

# Form 56-1 One Report 2021

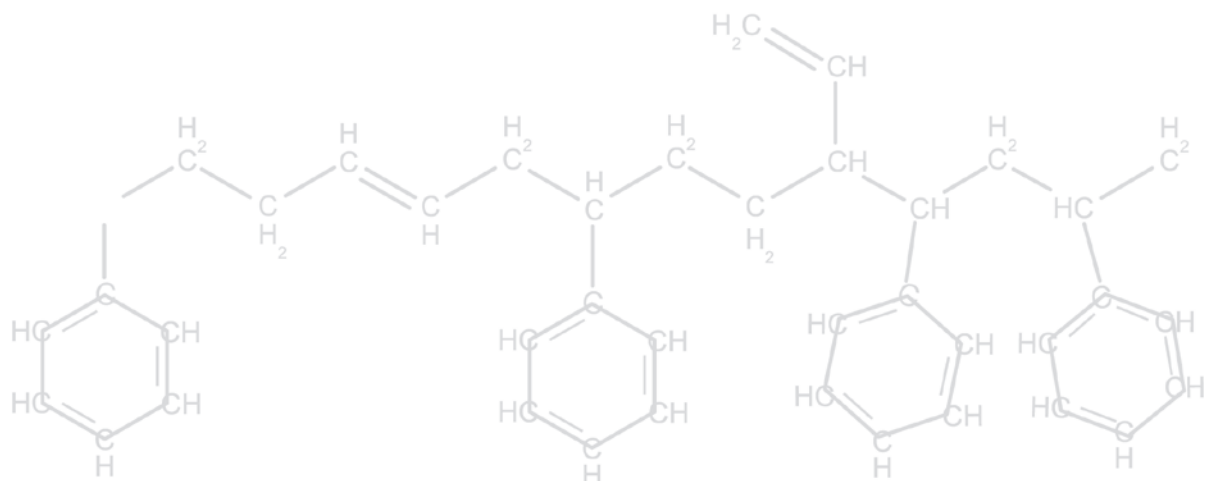


## DRIVE



The Creative Innovation

ขับเคลื่อนนวัตกรรมสร้างสรรค์



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## Message from the Chairman

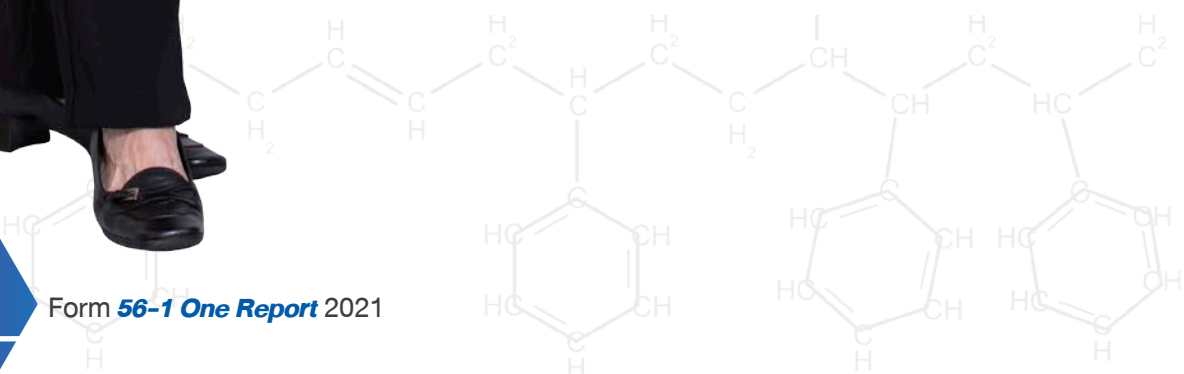


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**IRC** aims to become an organization with sustainable growth contributing to enhance awareness toward economy, society and environment under the vision **“To Be an Innovative Driven and Sustainable Company for Highly Reliable and Quality Elastomer Products and Rubber Tires in comply with Environmental Social and Governance (ESG)”** by having strong initiatives of **‘IRC DNA’**

”

Mrs. Pimjai Leeissaranukul  
Chairman / Executive Chairman



# Message from the Chairman

## Dear All Shareholders,

In FY2021, Inoue Rubber (Thailand) Pcl. (“IRC”) has confronted with the challenges from the changes in various dimensions both from the domestic and foreign economic dimension, social dimension, and environmental dimension, bringing about the challenges in adaptation with the changes and the continuous and sustainable development of the Company’s potentials. The overview of the Company’s operations in this fiscal year has been progressively recovered according to the global and Thai economy when compared with last fiscal year, but has still been affected from the force majeure of the COVID-19 pandemic, leading to the weak purchasing power of the consumers, fluctuation of oil prices, as well as supply shortage problems around the world, for instance, shortages of raw materials, semiconductors, and containers.

However, the automotive industry has still been one of the driving mechanisms of Thai industrial sector. In overview of total automobile production in this fiscal year, it was around 1.67 million automobiles, increasing from the last fiscal year by 19.38% mainly from the export according to the recovered market condition of the business partner countries. In part of total motorcycle production, it was around 1.78 million motorcycles, increasing from the last fiscal year by 10.88% mainly from the export like automobile industry. From the aforesaid factors, it resulted in total revenues of the Company in the fiscal year of 2021 at Baht 5,371.09 million, increasing by 21.14% from the previous fiscal year. Nevertheless, the Company has closely managed cost and expenses in accompany with receiving dividend from the affiliated companies. Therefore, the Company has had Baht 421.06 million of EBIT, and Baht 340.03 million of net profit, increasing from the previous fiscal year by 55.22% or 1.77 Baht of Earning per Share. The Company has still maintained its market shares, and steadily expanded the markets into other industries.

