021, 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.

21 Trade and other payables

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade payables - related companies (Note 31)	281,678,985	180,974,045	282,652,257	182,026,544
Trade payables - other companies	553,924,496	345,210,727	545,227,621	342,930,462
Amounts due to related parties (Note 31)	963,445	1,253,443	32,525,946	12,727,520
Accrued expenses	135,683,035	104,418,767	122,586,728	94,159,991
Down payments received from customers	2,076,387	1,373,093	2,076,387	1,373,093
Other payables	51,509,055	68,295,506	50,270,900	67,611,239
Trade and other payables	1,025,835,403	701,525,581	1,035,339,839	700,828,849

Outstanding accrued expenses as at 30 September 2021 and 2020 were detailed as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Accrued bonuses	99,337,730	80,940,985	89,407,916	72,668,913
Accrued employee income taxes	6,822,999	5,068,205	6,498,171	4,382,099
Accrued employee welfare	9,957,105	7,866,843	9,156,925	7,866,843
Other accruals	19,565,201	10,542,734	17,523,716	9,242,136
Total accrued expenses	135,683,035	104,418,767	122,586,728	94,159,991

22 Employee benefit obligations

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
The statement of financial position:				
Retirement benefits	349,717,892	326,796,733	316,263,957	296,281,462
Total	349,717,892	326,796,733	316,263,957	296,281,462

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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Opening balances	326,796,733	260,550,489	296,281,462	228,820,114
Current service cost	24,122,392	19,780,385	21,708,612	17,741,149
Interest cost	5,659,103	7,382,350	5,134,219	6,590,407
Remeasurements on employee benefit obligations:				
- Loss from change in financial assumptions	-	42,860,397	-	38,801,776
- Experience loss	-	20,078,962	-	18,469,846
	356,578,228	350,652,583	323,124,293	310,423,292
<u>Add</u> Additional provisions from transfer of employees	-	-	-	7,560,473
<u>Less</u> Benefits paid during the year	(6,860,336)	(23,855,850)	(6,860,336)	(21,702,303)
At 30 September	349,717,892	326,796,733	316,263,957	296,281,462

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.75%	1.75%	1.75%	1.75%
Future salary increase rates	6.00% - 6.50%	6.00% - 6.50%	6.00% - 6.50%	6.00% - 6.50%
Other fixed allowance rate	1.75%	1.75%	1.75%	1.75%
1 Baht Gold price	Baht 21,500	Baht 21,500	Baht 21,500	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 2021 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%	Decreased by 6%	Decreased by Baht 21,646,992
	Decreased by 0.5%	Increased by 7%	Increased by Baht 23,663,830
Future salary increase rate	Increased by 1%	Increased by 13%	Increased by Baht 44,387,329
	Decreased by 1%	Decreased by 11%	Decreased by Baht 37,798,778
1 Baht Gold price	Increased by Baht 1,000	Increased by 0.3%	Increased by Baht 1,223,428
	Decreased by Baht 1,000	Decreased by 0.3%	Decreased by Baht 1,223,452
	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%	Decreased by 6%	Decreased by Baht 18,859,733
	Decreased by 0.5%	Increased by 7%	Increased by Baht 20,606,899
Future salary increase rate	Increased by 1%	Increased by 12%	Increased by Baht 38,467,358
	Decreased by 1%	Decreased by 10%	Decreased by Baht 32,778,323
1 Baht Gold Price	Increased by Baht 1,000	Increased by 0.4%	Increased by Baht 1,132,063
	Decreased by Baht 1,000	Decreased by 0.4%	Decreased by Baht 1,132,096

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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 12.52 years.

Expected maturity analysis of undiscounted retirement benefits:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Less than a year	10,542,886	3,839,420	10,419,877	3,741,339
Between 1 - 5 years	40,119,160	45,228,523	38,646,926	44,240,671
Over 5 years	360,393,439	365,808,962	313,247,854	318,073,986
	411,055,485	414,876,905	362,314,657	366,055,996

23 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 2019	200,000,000	200,000,000	298,000,000	498,000,000
Issue of shares	-	-	-	-
Less Treasury shares (Note 25)	(7,792,300)	(114,011,638)	-	(114,011,638)
As at 30 September 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

As at 30 September 2021, the total number of registered ordinary shares was 200 million shares (2020: 200 million shares) with a par value of Baht 1 per share (2020: Baht 1 per share). All issued shares are fully paid.

