

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED

INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)

31 DECEMBER 2020



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 31 December 2020, the consolidated and separate statements of comprehensive income, the related consolidated and separate statements of changes in equity and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

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

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position

As at 31 December 2020

	Notes	Consolidated financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		31 December	30 September	31 December	30 September
		2020	2020	2020	2020
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents		850,267	905,100	814,527	869,496
Trade and other receivables, net	9	902,345	817,260	906,351	819,083
Derivatives assets		262	-	262	-
Financial assets measured at fair value through other comprehensive income - debt instrument	10	462,832	-	462,832	-
Available-for-sale investments		-	124,539	-	124,539
Held to maturity investments		-	188,655	-	188,655
Inventories, net		515,826	459,437	512,475	456,847
Other current assets		8,283	6,459	6,343	3,717
Total current assets		2,739,815	2,501,450	2,702,790	2,462,337
Non-current assets					
Financial assets measured at fair value through other comprehensive income - debt instruments	10	133,988	-	133,988	-
Financial assets measured at fair value through other comprehensive income - equity instrument		154,367	-	154,367	-
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	9,698	9,705
Property, plant and equipment, net	12	1,780,805	1,817,644	1,715,071	1,749,718
Right-of-use assets, net		1,078	-	1,078	-
Computer software, net	13	48,400	50,374	42,562	44,236
Deferred tax assets, net		43,259	66,190	38,573	61,623
Other non-current assets		35,830	33,563	35,769	33,503
Total non-current assets		2,206,748	2,087,117	2,151,155	2,029,159
Total assets		4,946,563	4,588,567	4,853,945	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 31 December 2020

	Notes	Consolidated		Separate	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		31 December	30 September	31 December	30 September
		2020	2020	2020	2020
		Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity					
Current liabilities					
Trade and other payables	14	800,918	701,526	811,346	700,829
Derivatives liabilities		1,515	-	1,515	-
Income tax payable		38,921	9,876	38,921	9,876
Current portion of lease liabilities		220	-	220	-
Other current liabilities		1,817	1,040	-	-
Total current liabilities		843,391	712,442	852,002	710,705
Non-current liabilities					
Lease liabilities		921	-	921	-
Deferred tax liabilities, net		318	331	-	-
Employee benefit obligations	15	333,028	326,797	301,845	296,281
Total non-current liabilities		334,267	327,128	302,766	296,281
Total liabilities		1,177,658	1,039,570	1,154,768	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 31 December 2020

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	31 December	30 September	31 December	30 September
	2020	2020	2020	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				
	3,332,143	3,211,750	3,252,912	3,137,760
Less Treasury shares	16	(114,012)	(114,012)	(114,012)
Other components of equity	32,769	(66,746)	42,277	(57,238)
Equity attributable to:				
Owners of the parent	3,768,900	3,548,992	3,699,177	3,484,510
Non-controlling interests	5	5	-	-
Total equity	3,768,905	3,548,997	3,699,177	3,484,510
Total liabilities and equity	4,946,563	4,588,567	4,853,945	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 31 December 2020

	Note	Consolidated financial information		Separate financial information	
		2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Revenues					
Revenue from sales and services		1,329,181	1,231,551	1,328,942	1,230,457
Other income		12,936	13,616	13,710	14,322
Total revenues		1,342,117	1,245,167	1,342,652	1,244,779
Expenses					
Cost of sales and services		1,094,715	1,073,999	1,103,169	1,082,604
Selling expenses		28,050	31,209	28,050	31,209
Administrative expenses		62,730	63,774	61,398	61,666
Other expenses		6,294	4,642	6,290	4,642
Total expenses		1,191,789	1,173,624	1,198,907	1,180,121
Profit before finance costs and income tax expense		150,328	71,543	143,745	64,658
Profit before income tax expense		150,328	71,543	143,745	64,658
Income tax expense	17	(29,149)	(11,806)	(27,807)	(10,527)
Net profit for the period		121,179	59,737	115,938	54,131

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited) (Cont'd)
 For the three-month period ended 31 December 2020

