

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2021



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

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

I have reviewed the interim consolidated financial information of Inoue Rubber (Thailand) Public Company Limited and its subsidiaries, and the separate financial information of Inoue Rubber (Thailand) Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2021, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, the related consolidated and separate statements of changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, consisting of stylized, cursive letters.

Nopanuch Apichatsatien
Certified Public Accountant (Thailand) No. 5266
Bangkok
11 August 2021

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

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 June 2021 Baht'000	30 September 2020 Baht'000	30 June 2021 Baht'000	30 September 2020 Baht'000
Assets					
Current assets					
Cash and cash equivalents		988,722	905,100	962,277	869,496
Trade and other receivables, net	9	956,080	817,260	958,653	819,083
Derivatives assets	8	1,670	-	1,670	-
Financial assets measured at fair value through other comprehensive income					
- debt instruments	8, 10	300,900	-	300,900	-
Available-for-sale investments		-	124,539	-	124,539
Held to maturity investments		-	188,655	-	188,655
Inventories, net		678,549	459,437	675,526	456,847
Other current assets		8,959	6,459	5,712	3,717
Total current assets		2,934,880	2,501,450	2,904,738	2,462,337
Non-current assets					
Financial assets measured at fair value through other comprehensive income					
- debt instruments	8, 10	271,239	-	271,239	-
Financial assets measured at fair value through other comprehensive income					
- equity instrument	8	163,060	-	163,060	-
Available-for-sale investments		-	79,543	-	79,543
Investments in subsidiaries		-	-	20,049	20,049
Other long-term investment		-	30,782	-	30,782
Investment property, net	11	9,021	9,021	9,683	9,705
Property, plant and equipment, net	12	1,724,948	1,817,644	1,661,915	1,749,718
Right-of-use assets, net		989	-	989	-
Computer software, net	13	44,833	50,374	39,493	44,236
Deferred tax assets, net		44,769	66,190	39,817	61,623
Other non-current assets		40,076	33,563	40,016	33,503
Total non-current assets		2,298,935	2,087,117	2,246,261	2,029,159
Total assets		5,233,815	4,588,567	5,150,999	4,491,496

Director _____ Director _____

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Financial Position (Cont'd)
 As at 30 June 2021

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		30 June 2021	30 September 2020	30 June 2021	30 September 2020
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity					
Current liabilities					
Trade and other payables	14	1,016,501	701,526	1,024,333	700,829
Derivatives liabilities	8	2,100	-	2,100	-
Income tax payable		12,964	9,876	12,444	9,876
Current portion of lease liabilities		213	-	213	-
Other current liabilities		1,291	1,040	-	-
Total current liabilities		1,033,069	712,442	1,039,090	710,705
Non-current liabilities					
Lease liabilities		737	-	737	-
Deferred tax liabilities, net		289	331	-	-
Employee benefit obligations	15	343,143	326,797	310,424	296,281
Total non-current liabilities		344,169	327,128	311,161	296,281
Total liabilities		1,377,238	1,039,570	1,350,251	1,006,986

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Financial Position (Cont'd)
 As at 30 June 2021

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	30 June	30 September	30 June	30 September
	2021	2020	2021	2020
Note	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
	Ordinary shares, 200 million shares			
	at par value of Baht 1 each			
	200,000	200,000	200,000	200,000
Issued and fully paid-up share capital				
	Ordinary shares, 200 million shares			
	paid-up of Baht 1 each			
	200,000	200,000	200,000	200,000
	298,000	298,000	298,000	298,000
Retained earnings				
	Appropriated - legal reserve			
	20,000	20,000	20,000	20,000
	Unappropriated			
	3,412,188	3,211,750	3,346,856	3,137,760
<u>Less</u> Treasury shares	16	(114,012)	(114,012)	(114,012)
Other components of equity	40,396	(66,746)	49,904	(57,238)
Equity attributable to:				
Owners of the parent	3,856,572	3,548,992	3,800,748	3,484,510
Non-controlling interests	5	5	-	-
Total equity	3,856,577	3,548,997	3,800,748	3,484,510
Total liabilities and equity	5,233,815	4,588,567	5,150,999	4,491,496

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month period ended 30 June 2021

	Consolidated		Separate	
	financial information		financial information	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Revenues				
Revenue from sales and services	1,298,536	725,889	1,297,930	725,755
Other income	13,008	13,313	13,794	14,379
Total revenues	1,311,544	739,202	1,311,724	740,134
Expenses				
Cost of sales and services	1,146,759	679,586	1,153,519	683,533
Selling expenses	21,837	21,038	21,837	21,038
Administrative expenses	68,289	60,296	67,130	59,112
Other expenses	4,096	6,009	4,093	6,007
Total expenses	1,240,981	766,929	1,246,579	769,690
Profit (loss) before finance costs and income tax	70,563	(27,727)	65,145	(29,556)
Finance cost	(14)	-	(14)	-
Profit (loss) before income tax	70,549	(27,727)	65,131	(29,556)
Income tax (expense) income	(12,851)	6,005	(11,962)	6,721
Net profit (loss) for the period	57,698	(21,722)	53,169	(22,835)