## Vision and mission along with the Concept of Sustainable Growth

### Economic Aspect (Innovate for Growth)

In spite of the Company’s necessity to confront with the COVID-19 pandemic crisis and impact, IRC aims for being Smart Factory, discovering, researching, and developing the innovations whether in terms of manufacturing technology, automation system, raw materials, and products, by adopting the development principle according to Bio-Circular-Green (BCG) Economy Model of the Government in order to maintain and develop IRC’s strength for the sustainable growth together with the society. We reinforce the competitive potential under the adhered Quality Policy, namely “Quality First, Delivery on Time, and Customer Satisfaction”, leading to the trust on quality and safe products, guarantee with many quality awards from the Company’s customers and business partners, and maintenance of market shares, channel expansion into new market, as well as research and development of new products at the same time, in order to maintain the status of: *‘Be an Innovative Driven and Sustainable Company for Highly Reliable and Quality Elastomer Products and Rubber Tires’* as targeted.

# Message from the Chairman

## Social Aspect (Responsibility to Stakeholders)

IRC aims to create shared value to bring the maximum benefits to all people in the society. We have continued and launched several corporate social responsibility (CSR) projects in certain communities, for example, *'HAI-ARCHEEP HAI-CHEEVIT'*, which initiated based on the concept of *"returning good citizens back to the society"*. For 8 years consecutively, the Company introduced ethics, morality, positive attitude building and vocational training program to female prisoners. Moreover, we have the *'Klongpang Cooperative Trang province'* project, which comes with the concept of IRC becoming the *'partner'* in developing the capacity of Thai rubber farmers by adding value to natural rubber through globally accepted quality standard, and finally help uplift the quality of life and promote sustainable growth among local communities. In this year, IRC has extended with the support on the *"Sustainable Rubber Plantation according to PEFC International Standards and TIS 14061"* project for the sustainable rubber plantation management of 5,800 rai of Khlong Plang Cooperative, and transmission of the Chain of Custodian in ribbed smoked sheet manufacturing factories with the sustainable standards of PEFC and TIS 2861. The said ribbed smoked sheets with the sustainable certification fulfills the purpose on reduction of carbon dioxide of COP21 into the Company's manufacturing process. Additionally, for the *"Supply Chain Development"* project, IRC supports the government policies by aiming at the development of SMEs which are the Company's business partners to understand and have the concept of new method for improving the work process efficiency in order to ensure the increase of sales volume, reduction of cost, and reduction of wastes in the manufacturing process accordingly. Due to the crisis of the COVID-19 pandemic, IRC has assisted to relieve the business partners' distress regarding finance by reducing the credit term of payment previously from the requirement for paying within 2 months to be within 1 month. Nevertheless, the Company has also promoted the safety driving campaign through *'Safe Ride - IRC Care'* and *'Safe Drive campaign during long holiday'* projects in order to raise awareness of *"safety"*, particularly for motorcycle riders.

However, IRC has managed the personnel under the COVID-19 pandemic situations by managing some part of personnel for Work From Home, implementing Bubble and Seal Measure, strictly complying with the government sector's measures, and supporting PPEs to its employees, for instance, allocation and provision of Sinopharm vaccination, medical masks, hair nets, gloves, gowns, and alcohol gels, supply of *Andrographis paniculata* extracts, as well as implementation of the Happiness Sharing Project for remedying the employees' impact on a monthly basis by distributing instant foods, fresh eggs, rice, and other essential food stuffs, and setting up the Mutual Happy Sharing and Generosity Cabinet.

Not only the foregoing, IRC has also shared its social concern by supporting rice, clean drinking water, and Personal Protective Equipment (PPE) for allotting to the Company's stakeholders, for instance, customers, business partners, government agencies, and surrounding communities; providing High Flow Nasal Oxygen Cannulas to the hospitals in Ayutthaya, Pathum Thani, and Nonthaburi Province; and providing Permanent Installed Negative Pressure Room Preparation Unit to the Police General Hospital.

# Message from the Chairman

## Environmental Aspect (Create Green Culture)

Due to the change in the intensified climate, and for supporting PARIS AGREEMENT, IRC is aware of the appreciated consumption of resources and energies. We are Green Industry Level 4 aiming for promoting the green culture to be in all enterprise-wide operating processes by complying with 'Zero Waste Management' Policy via '3RS' or 'Reduce, Reuse, and Recycle" Process, including water and energy management, environmental care in workplace area, installation of solar panels for promoting renewable energy, as well as carbon footprint management and control, and reduction of the greenhouse gas emission into the Earth's atmosphere.

For more than 50 years, IRC has sustainably grown and created tangible results. In FY2021, the Company has been listed in 'Thailand Sustainability Investment: THSI' of the Stock Exchange of Thailand for the fifth consecutive year. Moreover, the Company SET Awards 2021 in the category of 'Sustainability Excellence' from the Stock Exchange of Thailand. This award honors the Company that conducts the business by brings the Environmental, Social and Governance (ESG) issues as the main mechanism to efficiently develop the business towards the sustainability.

All these successes will not be achieved if lacking cooperation and support of all stakeholders. Therefore, I would like to thank for all the support from all sectors that makes IRC to sustainably grow. I firmly believe that the cooperation from all parties and the intention to operate under 3 pillars including economy, society and environment will result in IRC's sustainable growth beside Thai society onwards.