	Note	Consolidated financial information		Separate financial information	
		2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Other comprehensive income (expense):					
Item that will not be reclassified subsequently to profit or loss:					
Remeasurements of employee benefit obligations, net of tax		-	(50,351)	-	(45,817)
Changes in fair value of equity instruments at fair value through other comprehensive income		(3,625)	-	(3,625)	-
Total item that will not be reclassified subsequently to profit or loss		(3,625)	(50,351)	(3,625)	(45,817)
Item that will be reclassified subsequently to profit or loss:					
Change in value of available-for-sale investments, net of tax		-	617	-	617
Changes in fair value of debt instruments at fair value through other comprehensive income		300	-	300	-
Total item that will be reclassified subsequently to profit or loss		300	617	300	617
Other comprehensive expense for the period, net of tax		(3,325)	(49,734)	(3,325)	(45,200)
Total comprehensive income for the period		117,854	10,003	112,613	8,931
Profit attributable to:					
Owners of the parent		121,179	59,737	115,938	54,131
Non-controlling interests		-	-	-	-
		<u>121,179</u>	<u>59,737</u>	<u>115,938</u>	<u>54,131</u>
Total comprehensive income attributable to:					
Owners of the parent		117,854	10,003	112,613	8,931
Non-controlling interests		-	-	-	-
		<u>117,854</u>	<u>10,003</u>	<u>112,613</u>	<u>8,931</u>
Earnings per share					
Basic earnings per share (Baht)	18	0.63	0.30	0.60	0.27

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Changes in Equity (Unaudited)
 For the three-month period ended 31 December 2020

Consolidated financial information

	Attributable to owners of the parent														
	Capital contributed			Retained earnings			Other components of equity								
							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	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Opening balance as at 1 October 2019	200,000	298,000	-	20,000	3,075,883	1,453	-	-	-	(14,271)	(12,908)	3,581,075	5	3,581,080	
Changes in equity for the three-month period ended 31 December 2019	-	-	-	-	59,737	617	-	-	-	(50,351)	(49,734)	10,003	-	10,003	
Total comprehensive income for the period	-	-	(130)	-	-	-	-	-	-	-	-	(130)	-	(130)	
Treasury shares	-	-	(130)	-	-	-	-	-	-	-	-	(130)	-	(130)	
Closing balance as at 31 December 2019	200,000	298,000	(130)	20,000	3,135,620	2,080	-	-	-	(64,622)	(62,542)	3,590,948	5	3,590,953	
Opening balance as at 1 October 2020	200,000	298,000	(114,012)	20,000	3,211,750	(2,124)	-	-	-	(64,622)	(66,746)	3,548,992	5	3,548,997	
- previously reported	-	-	-	-	(786)	-	-	-	-	-	-	-	-	-	
Retrospective adjustments from changes in accounting policy	-	-	-	-	(786)	-	347	-	102,493	-	102,840	102,054	-	102,054	
Opening balance as at 1 October 2020	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	
- restated	-	-	-	-	121,179	-	300	-	(3,625)	-	(3,325)	117,854	-	117,854	
Changes in equity for the three-month period ended 31 December 2020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Closing balance as at 31 December 2020	200,000	298,000	(114,012)	20,000	3,332,143	(2,124)	647	-	98,898	(64,622)	32,769	3,768,900	5	3,768,905	

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Changes in Equity (Unaudited) (Cont'd)
 For the three-month period ended 31 December 2020