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited) (Cont'd)
 For the three-month period ended 30 June 2021

	Note	Consolidated financial information		Separate financial information	
		2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Other comprehensive income (expense):					
Item that will not be reclassified subsequently to profit or loss:					
Changes in fair value of equity instruments at fair value through other comprehensive income, net of tax					
		3,202	-	3,202	-
Total item that will not be reclassified subsequently to profit or loss					
		3,202	-	3,202	-
Item that will be reclassified subsequently to profit or loss:					
Changes in fair value of debt instruments at fair value through other comprehensive income, net of tax (2020: Change in value of available-for-sale investments, net of tax)					
		879	(2,657)	879	(2,657)
Total item that will be reclassified subsequently to profit or loss					
		879	(2,657)	879	(2,657)
Other comprehensive income (expense) for the period, net of tax					
		4,081	(2,657)	4,081	(2,657)
Total comprehensive income (expense) for the period					
		61,779	(24,379)	57,250	(25,492)
Profit (loss) attributable to:					
Owners of the parent					
		57,698	(21,722)	53,169	(22,835)
Non-controlling interests					
		-	-	-	-
		57,698	(21,722)	53,169	(22,835)
Total comprehensive income (expense) attributable to:					
Owners of the parent					
		61,779	(24,379)	57,250	(25,492)
Non-controlling interests					
		-	-	-	-
		61,779	(24,379)	57,250	(25,492)
Earnings (loss) per share					
Basic earnings (loss) per share (Baht)					
	19	0.30	(0.11)	0.28	(0.12)

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the nine-month period ended 30 June 2021

	Notes	Consolidated financial information		Separate financial information	
		2021	2020	2021	2020
		Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Revenue from sales and services		4,043,256	3,252,507	4,042,124	3,250,933
Dividend income	17	21,562	22,102	44,561	39,102
Other income		38,181	36,771	40,534	39,370
Total revenues		4,102,999	3,311,380	4,127,219	3,329,405
Expenses					
Cost of sales and services		3,430,217	2,851,903	3,452,180	2,872,584
Selling expenses		74,841	81,809	74,841	81,808
Administrative expenses		197,653	195,498	193,955	189,774
Other expenses		15,156	15,402	15,137	15,387
Total expenses		3,717,867	3,144,612	3,736,113	3,159,553
Profit before finance costs and income tax		385,132	166,768	391,106	169,852
Finance cost		(46)	-	(46)	-
Profit before income tax		385,086	166,768	391,060	169,852
Income tax expense	18	(74,323)	(29,264)	(71,639)	(26,414)
Net profit for the period		310,763	137,504	319,421	143,438

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

Inoue Rubber (Thailand) Public Company Limited
Statements of Changes in Equity (Unaudited)
For the nine-month period ended 30 June 2021

Consolidated financial information

	Attributable to owners of the parent										Total equity				
	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 instruments at fair value through other comprehensive income	Remeasurements of post-employment benefit obligations	Total other components of equity	Total owners of the parent	Non-controlling interests	Total equity		
														Baht'000	Baht'000
Notes															
Opening balance as at 1 October 2019	200,000	298,000	-	20,000	3,075,883	1,463	-	-	(14,271)	(12,808)	3,581,075	5	3,581,080		
Changes in equity for the nine-month period ended 30 June 2020	-	-	-	-	137,504	(1,945)	-	-	(50,351)	(52,296)	85,208	-	85,208		
Total comprehensive income for the period	-	-	-	-	(83,196)	-	-	-	-	-	(83,196)	-	(83,196)		
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-		
Treasury shares	-	-	(114,012)	-	-	-	-	-	-	-	(114,012)	-	(114,012)		
Closing balance as at 30 June 2020	200,000	298,000	(114,012)	20,000	3,130,191	(482)	-	-	(64,622)	(65,104)	3,469,075	5	3,469,080		
Opening balance as at 1 October 2020	200,000	298,000	(114,012)	20,000	3,211,750	(2,124)	-	-	(64,622)	(66,746)	3,548,982	5	3,548,997		
Retrospective adjustments from changes in accounting policies	-	-	-	-	(786)	-	347	102,493	-	102,840	102,054	-	102,054		
Opening balance as at 1 October 2020 - restated	200,000	298,000	(114,012)	20,000	3,210,964	(2,124)	347	102,493	(64,622)	36,094	3,651,046	5	3,651,051		
Changes in equity for the nine-month period ended 30 June 2021	-	-	-	-	310,763	-	972	3,330	-	4,302	315,065	-	315,065		
Total comprehensive income for the period	-	-	-	-	(109,539)	-	-	-	-	-	(109,539)	-	(109,539)		
Dividends paid	-	-	-	-	-	-	-	-	-	-	-	-	-		
Closing balance as at 30 June 2021	200,000	298,000	(114,012)	20,000	3,412,188	(2,124)	1,319	105,823	(64,622)	40,396	3,856,572	5	3,856,577		