(Mrs. Pimjai Leeissaranukul)

Chairman/Executive Chairman



# Financial Highlight

Inoue Rubber (Thailand) Public Company Limited and its subsidiaries as of September 30<sup>th</sup>, 2021

Unit : Thousand Baht

<b>Consolidated Financial Statement</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>Statement of Comprehensive Income</b>			
Sales and services income	5,429,643	4,364,109	5,297,381
Costs of sales and services	4,865,662	3,799,050	4,577,496
EBIT	196,934	264,324	421,065
Net Profit	166,542	219,063	340,031
Total Assets	4,848,781	4,588,567	5,295,375
Total Liabilities	1,267,701	1,039,569	1,400,906
Total Equity	3,581,080	3,548,998	3,894,469
<b>Financial Ratios</b>			
Net Profit Margin (%)	3.07	5.02	6.42
Return on Assets (ROA) (%)	3.43	4.77	6.42
Return on Equity (ROE) (%)	4.65	6.17	8.73
Debt to Equity (D/E)	0.35	0.29	0.36
Earnings per share (THB)	0.83	1.12	1.77
Book Value per share (THB)	17.91	18.46	20.26



# Key Performance in 2021



## Corporate Governance

Certified as a member of the Private Sector Collective Action Coalition Against Corruption (CAC) for 3 years since the approval date on 30 June 2020 and our membership will be expired on 30 June 2023

Corruption Incident (s)

**0** Case

No Gift Policy

**6**  
years  
consecutively

Executives and Employees acknowledged and agreed to act in complied with the Handbook of Good Corporate Governance

**100%**

Complaint (s) made to Whistle Blowing Channel of the Company

**0** Case

## Economic Growth

Total Revenues

**5,371.09**

Million Baht

EBIT

**421.06**

Million Baht

Net Profit

**340.03**

Million Baht

Dividend Payment

**0.8845**

Million Baht

## Revenue Percentage per Business Group

Motorcycle Tire

**33.84%**



Motorcycle Tube

**10.89%**



Automobile Parts

**32.60%**



Other Industries

**22.67%**



Automation Development

**47** Projects

Increase productivity

**40.61** million baht

## Environmental Performance

Direct GHG emissions  
(Scope 1)

**13,186.01**

tCO<sub>2</sub>e

Direct GHG emissions  
(Scope 2)

**21,091.34**

tCO<sub>2</sub>e

Total Energy Usage

**308,597.17**

gigajoules

Renewable Energy  
Usage

**7,569.02**

gigajoules

Water Usage

**176,309**

m<sup>3</sup>

Waste management with 3Rs

**69.70%**

Chemical Spill (s)

**0** Case

## Creating Value for Society

Safety

Total Hours of No Lost  
Time Accident

Rangsit

**2,141,835** hrs.

Wangnoi

**1,705,446** hrs.

Customer satisfaction

Rangsit

**94.90%**

Wangnoi

**88.86 %**

Total number  
of employees

**1,343** person



**847**  
person



**496**  
person

CSR Project in 2021

**8**

projects



**CSR**  
Corporate  
Social  
Responsibility

**THSI**  
**T H A I L A N D**  
**S U S T A I N A B I L I T Y**  
**I N V E S T M E N T 2 0 2 1**

## Part 1

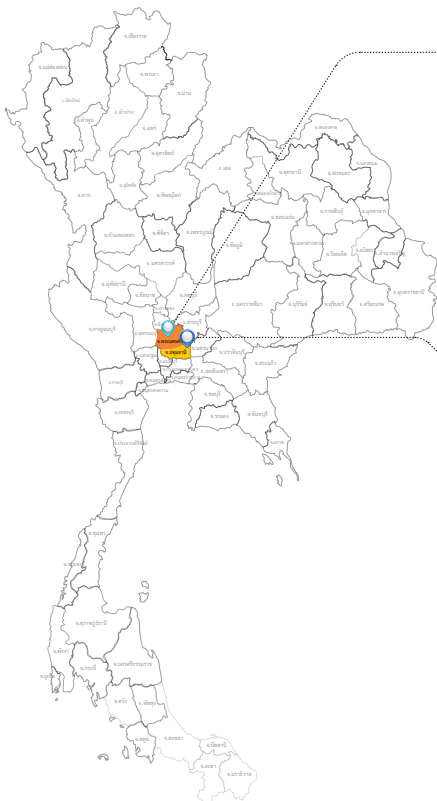
# Business Operations and Performance

## 1. Structure and Business Operations

### 1.1 Policy and Overview of Business Operations

#### Background

Inoue Rubber (Thailand) Public Co., Ltd. **“IRC”** is a joint-venture company, established on December 15, 1969 with the aim to manufacture elastomer products for automotive and other industries, and motorcycle tires and tubes with high quality at the international standard. Those quality products are manufactured from Rangsit, Pathumthani and Wangnoi, Ayutthaya plants. The Company aims for continuous and sustainable growth, and value creation to the stakeholders on the basis of strategies and business plans prescribed according to the good corporate governance.



#### Tires & Tubes Business unit

##### IRC Rangsit site

Established 15 Dec 1969

Products: Motorcycle tires and tubes

Address: 258 Soi Rangsit-Nakornnayok 49,  
Prachathipat, Thanyaburi, Pathumtani 12130

Tel: 02-996-0890

#### IED business unit

##### IRC Wangnoi site

Established 18 Jan 1995

Products: Automotive and Industrial Elastomer

Address: 157 Moo 5, Paholyothin Rd. Lamsai, Wangnoi,  
Ayutthaya 13170

Tel: 02-996-1471



The Company's farsightedness on the significance of research and development, variety, and quality of products, the Company has established the subsidiaries which are IRC (Asia) Research Co., Ltd., and Kin No Hoshi Engineering Co., Ltd., in order to efficiently support the customer demand. At present, the subsidiaries of the Company are in total of two companies as follows.