Separate financial information

	Separate financial information										Total equity Baht'000
	Capital contributed			Retained earnings			Other components of equity				
	Issued and fully paid-up share capital Baht'000	Share premium Baht'000	Treasury shares Baht'000	Appropriated - legal reserve Baht'000	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	
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 three-month period ended 31 December 2019	-	-	-	-	54,131	617	-	-	(45,817)	(45,200)	8,931
Total comprehensive income for the period	-	-	(130)	-	-	-	-	-	-	-	(130)
Treasury shares	-	-	(130)	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2019	200,000	298,000	(130)	20,000	3,050,877	2,080	-	-	(55,114)	(53,034)	3,515,713
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 policy	-	-	-	-	(786)	-	347	102,493	-	102,840	102,054
Opening balance as at 1 October 2020	200,000	298,000	(114,012)	20,000	3,136,974	(2,124)	347	102,493	(55,114)	45,602	3,586,564
- restated	-	-	-	-	-	-	-	-	-	-	-
Changes in equity for the three-month period ended 31 December 2020	-	-	-	-	115,938	-	300	(3,625)	-	(3,325)	112,613
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
Closing balance as at 31 December 2020	200,000	298,000	(114,012)	20,000	3,252,912	(2,124)	647	98,868	(55,114)	42,277	3,699,177

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Cash Flows (Unaudited)
 For the three-month period ended 31 December 2020

	Notes	Consolidated		Separate	
		financial information		financial information	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Profit before income tax expense		150,328	71,543	143,745	64,658
Adjustments for:					
Depreciation	11, 12	88,254	83,340	84,950	80,168
Amortisation of computer software	13	2,149	1,897	1,849	1,619
Amortisation of right-of-use asset		46	-	46	-
Loss on allowance for inventories obsolescence (Reversal)		(395)	1,402	(395)	1,402
Net (gains) losses on write-offs and sale of plant and equipment		(950)	568	(937)	568
Unrealised gains on exchange rates		(67)	(1,176)	(67)	(1,176)
Fair value losses on derivatives		270	-	270	-
Gains on disposals of investments in debt instruments		(10)	(14)	(10)	(14)
Interest income		(2,837)	(4,922)	(2,824)	(4,831)
Finance costs		17	-	17	-
Employee benefits	15	7,378	6,791	6,711	6,059
Changes in working capital					
Trade and other receivables		(86,613)	83,368	(88,795)	84,688
Inventories		(55,994)	(18,522)	(55,233)	(18,885)
Other current assets		(2,619)	1,268	(2,626)	1,103
Other non-current assets		(2,266)	4,753	(2,266)	3,679
Trade and other payables		84,202	(71,014)	90,004	(53,248)
Other current liabilities		776	1,682	-	-
Employee benefits paid	15	(1,147)	(4,175)	(1,147)	(4,029)
Cash generated from operations		180,522	156,789	173,292	161,761
Interest received		917	1,617	903	1,518
Income tax paid		(1,073)	(1,757)	(394)	(684)
Net cash generated from operating activities		180,366	156,649	173,801	162,595

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Cash Flows (Unaudited) (Cont'd)
 For the three-month period ended 31 December 2020

	Notes	Consolidated		Separate	
		financial information		financial information	
		2020	2019	2020	2019
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Purchases of investments in debt instruments	10	(454,853)	(182,133)	(454,853)	(182,133)
Proceeds from disposals of investments in debt instruments		253,504	182,543	253,504	182,543
Purchases of plant and equipment		(35,807)	(147,344)	(29,365)	(144,936)
Purchases of computer software	13	(175)	(8,975)	(175)	(8,975)
Proceeds from disposals of plant and equipment		2,132	2,958	2,119	2,958
Net cash used in investing activities		(235,199)	(152,951)	(228,770)	(150,543)
Cash flows from financing activities					
Payments for treasury shares		-	(130)	-	(130)
Net cash used in financing activities		-	(130)	-	(130)
Net increase (decrease) in cash and cash equivalents		(54,833)	3,568	(54,969)	11,922
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		850,267	602,774	814,527	564,644

Non-cash transactions

Significant non-cash transactions for the three-month periods ended 31 December 2020 and 2019 comprise:

	Consolidated		Separate	
	financial information		financial information	
	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000
Other payables from purchases of property, plant and equipment	35,807	66,891	45,282	79,411

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 has been reviewed, not audited.

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

2 Significant events during the current period

The outbreak of Coronavirus Disease 2019 ("COVID-19") since early 2020 has adverse effects widespread on the operating results, which related to many industries, including the Group.