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Changes in Equity (Unaudited) (Cont'd)
 For the nine-month period ended 30 June 2021

	Separate financial information										
	Capital contributed			Retained earnings			Other components of equity				
	Issued and fully paid-up share capital Baht'000	Share premium Baht'000	Treasury shares Baht'000	Appropriated - legal reserve Baht'000	Unappropriated retained earnings Baht'000	Change in value of available-for-sale investments Baht'000	Measurement of debt instruments at fair value through other comprehensive income Baht'000	Measurement of equity instruments at fair value through other comprehensive income Baht'000	Remeasurements of post-employment benefit obligations Baht'000	Total other components of equity Baht'000	Total equity Baht'000
Opening balance as at 1 October 2019	200,000	298,000	-	20,000	2,996,746	1,463	-	-	(9,297)	(7,834)	3,506,912
Changes in equity for the nine-month period ended 30 June 2020	-	-	-	-	143,438	(1,945)	-	-	(45,817)	(47,762)	95,676
Total comprehensive income for the period	-	-	-	-	(83,196)	-	-	-	-	-	(83,196)
Dividends paid	-	-	(114,012)	-	-	-	-	-	-	-	(114,012)
Treasury shares	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June 2020	200,000	298,000	(114,012)	20,000	3,056,988	(482)	-	-	(55,114)	(55,596)	3,405,380
Opening balance as at 1 October 2020	200,000	298,000	(114,012)	20,000	3,137,760	(2,124)	-	-	(55,114)	(57,238)	3,484,510
- previously reported	-	-	-	-	-	-	-	-	-	-	-
Retrospective adjustments from changes in accounting policies	-	-	-	-	(786)	-	347	102,493	-	102,840	102,054
Opening balance as at 1 October 2020 - restated	200,000	298,000	(114,012)	20,000	3,136,974	(2,124)	347	102,493	(55,114)	45,602	3,586,564
Changes in equity for the nine-month period ended 30 June 2021	-	-	-	-	319,421	-	972	3,330	-	4,302	323,723
Total comprehensive income for the period	-	-	-	-	(109,539)	-	-	-	-	-	(109,539)
Dividends paid	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 30 June 2021	200,000	298,000	(114,012)	20,000	3,346,856	(2,124)	1,319	105,823	(55,114)	49,904	3,800,748

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Cash Flows (Unaudited)
 For the nine-month period ended 30 June 2021

	Notes	Consolidated		Separate	
		financial information		financial information	
		2021	2020	2021	2020
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Profit before income tax		385,086	166,768	391,060	169,852
Adjustments for:					
Depreciation of plant and equipment and investment property	11, 12	262,599	253,210	252,847	243,241
Amortisation of computer software	13	6,284	6,065	5,486	5,176
Amortisation of right-of-use assets		135	-	135	-
Loss on diminution in value of inventories		256	4,551	256	4,551
Net losses on write-offs and sale of plant and equipment		95	1,391	128	1,269
Unrealised losses on exchange rates		603	381	603	381
Fair value gains on derivatives		(553)	-	(553)	-
Gains on disposals of investments in debt instruments	10	(26)	(12)	(26)	(12)
Dividends income	17	(21,562)	(22,102)	(44,561)	(39,102)
Interest income		(7,700)	(18,604)	(7,674)	(18,458)
Finance costs		46	-	46	-
Employee benefits	15	22,336	20,372	20,133	25,736
Changes in working capital					
Trade and other receivables		(137,906)	535,817	(138,655)	538,631
Inventories		(219,368)	10,639	(218,935)	9,524
Other current assets		(1,998)	3,967	(1,995)	4,277
Other non-current assets		(6,513)	(18,757)	(6,513)	(18,757)
Trade and other payables		267,291	(430,131)	296,373	(427,929)
Other current liabilities		251	(808)	-	-
Employee benefits paid	15	(5,990)	(22,831)	(5,990)	(21,093)
Cash generated from operations		543,366	489,916	542,165	477,287
Interest received		6,303	9,513	6,276	9,337
Income tax paid		(76,946)	(51,446)	(73,853)	(48,753)
Income tax refund received		-	1,792	-	-
Net cash generated from operating activities		472,723	449,775	474,588	437,871

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Cash Flows (Unaudited) (Cont'd)
 For the nine-month period ended 30 June 2021

	Notes	Consolidated		Separate	
		financial information		financial information	
		2021	2020	2021	2020
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Purchases of investments in debt instruments	10	(994,503)	(350,037)	(994,503)	(350,037)
Proceeds from disposals of investments in debt instruments		818,354	570,035	818,354	570,035
Purchases of plant and equipment		(127,769)	(348,669)	(143,441)	(338,946)
Purchases of computer software	13	(743)	(15,505)	(743)	(12,886)
Proceeds from disposals of plant and equipment		3,757	4,350	3,724	4,349
Dividends received		21,562	22,102	44,561	39,102
Net cash used in investing activities		(279,342)	(117,724)	(272,048)	(88,383)
Cash flows from financing activities					
Payments for treasury shares		-	(114,012)	-	(114,012)
Payments for lease liabilities		(220)	-	(220)	-
Dividends paid	20	(109,539)	(83,196)	(109,539)	(83,196)
Net cash used in financing activities		(109,759)	(197,208)	(109,759)	(197,208)
Net increase in cash and cash equivalents		83,622	134,843	92,781	152,280
Cash and cash equivalents at the beginning of the period		905,100	599,206	869,496	552,722
Cash and cash equivalents at the end of the period		988,722	734,049	962,277	705,002