### **Subsidiaries**

- (1) IRC (Asia) Research Co., Ltd. - it was founded on 18 July 1995 in order support the operations of research and development design business for industrial elastomer parts product, and motorcycle tires-tubes product for Inoue Rubber (Thailand) Pcl. both in Motorcycle Tires-Tubes Production Line, and Industrial Elastomer Parts Production Line, to be mostly consistent with the consumer demand. The investment promotion has been approved by the Office of the Board of Investment on 26 December 1996. The Company's shareholding proportion is 99.99%.
- (2) Kin No Hoshi Engineering Co., Ltd. - it was founded on 9 November 2001 in order to support the Company business operations in manufacturing metal molds for industrial elastomer parts. The investment promotion has been approved by the Office of the Board of investment on 30 November 2001. The Company's shareholding proportion is 99.99%.

Throughout 50 years of our business history, **"IRC"** has managed to achieve sustainable growth with the commitment to create innovation together with production capacity enhancement in order to control product quality at reliable and trustful level as well as maximize customers' satisfaction both locally and internationally.



## 1.1 Vision, Mission, Goal and Strategy

### *Vision*

“To be an Innovative Driven and Sustainable Company for Highly Reliable and Quality Elastomer Products and Rubber Tires in comply with Environmental Social and Governance (ESG) ”

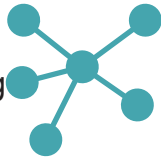
#### on the ground of 7 policies

- (1) Sustainability in Safety and Environment
- (2) Quality in Each Product with International Quality Systems
- (3) Best Satisfaction to Customers in 4 Product-Dimensions
  - Price/Cost (C) At the Best Competitive Level for Customers
  - Quality (Q) At the Best Competitive Quality Rating by Customers
  - Delivery (D) At the Best Competitive Delivery Rating by Customers
  - Services/ Solutions (S to S) At the Best Service to Solutions for Customers at All Time
- (4) Create the Opportunities of Human Resource Improvement to Achieve Competencies in All Levels
- (5) Continuous Research and Development for New Innovations, Products, Processes and Market and Keep Generating the Outputs of Existing Business
- (6) Generating Strong Financial Status and Attractive Return to Shareholders
- (7) Supporting the Good Corporate Governance and Corporate Social Responsibility



## Mission

**1** Focusing on Product, Production and Marketing



**2** Selecting Technology and Enhancing the Ability to Use Technology



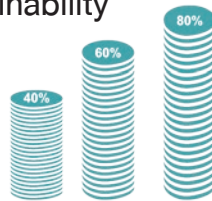
**3** Aiming to Strengthen Human Resource at All Levels



**4** Improving the Efficiency of

- Usage of Production Resources (4M)
- Effective Communication
- Enable Data and Data Management
- Marketing and Service Team

**5** Create Economic Sustainability



**6** Create Ecological Sustainability



## Corporate Core Values and Culture

Inspiration & Creativity

Respect for Society

Care & Accountability

Team Spirit

Green Culture



## Goal

The Company adheres to the operations that promotes the quality of life and safety of the customers who use the Company's products and simultaneously maintain the environment, worthily use the resources, concerns good ethics in business operations, take care of all groups of stakeholders, in order to create value and good quality of life, as well as supply chain.

For the goal of the Company's sustainable growth, the Company gives precedence to quality upgrade towards an international standard level, along with building growth and sustainability with promotion and development of innovation and technology, and operations under concern on the social and environmental impact, and good governance in order to bring the organization towards achievement of its vision in "aiming to be an Innovative Driven and Sustainable Leading Company for Highly Reliable and Quality Elastomer Products and Rubber Tires in compliance with Environmental, Social and Governance (ESG)". The goal of business operations covers the business, society, and environment as follows.

- **Competitive business with good turnover**
- **Ethically operate the business, respect the rights, and take the shareholder and stakeholder responsibilities.**
- **Mitigate the environmental impact.**

The goal of minimizing net carbon dioxide or greenhouse gas emission is defined in order to mitigate climate change impact by implementing the continuous improvement project for efficiency of energy and resource consumption, as well as investing in the Solar Panel Installation Project in consumption of renewable and alternative energies for electricity consumption that can mitigate the greenhouse gas emission.

- **Being beneficial for the society**

The Company operates its business along with continuously and equally taking care of all groups of stakeholders in order to create sustainability together with growth of its business. It performs CSR After-Process activities, and creates shared values among business, society, and environment through the process of CSR/CSV in-Process, for instance, Career and Life Provision Project, Khlong Pang Rubber Plantation Cooperative Project in Trang Province, etc.



In the COVID-19 pandemic period, the Company has supported and assisted the group of stakeholders, government agencies, and persons who were affected from the said situation, for example, provision of high flow nasal oxygen cannula to the hospitals in Ayutthaya, Pathum Thani, and Nonthaburi Province; provision of Permanent Installed Negative Pressure Room Preparation Unit to the Police General Hospital; donation of alcohol gels manufactured by the Company, and PPE to the staffs, communities, business partners, customers, and public interests (such as nationwide schools and hospitals); provision of discount coupons to the customers who have purchased the Company's motorcycle tires; and decrease in credit term for payment previously from the requirement for paying product cost to the business partners within 2 months to be payment within 1 month, etc.