The nationwide COVID-19 outbreak and decline in domestic economic resulted in lower vehicle and automotive parts demand in automotive industry. The Group is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategizing effective solutions. The 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. Moreover, The Group 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 interim consolidated and separated financial information has been prepared in accordance with Thai Accounting Standard (TAS) no. 34, Interim Financial Reporting, accounting guidance issued by the Federation of Accounting Professions (TFAC) 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 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) the adoption of the new financial reporting standards and changes in accounting policies as described in Note 5; and
- 2) the Group decides to stop applying the temporary measures to relieve the impact from COVID-19 announced by the Federation of Accounting Professions (TFAC) by 31 December 2020. Effects from changes in measurement must be immediately recognised in either profit or loss or other comprehensive income (in accordance with standards) in the reporting period in which the Group stopped applying the relief. However, the Group's management assessed that stopped applying the relief does not have significant effects to the Group's accounting treatment.

5 Adoption of new 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 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		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
Deferred tax assets, net	e)	66,190	(25,513)	40,677
Total non-current assets		176,515	102,603	280,242
Total assets		489,709	103,287	594,120

Inoue Rubber (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 December 2020

	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	
Liabilities and equity					
Current liabilities					
Derivative liabilities	a)	-	1,233	-	1,233
Current portion of lease liabilities	d)	-	-	217	217
Total current liabilities		-	1,233	217	1,450
Non-current liabilities					
Lease liabilities	d)	-	-	907	907
Total non-current liabilities		-	-	907	907
Total liabilities		-	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		3,145,004	102,054	-	3,247,058
Total liabilities and equity		3,145,004	103,287	1,124	3,249,415
Separate financial information					
	Notes	As at 30 September 2020 Previously reported Baht'000	Adjustments and reclassifications		As at 1 October 2020 Restated Baht'000
			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		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		171,948	102,603	1,124	275,675
Total assets		485,142	103,287	1,124	589,553

Inoue Rubber (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 December 2020

	Notes	Separate 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	
Liabilities and equity					
Current liabilities					
Derivative liabilities	a)	-	1,233	-	1,233
Current portion of lease liabilities	d)	-	-	217	217
Total current liabilities		-	1,233	217	1,450
Non-current liabilities					
Lease liabilities	d)	-	-	907	907
Total non-current liabilities		-	-	907	907
Total liabilities		-	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		3,080,522	102,054	-	3,182,576
Total liabilities and equity		3,080,522	103,287	1,124	3,184,933

Notes

The adjustments and reclassifications above are summarised below:

- Recognised derivative assets and liabilities at fair value through profit or loss (FVPL) and recognised fair value adjustments to opening retained earnings
- 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
- 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
- Recognised right of use assets and lease liabilities; and
- 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:

- 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 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 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	
	31 December 2020 Baht'000	1 October 2020 Baht'000	31 December 2020 Baht'000	1 October 2020 Baht'000
Billboard space	1,078	1,124	1,078	1,124
Total right-of-use assets	1,078	1,124	1,078	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.

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.

From 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 of Baht 1.32 million (Note 5).

Determination of discount rate applied to leases

The Group determines the 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 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.

Financial information of the Group for the three-month periods ended 31 December 2020 and 2019 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2020	2019	2020	2019	2020	2019
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Revenue from sales and services	1,088,214	1,007,521	240,967	224,030	1,329,181	1,231,551
Cost of sales and services	(911,731)	(887,420)	(182,984)	(186,579)	(1,094,715)	(1,073,999)
Gross profit	176,483	120,101	57,983	37,451	234,466	157,552
Other income					12,936	13,616
Selling expenses					(28,050)	(31,209)
Administrative expenses					(62,730)	(63,774)
Other expenses					(6,294)	(4,642)
Income tax expense					(29,149)	(11,806)
Net profit for the period					121,179	59,737
Timing of revenue recognition						
At a point in time	1,088,214	1,007,293	240,965	223,445	1,329,179	1,230,738
Overtime	-	228	2	585	2	813
Total revenues	1,088,214	1,007,521	240,967	224,030	1,329,181	1,231,551