The details of the treasury shares are disclosed in Note 25.

24 Legal reserve

Under the Public Companies Act, B.E. 2535, 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.

25 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.

26 Dividend Income

Dividend income from subsidiaries

At the Annual General Meeting of shareholders for 2020 of IRC (Asia) Research Limited held on 29 January 2020, the shareholders passed a resolution approving dividend payment from its operating results for 2019 at Baht 4.33 per share from non-BOI promoted operations, amounting to a total dividend of Baht 13 million. The Company received the dividends on 28 February 2020.

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 Company received the dividends on 25 February 2021.

At the Annual General Meeting of shareholders for 2020 of Kin No Hoshi Engineering Company Limited held on 29 January 2020, the shareholders passed a resolution approving dividend payment from its operating results for 2019 at Baht 40 per share from non-BOI promoted operations, amounting to a total dividend of Baht 4 million. The Company received the dividends on 28 February 2020.

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 Company received the dividends on 25 February 2021.

Dividend income from investment in equity instrument

On 6 March 2020, Inoue Rubber Vietnam Company Limited declared dividend payment from its operating results for 2016 to 2018. The Group had the right to receive the 1st dividend payment of VND 16,614 million (approximated Baht 22.10 million). The Group received the dividends on 31 March 2020.

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

27 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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Raw materials and consumables used	2,415,820,424	1,862,670,323	2,393,574,298	1,855,795,533
Changes in finished goods and work in progress	60,039,808	(47,056,545)	59,420,999	(46,706,984)
Depreciation of investment property and plant and equipment (Notes 16 and 17)	352,674,200	342,885,633	339,391,585	329,267,671
Amortisation of right-of-use assets (Note 18)	179,816	-	179,816	-
Amotisation of computer software (Note 19)	8,388,428	8,246,547	7,354,695	7,025,041
Staff costs	777,988,414	723,066,131	704,604,627	655,374,228
Advertising and promotion expenses	17,561,780	24,199,222	17,561,780	24,199,222
Rental expenses	1,249,262	1,584,540	1,199,606	1,559,712
Purchases of finished goods	827,481,834	586,915,756	827,481,834	586,915,756
Utility expenses	145,781,128	133,950,577	138,921,133	126,937,760
Transportation expenses	67,996,851	60,869,849	67,954,380	60,603,836
Repair and maintenance expenses	101,215,454	100,227,004	98,250,991	97,496,904
Professional fees	43,617,528	38,109,261	43,317,121	37,778,419
Insurance premiums	16,601,068	14,429,571	16,146,233	13,989,695

28 Income tax expenses

Income tax expenses for the years ended 30 September 2021 and 2020 were summarised below:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current tax:				
Current tax on profits for the year	87,421,008	47,393,858	82,836,563	45,502,692
Adjustments in respect of prior year	405,889	115,810	742,985	115,810
Total current tax	87,826,897	47,509,668	83,579,548	45,618,502
Deferred income tax (Note 20):				
Decrease (increase) in deferred tax assets	(4,099,170)	26,400	(3,400,470)	(1,350,169)
Decrease in deferred tax liabilities	(2,753,535)	(2,274,759)	(2,888,273)	(2,225,418)
Total deferred income tax	(6,852,705)	(2,248,359)	(6,288,743)	(3,575,587)
Income tax expense	80,974,192	45,261,309	77,290,805	42,042,915

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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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Profit before income tax expenses	421,004,772	264,324,159	422,328,496	266,252,034
Tax calculated at statutory tax rates of 20%	84,200,954	52,864,832	84,465,699	53,250,407
Impact:				
Income not subjected to tax and expenses that are deductible at a greater amount	(3,413,736)	(6,648,662)	(7,915,627)	(9,861,172)
Expenses not deductible for tax purpose	723,210	1,172,861	602,354	1,055,961
Additional income subjected to tax	-	321,303	-	321,303
Profit from promoted activities which exempt from payment of corporate income tax	(633,768)	(2,667,343)	(604,606)	(2,839,394)
Tax losses for which no deferred income tax asset was recognised	-	102,508	-	-
Utilisation of previously unrecognised tax losses	(308,357)	-	-	-
Adjustment in respect of prior year	405,889	115,810	742,985	115,810
Income tax expenses	80,974,192	45,261,309	77,290,805	42,042,915