● ***Being adaptable under the changing factors.***

The Company realizes on the continuous and ceaseless social and global changes. Therefore, it is always ready for coping with the changing situations, for example, management of the impacts from the COVID-19 pandemic situation both in terms of sales volume and manufacturing process. The said situation has currently resulted in the recovery of the Company's sales volume from the year 2020, no impact on manufacturing process up to the stage of manufacturing discontinuity, and the product development to fulfill New Normal Lifestyle - the changing consumer behavior, such as the change in travelling modes from bus into personal vehicle, the awareness on living sanitation affecting the opportunity of new innovation and business that covers both Upstream supply chains and new markets.

The National Electric Motor Vehicle Promotion Policy with the goal that Thailand is a Hub of electric motor vehicles in the future. This will be a positive effect in the increasing potentiality of the new electric automobile manufacturers (New Comers), and business opportunity in this field where the Company is potential in research and development of unique products for the demand of electric cars. Meanwhile, according to the policy information in 2030, there have still been automobiles in the group of Internal Combustion Engine (ICE), and Hybrid Electric Vehicle (HEV).





## Sustainable Business Operation Strategy of IRC

The IRC's route toward the sustainability starts from the stable foundation on three basis of all IRC members, or called "IRC DNA", consisting of 1. Our company is our Home, 2. Corporate culture, and 3. Competency Development and Career Path. Along the road to firm sustainability, there must be the risk management and supply chain management supervised by the Risk Management Committee. On the other hand, supervision of Environmental Conservation and Good Corporate Governance supervised by the Good Corporate Governance and Social Responsibility Committee, and the Audit Committee.

Meanwhile, the journey toward sustainable goal is carried out via all of four significant schemes as follows.

1. Innovation consisting of Research and Development, and Innovation Technology
2. Customer satisfaction and relationship
3. International Standard Quality that is reliable for customers
4. Production consisting of Process Improvement, Smart Factory, Effective Procurement, 3Rs, and Effective Productivity

In each operating plan, it consists of the definite plan, goal, and indicator under the daily/monthly/quarterly monitoring and evaluation by the Executive Committee and the Board of Directors of the Company. The results from all of these four plans will lead to the competitiveness in price, quality, and trust of the products, and growth of revenue derived from three main channels, namely 1. Existing product, 2. New product, and 3. New market, in order to attain IRC's sustainable goal.



## 1.1.2 Significant Changes and Developments

### August 2021

Mr. Masayuki Inoue who has hold the position of Director of Inoue Rubber (Thailand) Pcl. since 1991 passed away on 15 August 2021.

### September and December 2020

The Company has been certified for Green Industry Level 4: Green Culture.

### June 2020

The Treasury Stock Buyback Project for financial management has been ended, whereas the Company has bought back total of 7,792,300 shares or 3.9% of total sold treasury stock of the Company

However, according to the related rules, the Company is able to sell the bought back treasury stocks after expiration of 6 months term from the completion date of treasury stock buyback, but not more than 3 years from the said completion date of treasury stock buyback. If the selling period of bought back treasury stocks is expired, and the Company does not sell or incompletely sells the bought back treasury stocks, the relevant laws prescribe that the Company shall decrease paid-up capital using Write-Off Method for the registered shares which are bought back and incompletely sold for selling the bought back shares according to the said Treasury Stock Buyback Project.

### November 2019

The Treasury Stock Buyback Project of the Company has been commenced for financial management within the maximum financial limit of not more than 118 million Baht, and the number of bought back treasury stocks has not been more than 4% of total sold treasury stocks. It is the entry to purchase in the SET, and buyback term for Treasury Stocks is not more than 6 months from 9 December 2019 to 5 June 2020.

## 1.1.3 Awards and Successes

2021

September 2020

- Wangnoi factory has been certified as Green Industry Level 4: Green Culture

December 2020

- Received the Automation Award for production process development by using robot from INOAC CORPORATION
- Rangsit factory has been certified as Green Industry Level 4: Green Culture
- Received 3Rs+ Award in the aspect of Economic Returns at Gold Medal Level, at the Waste Utilization Development Project 2020
- Received 3Rs Award, at the Waste Utilization Development Project 2020
- Received the Sustainability Disclosure award 2020 in the category of honorary award (Sustainability Disclosure Recognition) organized by Thaipat Institute

January

- Received Supplier Quality Excellence Award 2020 from General Motors (Thailand) Ltd. The award is given to the automotive part supplier that has outstanding performance exceeding GM standards, present the best technology and manufacture the highest quality parts in the automotive industry

June

- Wangnoi factory has been certified the prevention and solving drug problems in the workplace standards from being able to prevent and solve drug problems in the workplace in accordance with the requirements set by Phra Nakhon Si Ayutthaya Province

November

- Listed in Thailand Sustainability Investment (THSI) 2021 awarded by the Stock Exchange of Thailand. The Company is one of 146 listed companies with outstanding performance on Environmental, Social and Governance for 5 years consecutively

- Received SET Awards 2021 in the category of ‘Sustainability Excellence’ from the Stock Exchange of Thailand which honors the Company that conducts the business by concerns about the financial performance and the accountability to the stakeholders, as well as brings the Environmental, Social and Governance (ESG) issues as the main mechanism to efficiently develop the business towards the sustainability
- Rated as ‘Very Good’ or 4 stars for Corporate Governance Report of Thai Listed Companies (CGR) in 2021 from Thai Institute of Directors (IOD) for 6 consecutive years
- Received Thailand Corporate Excellence Awards 2021 in the category for organizations with less than 10 billion baht in annual revenue: Corporate Management Excellence from Thailand Management Association and Sasin Graduate Institute of Business Administration of Chulalongkorn University