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 June 2021 and 2020 comprise:

	Consolidated		Separate	
	financial information		financial information	
	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000
Other payables from purchases of property, plant and equipment	65,003	16,142	48,602	24,928
Reclassification from available-for-sale investments to held-to-maturity debt securities	-	283,010	-	283,010

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

1 General Information

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

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

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

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

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

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

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

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

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

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

The interim consolidated and separate financial information were authorised for issue by the Board of Directors on 11 August 2021.

2 Significant events during the current period

Although the outbreak of Coronavirus Disease 2019 (COVID-19) has adversely affected not only the operating results of many industries, including the Group but also market confidence and consumer spending patterns, the Group remains well placed to grow revenues. The Group's management is still paying special attention to the COVID-19 outbreak by taking step to preserve the business continuity with measures of effective cost and working capital managements and closely monitoring its impact on the operating results of 2021.

3 Basis of preparation

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

The interim financial information should be read in conjunction with the annual financial statements for the year ended 30 September 2020.

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

4 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 30 September 2020, except for the following:

- 1) As at 1 January 2021, the Group ceases applying the temporary exemption guidance to relieve the impact from COVID-19 (temporary measures to relieve the impact from COVID-19) announced by The Federation of Accounting Professions (TFAC) which were effective for reporting periods ending between 1 January 2020 and 31 December 2020 in relation to (1) Reversal of deferred tax assets and (2) Impairment of assets. The Group's management assessed that the ceasing the guidance does not have significant effects to the Group's financial performance for the interim period ended 30 June 2021; and
- 2) The adoption of the new and amended financial reporting standards as described in Note 5.

5 Adoption of new and amended financial reporting standards and changes in accounting policies

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 information			As at 1 October 2020 Restated Baht'000
		As at 30 September 2020 Previously reported Baht'000	Adjustments and reclassifications		
			TAS 32 and TFRS 9 Baht'000	TFRS 16 Baht'000	
Assets					
Current assets					
Derivative assets	a)	-	250	-	250
Financial assets measured at fair value through other comprehensive income					
- debt instruments	b)	-	313,628	-	313,628
Available-for-sale investments	b)	124,539	(124,539)	-	-
Held-to-maturity investments	b)	188,655	(188,655)	-	-
Total current assets affected		313,194	684	-	313,878
Non-current assets					
Financial assets measured at fair value through other comprehensive income					
- debt instruments	b)	-	79,543	-	79,543
Financial assets measured at fair value through other comprehensive income					
- equity instruments	c)	-	158,898	-	158,898
Available-for-sale investments	b)	79,543	(79,543)	-	-
Other long-term investment	c)	30,782	(30,782)	-	-
Right-of-use assets, net	d)	-	-	1,124	1,124
Deferred tax assets, net	e)	66,190	(25,513)	-	40,677
Total non-current assets affected		176,515	102,603	1,124	280,242
Total assets affected		489,709	103,287	1,124	594,120
Liabilities and equity					
Current liabilities					
Derivative liabilities	a)	-	1,233	-	1,233
Current portion of lease liabilities	d)	-	-	217	217
Total current liabilities affected		-	1,233	217	1,450
Non-current liabilities					
Lease liabilities	d)	-	-	907	907
Total non-current liabilities affected		-	-	907	907
Total liabilities affected		-	1,233	1,124	2,357
Equity					
Retained earnings	a)	3,211,750	(786)	-	3,210,964
Other components of equity	b), c)	(66,746)	102,840	-	36,094
Total equity affected		3,145,004	102,054	-	3,247,058
Total liabilities and equity affected		3,145,004	103,287	1,124	3,249,415

Inoue Rubber (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the nine-month period ended 30 June 2021