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 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000
Assets										
Financial assets at fair value through profit or loss (FVPL)										
Derivatives - Foreign currency forwards	-	-	262	-	-	-	-	262	-	-
Financial assets at fair value through other comprehensive income (FVOCI)										
- Debt instruments	596,820	-	-	-	-	-	-	596,820	-	-
- Equity instruments	-	-	-	-	154,367	-	-	154,367	-	-
Available-for-sale investments	-	204,082	-	-	-	-	-	-	-	204,082
Total assets	596,820	204,082	262	-	154,367	-	-	751,449	204,082	-
Liabilities										
Financial liabilities at fair value through profit or loss (FVPL)										
Derivatives - Foreign exchange contracts	-	-	1,515	-	-	-	-	1,515	-	-
Total liabilities	-	-	1,515	-	-	-	-	1,515	-	-

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 exchange contracts is determined using forward exchange rates that are quoted in an active market. The effects of discounting are generally insignificant for level 2 derivatives.

There was no change in valuation techniques during the period.

Valuation techniques used to measure fair value level 3

The fair value in level 3 of unlisted equity instruments, which are classified as financial assets at fair value to through other comprehensive income (FVOCI) is not based on observable market data.

The Group's 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.

Inoue Rubber (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 December 2020

Changes in fair value in level 3 of unlisted equity instruments, which are classified as financial assets at fair value to through other comprehensive income (FVOCI), for the three-month period ended 31 December 2020 were as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening balance as at 1 October 2020 - restated (Note 5)	158,898	158,898
Losses recognised in other comprehensive income	(4,531)	(4,531)
Closing balance as at 31 December 2020	154,367	154,367

The following table presents fair values of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	Consolidated and separate financial information			
	Fair value through profit or loss (FVPL) Baht'000	Fair value through other comprehensive income (FVOCI) Baht'000	Amortised cost Baht'000	Total Baht'000
Financial assets measured at fair value as at 31 December 2020				
Derivative assets	262	-	-	262
Financial assets at fair value through other comprehensive income (FVOCI)				
- debt instruments	-	596,820	-	596,820
Financial assets at fair value through other comprehensive income (FVOCI)				
- equity instruments	-	154,367	-	154,367
	262	751,187	-	751,449
Financial liabilities measured at fair value as at 31 December 2020				
Derivative liabilities	1,515	-	-	1,515
	1,515	-	-	1,515
	Consolidated and separate financial information			
	Fair value through profit or loss (FVPL) Baht'000	Fair value through other comprehensive income (FVOCI) Baht'000	Amortised cost Baht'000	Total Baht'000
Financial assets measured at fair value as at 1 October 2020				
Derivative assets	250	-	-	250
Financial assets at fair value through other comprehensive income (FVOCI)				
- debt instruments	-	393,171	-	393,171
Financial assets at fair value through other comprehensive income (FVOCI)				
- equity instruments	-	158,898	-	158,898
	250	552,069	-	552,319
Financial liabilities measured at fair value as at 1 October 2020				
Derivative liabilities	1,233	-	-	1,233
	1,233	-	-	1,233

Inoue Rubber (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 December 2020

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

Consolidated financial information	Separate financial information
Financial assets	Financial assets
<ul style="list-style-type: none"> • Cash and cash equivalents • Trade and other receivables, net • Other current assets • Other non-current assets 	<ul style="list-style-type: none"> • Cash and cash equivalents • Trade and other receivables, net • Other current assets • Other non-current assets
Financial liabilities	Financial liabilities
<ul style="list-style-type: none"> • Trade and other payables • Other current liabilities • Lease liabilities 	<ul style="list-style-type: none"> • Trade and other payables • Lease liabilities

9 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000
Trade receivables - related companies (Note 20)	423,130	406,335	428,213	408,932
Trade receivables - other companies	474,764	405,132	472,630	403,873
Less Loss allowance	-	-	-	-
Trade receivables, net	897,894	811,467	900,843	812,805
Prepayments	2,566	3,886	1,937	3,096
Accrued income	479	476	474	468
Advanced payments	10	10	-	-
Amounts due from related parties (Note 20)	1,374	1,406	3,085	2,699
Other receivables	22	15	12	15
Trade and other receivables, net	902,345	817,260	906,351	819,083