## 2020

### December, 2019

- Received the Sustainability Disclosure Acknowledgement award 2019 in the category of honorary award (Sustainability Disclosure Recognition) organized by Thaipat Institute

### March

- Received Environmental Award 2019 from the Supplier Conference event that organized by Thai Honda Manufacturing Co., Ltd. The Company was the Winner of Environmental aspect in the group of Thai Honda’s suppliers by submitting the energy reduction project to the contest

### June

- Received a declaration of honor: Bronze level Year 1 from the Zero Accident Campaign 2020 that organized by the Ministry of Labour
- Certified as a member of the Thailand’s Private Sector Collective Action against Corruption (CAC)
- Received Supplier Quality Excellence Award 2019 from General Motors (Thailand) Ltd. The award is given to the automotive part supplier that has outstanding performance exceeding GM standards, present the best technology and manufacture the highest quality parts in the automotive industry

### July

- Received the Honorable Mention from the 9th NACC Integrity Awards 2019 from the Office of National Anti-Corruption Commission
- Ranked at the top 100 companies for outstanding performance in terms of environment, social, and governance, “ESG 100 Certificate 2020” for 5 consecutive years
- Received a certificate of the Combustion Optimization Project for Boiler that use Liquid as a Thermal Conductor from the Department of Industrial Works, Ministry of Industry
- Received the Best in Quality Award 2019 from Thai Suzuki Motor Co., Ltd.
- The winner of FY2019 by submitting the project to the contest in Loss Reduction Project Group B from the Isuzu Supplier Group (ISG) of Isuzu Motor (Thailand) Co., Ltd

## October

- Received Gold Award 2020 and certificate for the organization that passed the evaluation from “TOGETHER WE CAN, Create the Sustainable World with GSEE” event that organized by the Provincial Electricity Authority (PEA)

## November

- Rated as ‘Very Good’ or 4 stars for Corporate Governance Report of Thai Listed Companies (CGR) in 2021 from Thai Institute of Directors (IOD) for 6 consecutive years

## December

- Listed in Thailand Sustainability Investment (THSI) 2020 awarded by the Stock Exchange of Thailand. The Company is one of 124 listed companies with outstanding performance on Environmental, Social and Governance for 4 years consecutively

## 2019

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### January

- Received “Automation Award” for the improvement of assembling by robot from Inoac Corporation
- Received “New Business Development Award” for the development of RUBBER BUMPER and HOOD SHEEL from Inoac Corporation

### May

- Received received the COST AWARD 2018 from Thai Stanley Electric Public Company Limited
- Received the BEST IN QUALITY AWARD from Isuzu Engine Manufacturing (Thailand) Co., Ltd.
- Received the SUPPORTING SUPPLIER AWARD 2018 from Suzuki Motor (Thailand) Co., Ltd.
- Ranked at the top 100 companies for outstanding performance in terms of environment, social, and governance, “ESG 100 Certificate 2019” for 4 consecutive years

### July

- Received the “THAILAND VISION ZERO ACHIEVEMENT AWARD LEVEL 2” from Safety and Health at Work Promotion Association (Thailand)

### August

- Won the first prize from the competition at the QCC KAIZEN Thailand Competition 2019 organized by Inoac (Thailand) Co., Ltd.
- Received the Regional Supplier Quality Award Finalist from Nissan Motor (Thailand) Co., Ltd.
- Received the Supplier Quality Excellence Award 2018 from General Motors (Thailand) Co., Ltd.

## September

- Received Reduce Greenhouse Gas Certification from Thailand Greenhouse Gas Management Organization (Public Organization): TGO
- Received the Gold Award from the presentation at the ICQCC 2019 organized by the Union of Japanese Scientists and Engineers (JUSE)
- Received the Excellence Award from the presentation at the INOAC QC/ Kaizen International Convention organized by Inoac Corporation Japan

## October

- Received the Best Presentation Team award from the presentation at the APQO International Awards 2019 at Indonesia
- Received “Very Good” (4 Stars) CG scoring rated by the Thai Institute of Directors Association (IOD) from the survey of 771 listed companies in 2019
- Listed in Thailand Sustainability Investment (THSI) 2019 awarded by the Stock Exchange of Thailand. The Company is one of 98 listed companies with outstanding performance on Environmental, Social and Governance for 3 years consecutively

## November

- The Winner under the category of 17 Priorities Integration Sectors: Rubber-Based (Large-Tier)” from ASEAN BUSINESS AWARDS 2019 organized by ASEAN-BAC cooperated with Ministry of Foreign Affairs, Ministry of Commerce, and a joint committee of 3 private institutions consisting of the Board of Trade of Thailand, the Federation of Thai Industries and the Thai Bankers Association

## 1.2 Nature of Business

### 1.2.1 Revenue Structure

The Company's business is classified into 2 business lines consisting of Industrial Elastomer Parts Business Line and Motorcycle Tires and Tubes Business Line. Throughout the past 3 years period, the income proportion of both business lines has been similar if income is geographically classified. The main market of over 70% has been in the country. In 2021, (October 2020 – September 2021), the Company has had the proportion of domestic sales at 80.25%, and export at 19.75%. As the revenues have been generated from sales volume of motorcycles' tires and tubes, and automobiles and motorcycles' elastomer parts. Therefore, turnover of the Company mainly depends on total domestic production and distribution of automobiles and motorcycles.