	Notes	Separate financial information			As at 1 October 2020 Restated Baht'000
		As at 30 September 2020 Previously reported Baht'000	TAS 32 and TFRS 9 Baht'000	Adjustments and reclassifications TFRS 16 Baht'000	
Assets					
Current assets					
Derivative assets	a)	-	250	-	250
Financial assets measured at fair value through other comprehensive income - debt instruments	b)	-	313,628	-	313,628
Available-for-sale investments	b)	124,539	(124,539)	-	-
Held-to-maturity investments	b)	188,655	(188,655)	-	-
Total current assets affected		313,194	684	-	313,878
Non-current assets					
Financial assets measured at fair value through other comprehensive income - debt instruments	b)	-	79,543	-	79,543
Financial assets measured at fair value through other comprehensive income - equity instruments	c)	-	158,898	-	158,898
Available-for-sale investments	b)	79,543	(79,543)	-	-
Other long-term investment	c)	30,782	(30,782)	-	-
Right-of-use assets, net	d)	-	-	1,124	1,124
Deferred tax assets, net	e)	61,623	(25,513)	-	36,110
Total non-current assets affected		171,948	102,603	1,124	275,675
Total assets affected		485,142	103,287	1,124	589,553
Liabilities and equity					
Current liabilities					
Derivative liabilities	a)	-	1,233	-	1,233
Current portion of lease liabilities	d)	-	-	217	217
Total current liabilities affected		-	1,233	217	1,450
Non-current liabilities					
Lease liabilities	d)	-	-	907	907
Total non-current liabilities affected		-	-	907	907
Total liabilities affected		-	1,233	1,124	2,357
Equity					
Retained earnings	a)	3,137,760	(786)	-	3,136,974
Other components of equity	b), c)	(57,238)	102,840	-	45,602
Total equity affected		3,080,522	102,054	-	3,182,576
Total liabilities and equity affected		3,080,522	103,287	1,124	3,184,933

Notes

The adjustments and reclassifications above 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 to other components of equity
- 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 and leases mainly affects the Group's accounting treatment as follows:

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 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) at financial assets measured at fair value through other comprehensive income (FVOCI)

The Group has investments in private fund, which comprises investing in debentures and government bonds. The Group reclassified these 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 investments in debt instruments with a fair value as at 1 October 2020 of Baht 393.17 million, were reclassified from available-for-sale and held-to-maturity investments to financial assets measured at fair value through other comprehensive income (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.

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

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

- c) Recognition of derivative at fair value through profit or loss

As of 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) Impairment of financial assets

The new requirements on the impairment losses will lead to expected credit losses having to be considered for trade receivables and financial assets at fair value through other comprehensive income (FVOCI) at the initial recognition and subsequent period. However, the Group's management assessed that the adoption of these financial reporting standards does not have significant impact to the Group's accounting treatment and did not restate the beginning balance of retained earnings.

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. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 October 2020. The lessee's incremental borrowing rates applied to the lease liabilities was 6.22%.

	Consolidated financial information Baht'000	Separate financial information Baht'000
Operating lease commitments disclosed as at 30 September 2020	1,179	1,179
(Less): Discounted using the lessee's incremental borrowing rate at the date of initial application of TFRS 16	(196)	(196)
(Less): Short-term leases recognised on a straight-line basis as expense	(379)	(379)
(Less): Low-value leases recognised on a straight-line basis as expense	(800)	(800)
Add: Adjustments as a result of a different treatment of extension and termination options	1,320	1,320
Lease liabilities recognised as at 1 October 2020	1,124	1,124
Current lease liabilities	217	217
Non-current lease liabilities	907	907

The associated right-of-use assets for leased billboard space 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.

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

	Consolidated financial information		Separate financial information	
	30 June 2021 Baht'000	1 October 2020 Baht'000	30 June 2021 Baht'000	1 October 2020 Baht'000
Billboard space	989	1,124	989	1,124
Total right-of-use assets	989	1,124	989	1,124

Practical expedients applied

In applying TFRS 16 for the first time, 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
- 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 and TFRIC 4 Determining whether an arrangement contains a Lease.

Changes in accounting policies from adoption of the financial reporting standards related to financial instruments and leases

Investments and other financial assets

Classification and measurements

From 1 October 2020, the Group classifies its financial assets as follows:

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

The Group initially recognises a financial asset on trade date at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset, except financial assets that are measured at FVPL whose transaction costs are expensed in profit or loss.

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

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 asset. There are three measurement categories:

- Amortised cost: Assets that are held for collection of contractual cash flows that represent solely payments of principal and interest (SPPI) are measured at amortised cost. Interest income is included in finance income using the effective interest method. Any gain or loss on derecognition is presented in other gains/(losses), together with foreign exchange gains and losses. Impairment losses are presented as separate line item.
- FVOCI: Assets that are held for collection of contractual cash flows that represent SPPI and for selling the financial assets are measured at FVOCI. Movements in the carrying amount are taken through OCI, except impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. Interest revenue is included in finance income. Foreign exchange gains and losses are presented in other gains/(losses). Impairment losses are presented as separate line item. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified to profit or loss in other gains/(losses).
- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on subsequent measurement is presented in other gains/(losses).

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

Equity instruments

All equity instruments held must be irrevocably classified to two measurement categories; i) at fair value through profit or loss (FVPL), or ii) at fair value through other comprehensive income (FVOCI) without subsequent recycling to profit or loss. The classification of equity instruments is considered on investment-by-investment basis. Dividends from such investment continue to be recognised in profit or loss as other income.

Impairment

From 1 October 2020, the Group assesses expected credit loss on a forward-looking basis for its financial assets carried at FVOCI and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk, except trade receivables which the Group applies the simplified approach in determining its expected credit loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The changes in the fair value is recognised to other gains or losses.

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

Leases

The Group leases various billboard space, building area, accommodation for employees and office equipment. Rental contracts are typically made for fixed periods of 1 - 3 years but may have extension options. Before the date of initial application of TFRS 16, leases of these assets were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

Since 1 October 2020, 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.