The average income tax rate was 19.23% (2020: 17.12%) for the consolidated financial statements and 18.30% (2020: 15.79%) 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					
	2021			2020		
	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 (2020: Change in value of available-for-sale investments)	458,490	(91,698)	366,792	(4,482,770)	896,554	(3,586,216)
Measurement of equity instruments at fair value through other comprehensive income	15,700,603	(3,140,120)	12,560,483	-	-	-
Remeasurements of employee benefit obligations	-	-	-	(62,939,359)	12,587,872	(50,351,487)
	16,159,093	(3,231,818)	12,927,275	(67,422,129)	13,484,426	(53,937,703)

	Separate financial statements					
	2021			2020		
	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 (2020: Change in value of available-for-sale investments)	458,490	(91,698)	366,792	(4,482,770)	896,554	(3,586,216)
Measurement of equity instruments at fair value through other comprehensive income	15,700,603	(3,140,120)	12,560,483	-	-	-
Remeasurements of employee benefit obligations	-	-	-	(57,271,622)	11,454,324	(45,817,298)
	16,159,093	(3,231,818)	12,927,275	(61,751,829)	12,350,878	(49,403,514)

29 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	
	2021	2020	2021	2020
Net profit attributable to the owners of the parent company (Baht)	340,030,324	219,062,878	345,037,691	224,209,119
Weighted average number of ordinary shares outstanding (shares)	192,207,700	195,686,863	192,207,700	195,686,863
Basic earnings per share (Baht per share)	1.77	1.12	1.80	1.15

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

30 Changes in liabilities arising from financing activities

	Consolidated and separate financial statements
	Lease liabilities Baht
Balance as at 1 October 2020 - as previously reported	-
Retrospective adjustments from changes in accounting policies (Note 5)	1,123,726
Balance as at 1 October 2020 - as restated	1,123,726
Finance cost	60,448
Payment for principal elements of lease payments	(220,000)
Balance as at 30 September 2021	964,174
Lease liabilities - current portion	216,614
Lease liabilities - non-current portion	747,560

31 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 2021 and 2020 were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Sales of goods				
Subsidiaries	-	-	17,937,953	15,595,401
Related parties	2,389,845,908	2,015,562,870	2,389,843,760	2,013,945,680
	<u>2,389,845,908</u>	<u>2,015,562,870</u>	<u>2,407,781,713</u>	<u>2,029,541,081</u>
Services income				
Related parties	14,714,817	13,786,361	14,714,817	13,786,361
Rental income (Note 16)				
Subsidiaries	-	-	3,248,820	3,224,004
Related parties	1,332,000	1,386,000	1,332,000	1,386,000
	<u>1,332,000</u>	<u>1,386,000</u>	<u>4,580,820</u>	<u>4,610,004</u>
Dividend income (Note 26)				
Subsidiaries	-	-	22,999,608	16,999,690
Related party	21,561,709	22,102,083	21,561,709	22,102,083
	<u>21,561,709</u>	<u>22,102,083</u>	<u>44,561,317</u>	<u>39,101,773</u>
Purchases of raw materials				
Related parties	911,501,462	664,692,372	911,501,462	664,692,372
Purchases of machinery and metal molds and repair costs				
Subsidiary	-	-	47,187,825	33,004,000
Related parties	1,998,414	39,086,386	1,998,414	39,086,386
	<u>1,998,414</u>	<u>39,086,386</u>	<u>49,186,239</u>	<u>72,090,386</u>
Research and development expenses				
Subsidiary	-	-	102,997,082	96,426,297
Related party	1,343,390	1,338,119	-	-
	<u>1,343,390</u>	<u>1,338,119</u>	<u>102,997,082</u>	<u>96,426,297</u>
Technical assistance fees				
Related parties	79,267,496	69,643,264	79,267,496	69,643,264
Rental and service fees				
Related parties	530,541	-	530,541	-
Advertising expenses				
Related parties	8,855,302	10,525,000	8,855,302	10,525,000
Utility expenses				
Related party	380,593	403,723	380,593	403,723
Employee service sharing expenses				
Subsidiary	-	-	-	800,000

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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 4.58 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 parity.

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 2021.

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 12.90 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 2021.

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 0.54 million. The term of the agreement are 6 months which commenced from August 2021.