The Company's revenue structure for the past 3 fiscal years consists of;

Business Unit/ Product	Ended on 30 September					
	Fiscal year 2019		Fiscal year 2020		Fiscal year 2021	
	Revenue (Million baht)	%	Revenue (Million baht)	%	Revenue (Million baht)	%
<b>Industrial Elastomer Parts</b>						
Domestic Sales	2,631.85	48.49	2,017.72	46.26	2,892.81	54.63
Export sales	402.04	7.41	265.05	6.08	34.08	0.64
<b>Total</b>	<b>3,033.89</b>	<b>55.90</b>	<b>2,282.77</b>	<b>52.34</b>	<b>2,926.89</b>	<b>55.27</b>
<b>Motorcycle Tires and Tubes</b>						
Domestic Sales	1,367.49	25.20	1,176.43	26.97	1,356.50	25.62
Export sales	1,025.71	18.90	902.49	20.69	1,012.19	19.11
<b>Total</b>	<b>2,393.20</b>	<b>44.10</b>	<b>2,078.92</b>	<b>47.66</b>	<b>2,368.69</b>	<b>44.73</b>
<b>Grand Total (million baht)</b>	<b>5,427.09</b>	<b>100.00</b>	<b>4,361.69</b>	<b>100.00</b>	<b>5,295.58</b>	<b>100.00</b>

## 1.2.2 Products Information

### 1. Industrial Elastomer Parts

#### (1) Nature of Products or Services

The Company has manufactured and developed industrial elastomer parts based on customer demands under various specification and different application. Our industrial elastomer parts can be divided into 2 main categories namely;

#### Group I.

#### Elastomer parts for Automotive Industry

##### Elastomer Parts for Car



##### 1. Elastomer Parts in Engine

- Gauge Oil
- Hose Air Intake
- Gasket Cylinder



##### 2. Elastomer Parts in Powertrain System

- Column Hole
- Cover Dust Shift Lever

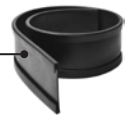


##### 3. Elastomer Parts for shockproof

- Seal Rubber Hood
- Insulator Fuel Pipe
- Bumper Rubber
- Hanger
- Clamp Injection Pipe
- Stopper Bump
- Damper



- Washer Rubber
- Seal Fuel Tank
- SPG Seat Rubber



##### 4. Elastomer Parts for Interior and Rubber Seal

- Weather Strip Inner
- Rubber Mirror
- Socket Cover
- Dam



- Door Grommet
- Shield Splash
- Shield Fuel Tank
- Rubber Side Step
- Lens Gasket



- Tube Protector
- Rubber Molding Upper
- Boot Clutch Release Fork Support



##### Elastomer parts for motorcycle

##### 1. Motorcycle's body

- Peeling Fuel
- Float
- Battery Pad
- Cover Frame



##### 2. Elastomer Parts for shockproof

- Chain guide
- Slider Chain
- Roller Comp Cam Chain Guide
- Sprocket



##### 3. Elastomer Parts for shockproof

- Rubber Bush
- Damper
- Rubber Protector



##### 4. Elastomer Parts for Interior and Rubber Seal

- Rubber Cover
- Grommet
- Rubber Seal
- O-ring
- Tube Drain
- Socket Body
- Ring Head Light





## Group II.

## Elastomer Parts for Other Industries

The Company has undertaken R&D to support usage in other industries regarding to our customers' specification and using in various aspects such as rubber parts used in the infrastructure projects, agricultural, construction machineries, cooling machines, construction materials, sealing rubber container, sealing rubber valve for the Metropolitan Waterworks Authority, and others depending on customers' needs

### Elastomer parts for electrical appliances and air conditioners (Thermal System)

Rubber Bush



### Elastomer parts for agricultural machinery (Agro-based)

Seal Part



### Elastomer parts for Infrastructure system

Bushing



Rubber Flapper  
Check Valve



### Elastomer parts for construction industry

Gasket



Expansion Joint Rubber



### Elastomer parts for Rail System

Rail Pad



### Vi-pafe® Products



Polyurethane sport flooring



Multipurpose field



Rubber paving blocks

## (2) Marketing and Competition

### 1. Policy on Promoting Competition and Production Distribution

The main customers of Industrial Elastomer Parts consist of cars and motorcycles manufacturers as well as other industries such as air-conditioners, agricultural machinery, construction industry and other aforesaid infrastructures. Our products are represented as original equipment manufacturers or OEMs thus our sales from this business line are vary to the economic and industry situation as well as overall domestic consumption.

Nevertheless, the Company defines the strategy focusing in the innovation development both in product and process by holding a competition within the Company for every employee to participate and enhance the thought. In addition, the Company enhances its research and development and product design in response to the customer's demand, which increase the competitive proficiency of the Company, the customer's confidence, and in the Company's quality and delivery punctuality. Moreover, there is the development of automation system in production process from the Company's team.

Accordingly, the Company believes in the way of market expansion on the existing customers, and the continuous expansion of customer base in new potential markets based on our strength and innovation.

#### Main Groups of Customers

##### 1) Original Equipment Manufacturer: OEM

For the automobile manufacturers, the Company supplies to Mitsubishi, Toyota, Isuzu, Honda, Nissan, Mazda, Suzuki, Ford, Hino, Great Wall Motor, whereas for the motorcycle manufacturers, the Company supplies to Honda, Suzuki, Kawasaki, Yamaha, and Ducati. IRC's Quality elastomer products are generally assembled in built-up cars and motorcycles, and are exported to many countries globally.