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.

6 Accounting estimates

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

Determination of lease terms

Critical judgement 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.

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. During the period, the financial effect of revising lease terms to reflect the effect of exercising extension and termination options was an increase in recognised lease liabilities as at 1 October 2020 Baht 1.32 million (Note 5).

Determination of discount rate applied to leases

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.

Fair value of certain financial assets

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.

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.

7 Segment and revenue information

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

The Group's financial information for the three-month periods ended 30 June 2021 and 2020 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2021	2020	2021	2020	2021	2020
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Revenue from sales and services	1,058,850	502,414	239,686	223,475	1,298,536	725,889
Cost of sales and services	(945,808)	(491,083)	(200,951)	(188,503)	(1,146,759)	(679,586)
Gross profit	113,042	11,331	38,735	34,972	151,777	46,303
Other income					13,008	13,313
Selling expenses					(21,837)	(21,038)
Administrative expenses					(68,289)	(60,296)
Other expenses					(4,096)	(6,009)
Finance cost					(14)	-
Income tax (expense) income					(12,851)	6,005
Net profit (loss) for the period					57,698	(21,722)
Timing of revenue recognition						
At a point in time	1,058,406	502,401	239,686	223,345	1,298,092	725,746
Overtime	444	13	-	130	444	143
Total revenues	1,058,850	502,414	239,686	223,475	1,298,536	725,889

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The Group's financial information for the nine-month periods ended 30 June 2021 and 2020 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Revenue from sales and services	3,311,673	2,586,202	731,583	666,305	4,043,256	3,252,507
Cost of sales and services	(2,844,003)	(2,307,836)	(586,214)	(544,067)	(3,430,217)	(2,851,903)
Gross profit	467,670	278,366	145,369	122,238	613,039	400,604
Other income					38,181	36,771
Dividend income					21,562	22,102
Selling expenses					(74,841)	(81,809)
Administrative expenses					(197,653)	(195,498)
Other expenses					(15,156)	(15,402)
Finance cost					(46)	-
Income tax expense					(74,323)	(29,264)
Net profit for the period					310,763	137,504
Timing of revenue recognition						
At a point in time	3,311,192	2,585,918	731,581	665,589	4,042,773	3,251,507
Overtime	481	284	2	716	483	1,000
Total revenues	3,311,673	2,586,202	731,583	666,305	4,043,256	3,252,507

8 Fair value

The following table presents fair value of financial assets and liabilities recognised or disclosed by their fair value hierarchy, excluding those with the carrying amount approximates fair value.

	Consolidated and separate financial information							
	Level 1		Level 2		Level 3		Total	
	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000
Assets								
Financial assets at fair value through profit or loss (FVPL)								
Derivatives - Foreign currency forwards	-	-	1,670	-	-	-	1,670	-
Financial assets at fair value through other comprehensive income (FVOCI)								
- Debt instruments	572,139	-	-	-	-	-	572,139	-
- Equity instruments	-	-	-	-	163,060	-	163,060	-
Available-for-sale investments	-	204,082	-	-	-	-	-	204,082
Total assets	572,139	204,082	1,670	-	163,060	-	736,869	204,082
Liabilities								
Financial liabilities at fair value through profit or loss (FVPL)								
Derivatives - Foreign exchange contracts	-	-	2,100	-	-	-	2,100	-
Total liabilities	-	-	2,100	-	-	-	2,100	-

Valuation techniques used to measure fair value level 1

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

Valuation techniques used to measure fair value level 2

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

Valuation techniques used to measure fair value level 3

Changes in fair value in level 3 of unlisted equity instruments which is financial assets measured at fair value through other comprehensive income (FVOCI) for the nine-month period ended 30 June 2021 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance as at 1 October 2020 - restated (Note 5)	158,898
Gains recognised in other comprehensive income	4,162
Closing balance as at 30 June 2021	163,060

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 is risk adjusted discount rate. It is estimated based on public companies' weighted average cost of capital that, are in opinion of the Group, in a comparable financial position with the counterparty in the contract.

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

	Fair value		Unobservable inputs	Range of inputs	
	Consolidated and separate financial information			Consolidated and separate financial information	
	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000		Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	163,060	-	Future revenue growth rate	1.0%	-
			Risk-adjusted discount rate	17.5%	-

As at 30 June 2021, relationship of unobservable inputs to fair value are shown as follows:

	Unobservable inputs	Movement	Change in fair value	
			Increase in assumptions	Decrease in assumptions
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	Future revenue growth rate	1.00%	Increase by 1.08%	Decrease by 1.07%
	Risk-adjusted discount rate	1.00%	Decrease by 0.94%	Increase by 0.98%