Inoue Rubber (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 December 2020

Outstanding trade receivables as at 31 December 2020 and 30 September 2020 can be analysed by aging as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000
Related companies				
Current	423,130	406,336	428,213	408,932
Overdue up to 3 months	-	-	-	-
Overdue 3 - 6 months	-	-	-	-
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	423,130	406,336	428,213	408,932
Other companies				
Current	473,698	404,995	471,564	403,737
Overdue up to 3 months	1,065	84	1,065	84
Overdue 3 - 6 months	1	52	1	52
Overdue 6 - 12 months	-	-	-	-
Overdue more than 12 months	-	-	-	-
	474,764	405,131	472,630	403,873
<u>Less</u> Loss allowance	-	-	-	-
	474,764	405,131	472,630	403,873
Total trade receivables, net	897,894	811,467	900,843	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 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000
Debt instruments				
- Current				
(30 September 2020: fair value / amortised cost)	462,832	313,194	462,832	313,194
- Non-current				
(30 September 2020: fair value)	133,988	79,543	133,988	79,543
Total debt instruments	596,820	392,737	596,820	392,737

Movements in financial assets measured at fair value through other comprehensive income (FVOCI) - debt instruments for the three-month period ended 31 December 2020 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance (Note 5)	393,171
Additions	454,853
Disposals	(253,494)
Interest income	1,915
Change in fair values	375
Closing balance	596,820

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 the group realised a gain on disposal of Baht 10,435 (transferred FVOCI reserve) to other gain or loss) (net of tax of Baht 8,348).

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 three-month period ended 31 December 2020 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	9,021	9,705
Depreciation charges	-	(7)
Closing net book amount	9,021	9,698

12 Property, plant and equipment, net

Movements of property, plant and equipment for the three-month period ended 31 December 2020 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	1,817,644	1,749,718
Additions	52,597	51,478
Disposals, net	(1,145)	(1,145)
Write-offs, net	(37)	(37)
Depreciation charges	(88,254)	(84,943)
Closing net book amount	1,780,805	1,715,071

13 Computer software, net

Movements of computer software for the three-month period ended 31 December 2020 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	50,374	44,236
Additions	175	175
Amortisation charges	(2,149)	(1,849)
Closing net book amount	48,400	42,562

14 Trade and other payables

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000
Trade payables - related companies (Note 20)	220,961	180,974	222,265	182,027
Trade payables - other companies	450,346	345,211	445,913	342,930
Amounts due to related parties (Note 20)	1,190	1,253	19,671	12,728
Accrued expenses	34,747	104,419	30,872	94,160
Advance received from customers	1,373	1,373	1,373	1,373
Other payables	92,301	68,296	91,252	67,611
Trade and other payables	800,918	701,526	811,346	700,829

Outstanding accrued expenses as at 31 December 2020 and 30 September 2020 were as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000
Accrued bonuses	24,413	80,941	22,175	72,669
Accrued employee welfare	2,315	13,311	1,911	12,249
Other accruals	8,019	10,167	6,786	9,242
Accrued expenses	34,747	104,419	30,872	94,160

15 Employee benefit obligations

Movements of employee benefit obligations for the three-month period ended 31 December 2020 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening balance	326,797	296,281
Additional provisions during the period	7,378	6,711
<u>Less</u> Employee benefits paid during the period	(1,147)	(1,147)
Closing balance	333,028	301,845

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 Income tax expense

Income tax expense for the three-month period ended 31 December 2020 and 2019 were as follows:

	Consolidated financial information		Separate financial information	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Current income tax	30,913	12,968	29,439	11,553
Deferred income tax	(1,764)	(1,162)	(1,632)	(1,026)
Income tax expense	29,149	11,806	27,807	10,527

The interim income tax expense is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 20%. (The estimated tax rate for the prior interim period was 20%).