The outstanding balances as at 30 September 2021 and 2020 between the Company and those related companies were summarised as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Trade receivables				
Subsidiaries	-	-	4,981,212	2,596,389
Related companies	457,228,073	406,335,696	457,228,074	406,335,697
Total trade receivables	457,228,073	406,335,696	462,209,286	408,932,086
Amounts due from related parties				
Subsidiaries	-	-	1,771,323	1,292,435
Related companies	1,512,434	1,405,924	1,512,434	1,405,924
Total amounts due from related parties	1,512,434	1,405,924	3,283,757	2,698,359
Trade payables				
Subsidiaries	-	-	973,272	1,056,410
Related companies	281,678,985	180,974,045	281,678,985	180,970,134
Total trade payables	281,678,985	180,974,045	282,652,257	182,026,544
Amounts due to related parties				
Subsidiaries	-	-	32,268,301	12,179,877
Related companies	963,445	1,253,443	257,645	547,643
Total amounts due to related parties	963,445	1,253,443	32,525,946	12,727,520

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 2021 and 2020 as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Salaries and short-term employee benefits	65,275,947	63,389,451	65,275,947	63,389,451
Post-employee benefits	1,744,164	852,526	1,744,164	852,526
Other long-term employee benefits	1,270,930	1,184,940	1,270,930	1,184,940
	68,291,041	65,426,917	68,291,041	65,426,917

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32 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	
	Certificate No. Dated	Promotional privileges for	Certificate No. Dated	Promotional privileges for
3. The significant privileges are				
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.	64-0737-1-07-1-0 17 March 2021	Manufacturing of motorcycle tires and tubes	63-0570-1-00-1-0 15 April 2020	1302(1)/2555 13 February 2012
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.				
3.3 Exemption/Reduction of import duty on machinery as approved by the Board.				
3.4 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.				
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.				
4. Date of first earning operating income	24 July 2021		3 May 2021	31 October 2012

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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	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Sales:						
Export	210,399,351	82,285,592	835,861,377	1,086,642,410	1,046,260,728	1,168,928,002
Local	475,645,866	44,065,002	3,775,474,212	3,151,115,570	4,251,120,078	3,195,180,572
	686,045,217	126,350,594	4,611,335,589	4,237,757,980	5,297,380,806	4,364,108,574
	Separate financial statements					
	BOI		non - BOI		Total	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Sales:						
Export	210,399,351	82,285,593	835,859,228	1,085,252,963	1,046,258,579	1,167,538,556
Local	475,645,866	44,065,002	3,773,683,801	3,150,079,541	4,249,329,667	3,194,144,543
	686,045,217	126,350,595	4,609,543,029	4,235,332,504	5,295,588,246	4,361,683,099

33 Dividends paid

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.

At the Annual General Meeting of shareholders for 2020 of the Company held on 29 January 2020, the shareholders passed a resolution approving dividends payment from its operating results for 2019 at Baht 0.4164 per share (Baht 0.0590 per share from BOI-promoted operations and Baht 0.3574 per share from non-BOI promoted operations), amounting to a total dividend of Baht 83.20 million. The dividends were distributed on 28 February 2020.

34 Commitments

34.1 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 2021 and 2020, the Group had future minimum lease payments required under these non-cancellable low-value assets and lease term of 12 months or less leases (2020: operating leases) as follows:

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Within 1 year	610,504	947,270	610,504	947,270
Later than 1 year but not later than 3 years	20,110	231,990	20,110	231,990
Total	630,614	1,179,260	630,614	1,179,260

From 1 October 2020, the Group recognised right-of-use assets from operating lease commitments disclosed as at 30 September 2020 as disclosed in Note 5. Therefore, comparative figures of the operating lease commitments as at 30 September 2020 could not be compared with the disclosure as at 30 September 2021.

34.2 Letters of guarantee

As at 30 September 2021, the Company had outstanding letters of guarantee issued by financial institutions of approximately Baht 20.62 million (2020: Baht 20.62 million) to the Provincial Electricity Authority for electricity consumption on behalf of the Company and Baht 0.34 million (2020: Baht 0.32 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 1.06 million (2020: Baht 1.33 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.

34.3 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.

35 Events occurring after the statement of financial position date

On 24 November 2021, the Board of Directors' Meeting of the Company No.8/2021 had a resolution for the proposed 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. 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.