9 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000
Trade receivables - related companies (Note 22 b))	461,634	406,336	465,268	408,932
Trade receivables - other companies	476,917	405,131	475,452	403,873
<u>Less</u> Allowance for expected credit loss	-	-	-	-
Trade receivables, net	938,551	811,467	940,720	812,805
Prepayments	15,660	3,886	14,308	3,096
Accrued income	318	476	288	468
Advanced payments	10	10	-	-
Amounts due from related parties (Note 22 b))	1,528	1,406	3,324	2,699
Other receivables	13	15	13	15
Trade and other receivables, net	956,080	817,260	958,653	819,083

As at 30 June 2021 and 30 September 2020, trade receivables, included in trade and other receivables in the statements of financial position, can be analysed by aging as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000
Related companies				
Current	461,614	406,336	465,248	408,932
Overdue up to 3 months	20	-	20	-
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	461,634	406,336	465,268	408,932
Other companies				
Current	470,559	404,995	469,094	403,737
Overdue up to 3 months	6,356	84	6,356	84
Overdue 3 - 6 months	-	52	-	52
Overdue 6 - 12 months	2	-	2	-
Overdue more than 12 months	-	-	-	-
	476,917	405,131	475,452	403,873
<u>Less</u> Allowance for expected credit loss	-	-	-	-
	476,917	405,131	475,452	403,873
Total trade receivables, net	938,551	811,467	940,720	812,805

10 Financial assets measured at fair value through other comprehensive income - Debt instruments

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

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000
Debt instruments				
- Current (30 September 2020: fair value / amortised cost)	300,900	313,194	300,900	313,194
- Non-current (30 September 2020: fair value)	271,239	79,543	271,239	79,543
Total debt instruments	572,139	392,737	572,139	392,737

Movements in financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments for the nine-month period ended 30 June 2021 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance as at 1 October 2020 - restated (Note 5)	393,171
Additions	994,503
Disposals	(822,235)
Interest income	5,485
Change in fair values	1,215
Closing balance as at 30 June 2021	572,139

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

During the current interim period, the group disposed the partial debt securities and realised a gain on disposal (transferred FVOCI reserve to other gain or loss of Baht 26,434).

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).

11 Investment properties, net

Movements of investment properties for the nine-month period ended 30 June 2021 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	9,021	9,705
Depreciation charges	-	(22)
Closing net book amount	9,021	9,683

12 Property, plant and equipment, net

Movements of property, plant and equipment for the nine-month period ended 30 June 2021 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	1,817,644	1,749,718
Additions	173,755	168,874
Disposals, net	(3,439)	(3,439)
Write-offs, net	(413)	(413)
Depreciation charges	(262,599)	(252,825)
Closing net book amount	1,724,948	1,661,915

13 Computer software, net

Movements of computer software for the nine-month period ended 30 June 2021 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	50,374	44,236
Additions	743	743
Amortisation charges	(6,284)	(5,486)
Closing net book amount	44,833	39,493

14 Trade and other payables

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000
Trade payables - related companies (Note 22 b))	289,385	180,974	290,983	182,027
Trade payables - other companies	548,952	345,211	542,523	342,930
Amounts due to related parties (Note 22 b))	2,617	1,253	26,522	12,728
Accrued expenses	102,725	104,419	92,847	94,160
Advance received from customers	1,749	1,373	1,749	1,373
Other payables	71,073	68,296	69,709	67,611
Trade and other payables	1,016,501	701,526	1,024,333	700,829

15 Employee benefit obligations

Movements of employee benefit obligations for the nine-month period ended 30 June 2021 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening balance	326,797	296,281
Additional provisions during the period	22,336	20,133
<u>Less</u> Employee benefits paid during the period	<u>(5,990)</u>	<u>(5,990)</u>
Closing balance	343,143	310,424

16 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.

The Company had repurchased total treasury shares of Baht 114,011,638 for repurchased share of 7,792,300 shares, represents 3.9% of the Company's total issued shares. Treasury share has to be resold after 6 months but no later than 3 years from the completion date of share repurchases on 5 June 2020. The payment for treasury shares presented as reduction in equity in the statement of financial position.

17 Dividend income

Dividend income from investment in equity instrument

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

Dividend income from investments in subsidiaries

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

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

18 Income tax expense

Income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used by the Company for the year to the interim period ended 30 June 2021 was 18.32 %, compared to 15.55 %, for the interim period ended 30 June 2020. The tax rate was lower in the prior interim period due to the Group completed exemption period of corporate income tax for net income from promotional operations during the current interim period. The Group has been granted reduction of corporate income tax for net income from promotional operations at the rate of 50%.

19 Earnings (loss) 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 period.

Basic earnings (loss) per share for the three-month periods ended 30 June 2021 and 2020 were as follows:

	Consolidated financial information		Separate financial information	
	2021	2020	2021	2020
Net profit (loss) attributable to the owners of the parent company (Thousand Baht)	57,698	(21,722)	53,169	(22,835)
Weighted average number of ordinary shares outstanding (Thousand shares)	192,208	197,542	192,208	197,542
Basic earnings (loss) per share (Baht per share)	0.30	(0.11)	0.28	(0.12)

Basic earnings per share for the nine-month periods ended 30 June 2021 and 2020 were as follows:

	Consolidated financial information		Separate financial information	
	2021	2020	2021	2020
Net profit attributable to the owners of the parent company (Thousand Baht)	310,763	137,504	319,421	143,438
Weighted average number of ordinary shares outstanding (Thousand shares)	192,208	196,855	192,208	196,855
Basic earnings per share (Baht per share)	1.62	0.70	1.66	0.73

20 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 dividend 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.