18 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 period.

Basic earnings per share for the three-month period ended 31 December 2020 and 2019 were as follows:

	Consolidated financial information		Separate financial information	
	2020	2019	2020	2019
Net profit attributable to the owners of the parent company (Thousand Baht)	121,179	59,737	115,938	54,131
Weighted average number of ordinary shares outstanding (Thousand shares)	192,208	199,998	192,208	199,998
Basic earnings per share (Baht per share)	0.63	0.30	0.60	0.27

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

19 Letters of bank guarantee

As at 31 December 2020, 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 0.30 million (30 September 2020: Baht 0.32 million) and guarantee for contractual performance of Baht 1.31 million (30 September 2020: Baht 1.33 million).

20 Related party transactions

The Company's major shareholders are the Leeissaranukuls group in proportion of 39.36% and Inoue Rubber Company Limited, which is incorporated and domiciled in Japan, in proportion of 35.69%. The remaining 24.95% of the shares are widely held.

During the period, the Group and the Company entered into a number of 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 that are summarised as follows:

	Terms and basis
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, metal molds and machineries	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 fee expenses	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.

Inoue Rubber (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 December 2020

a) Transactions with related parties

The significant related party transactions for the three-month periods ended 31 December 2020 and 2019 were summarised as follows:

	Consolidated financial information		Separate financial information	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Sales of goods				
Subsidiary	-	-	4,750	5,617
Related parties	563,114	502,042	563,112	501,229
	563,114	502,042	567,862	506,846
Service income				
Related parties	3,484	3,387	3,484	3,387
Rental income				
Subsidiaries	-	-	812	803
Related parties	333	387	333	387
	333	387	1,145	1,190
Purchases of raw materials				
Related parties	216,046	216,397	216,046	216,397
Purchases of metal molds and machineries				
Subsidiary	-	-	8,068	8,251
Related parties	-	38,602	-	38,602
	-	38,602	8,068	46,853
Research and development expenses				
Subsidiary	-	-	25,382	29,737
Related party	472	127	-	-
	472	127	25,382	29,737
Technical assistance fee expenses				
Related parties	19,297	19,651	19,297	19,651
Advertising expenses				
Related parties	4,708	5,675	4,708	5,675
Utility expense				
Related party	97	111	97	111
Employee service sharing expenses				
Subsidiary	-	-	-	442

Inoue Rubber (Thailand) Public Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the three-month period ended 31 December 2020

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

The outstanding balances as at 31 December 2020 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 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000	Unaudited 31 December 2020 Baht'000	Audited 30 September 2020 Baht'000
Trade receivables				
Subsidiaries	-	-	5,083	2,596
Related companies	423,130	406,335	423,130	406,336
Total trade receivables	423,130	406,335	428,213	408,932
Amounts due from related parties				
Subsidiaries	-	-	1,711	1,293
Related companies	1,374	1,406	1,374	1,406
Total amounts due from related parties	1,374	1,406	3,085	2,699
Trade payables				
Subsidiaries	-	-	1,304	1,057
Related companies	220,961	180,974	220,961	180,970
Total trade payables	220,961	180,974	222,265	182,027
Amounts due to related parties				
Subsidiaries	-	-	19,187	12,180
Related companies	1,190	1,253	484	548
Total amounts due to related parties	1,190	1,253	19,671	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 three-month periods ended 31 December 2020 and 2019 as follows:

	Consolidated financial information		Separate financial information	
	2020 Baht'000	2019 Baht'000	2020 Baht'000	2019 Baht'000
Salaries and other short-term benefits	22,882	20,291	22,882	20,291
Post-employment benefits	436	213	436	213
Other long-term benefits	303	292	303	292
	23,621	20,796	23,621	20,796

21 Events occurring after the reporting date

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 dividend will be distributed to shareholders who are on the register at 8 February 2021, on 25 February 2021.

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 dividends will be distributed to shareholders 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 dividends will be distributed to shareholders on 25 February 2021.