21 Letters of bank guarantee

As at 30 June 2021, the Group had outstanding letters of guarantee issued by banks on behalf of the Company in the normal course of business comprise guarantee for electricity consumption to the Provincial Electricity Authority of Baht 20.62 million (30 September 2020: Baht 20.62 million), guarantee for the due fulfillment of the terms and conditions in respect of grant of Certification Mark License by the licensor of Baht 0.32 million (30 September 2020: Baht 0.32 million) and guarantee for contractual performance of Baht 1.26 million (30 September 2020: Baht 1.33 million).

22 Related party transactions

a) Transactions with related parties

The significant related party transactions for the three-month periods ended 30 June 2021 and 2020 were as follows:

	Consolidated financial information		Separate financial information	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Sales of goods				
Subsidiaries	-	-	3,397	1,494
Related parties	580,106	400,279	580,106	400,149
	580,106	400,279	583,503	401,643
Service income				
Related parties	3,717	3,343	3,717	3,343
Rental income				
Subsidiaries	-	-	812	806
Related party	333	333	333	333
	333	333	1,145	1,139
Purchases of raw materials				
Related parties	235,822	112,120	235,822	112,120
Purchases of metal molds and machineries				
Subsidiary	-	-	10,383	5,214
Related party	531	-	531	-
	531	-	10,914	5,214
Research and development expenses				
Subsidiary	-	-	25,985	16,096
Related party	237	391	-	-
	237	391	25,985	16,096
Technical assistance fee expenses				
Related parties	20,696	13,436	20,696	13,436
Advertising expenses				
Related party	-	1,700	-	1,700
Rental and service fee expenses				
Related party	227	-	227	-
Utility expense				
Related parties	104	106	104	106

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The significant related party transactions for the nine-month periods ended 30 June 2021 and 2020 were as follows:

	Consolidated financial information		Separate financial information	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Sales of goods				
Subsidiaries	-	-	13,283	13,169
Related parties	1,776,448	1,487,162	1,776,446	1,486,219
	1,776,448	1,487,162	1,789,729	1,499,388
Service income				
Related parties	10,811	10,314	10,811	10,314
Rental income				
Subsidiaries	-	-	2,437	2,412
Related parties	999	1,053	999	1,053
	999	1,053	3,436	3,465
Purchases of raw materials				
Related parties	690,820	518,700	690,820	518,700
Purchases of metal molds and machineries				
Subsidiary	-	-	29,434	22,682
Related parties	1,839	38,602	1,839	38,602
	1,839	38,602	31,273	61,284
Research and development expenses				
Subsidiary	-	-	77,918	76,790
Related party	1,343	1,002	-	-
	1,343	1,002	77,918	76,790
Technical assistance fee expenses				
Related parties	60,862	52,848	60,862	52,848
Advertising expenses				
Related parties	4,708	7,425	4,708	7,425
Rental and service fee expenses				
Related party	227	-	227	-
Dividend income (Note 17)				
Subsidiaries	-	-	22,999	17,000
Related party	21,562	22,102	21,562	22,102
	21,562	22,102	44,561	39,102
Utility expense				
Related parties	273	317	273	317
Employee service sharing expenses				
Subsidiary	-	-	-	800

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

The outstanding balances as at 30 June 2021 and 30 September 2020 in relation to transactions between the Group and the Company and those subsidiaries and related companies were summarised as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 30 June 2021 Baht'000	Audited 30 September 2020 Baht'000
Trade receivables				
Subsidiaries	-	-	3,634	2,596
Related companies	461,634	406,336	461,634	406,336
Total trade receivables	461,634	406,336	465,268	408,932
Amounts due from related parties				
Subsidiaries	-	-	1,796	1,293
Related companies	1,528	1,406	1,528	1,406
Total amounts due from related parties	1,528	1,406	3,324	2,699
Trade payables				
Subsidiaries	-	-	1,598	1,057
Related companies	289,385	180,974	289,385	180,970
Total trade payables	289,385	180,974	290,983	182,027
Amounts due to related parties				
Subsidiaries	-	-	24,611	12,180
Related companies	2,617	1,253	1,911	548
Total amounts due to related parties	2,617	1,253	26,522	12,728

c) Directors' and key management's remunerations

The Company and its subsidiaries had the compensation paid or payable to their key directors and key management for the nine-month periods ended 30 June 2021 and 2020 as follows:

	Consolidated financial information		Separate financial information	
	2021 Baht'000	2020 Baht'000	2021 Baht'000	2020 Baht'000
Salaries and other short-term benefits	52,377	50,458	52,377	50,458
Post-employment benefits	1,308	639	1,308	639
Other long-term benefits	943	887	943	887
	54,628	51,984	54,628	51,984