Additionally, IRC's quality elastomer products are also exported to be assembled in other countries as Well as are supplied to manufacturers as spare parts for both domestic and international service centers with the guarantee depending on the customers' specification.



##### 2) Sub-Automobile and Sub-Motorcycle

This group is the part-manufactures which supply for OEMs including the first-tier suppliers -which directly supply parts for automotive and motorcycle OEMs - and the second - tier suppliers-which are sub-contract to supply parts to the first-tier suppliers; for example, IRC supplies our quality elastomer products to first - tier automotive glass manufacture to be assembled before delivering to OEMs later on.

### 3) Others Industries

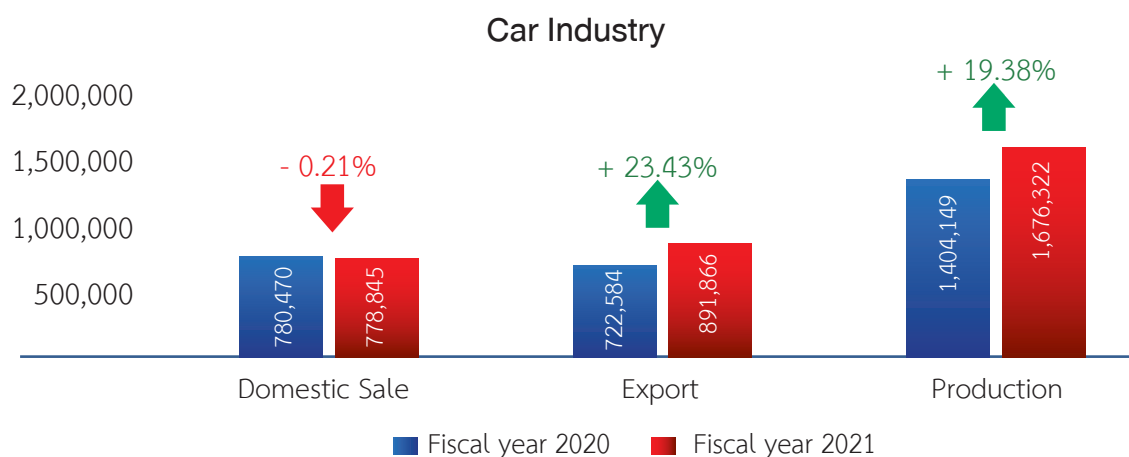
The group of customers are variety as product features such as

- Cooling machines e.g. Mitsubishi Electric, Daikin Industries, and Toshiba Carrier etc.
- Agricultural machines e.g. Kubota and Kobelco etc.
- Vi-Pafe; e.g. Running tracks, Futsal field, floor paving and Rubber Chip.
- Other goods e.g. SCI Corporation Co., Ltd (a valve manufacturer supplies to the Metropolitan Waterworks Authority), Hitachi (a water pump and washing machine manufacturer), and Panasonic (a speaker manufacturer), etc.



## 2. Market Conditions

### Overview of the Automobile Industry in 2021

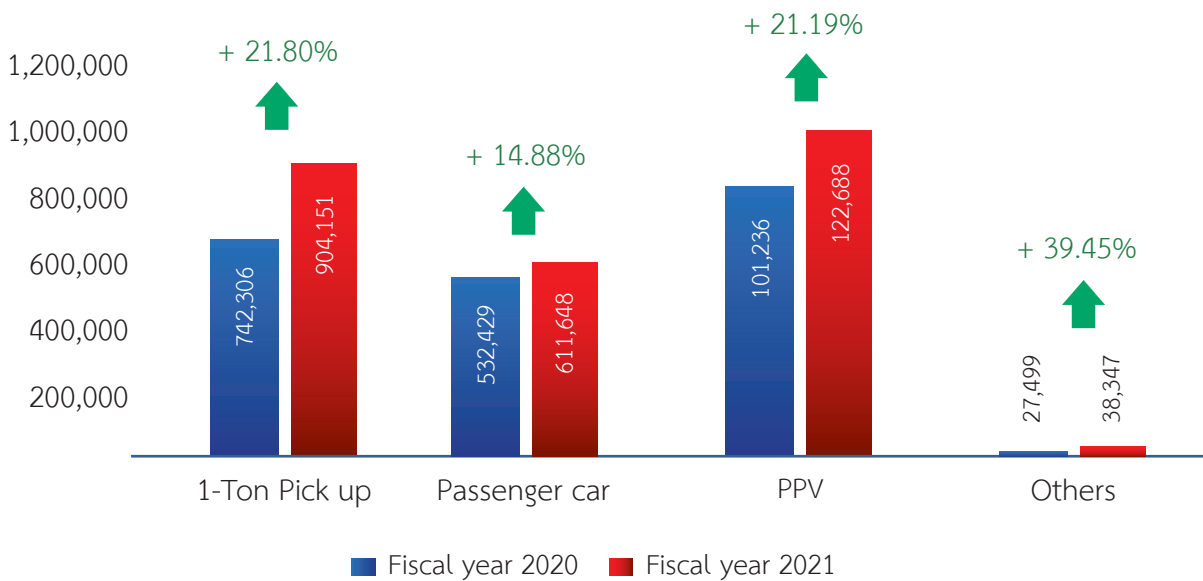


In the fiscal year of 2021 (1 October 2020 - 30 September 2021), Thailand's total production of automobiles have been at 1.68 million automobiles, increasing from the previous accounting year by 19.38% mainly due to the improvement of global COVID-19 pandemic situation from vaccination covering the number of populations. The said improvement has caused the recovery of global economy, resulting in the improved export of automobiles. In part of Thailand, the second wave and the third wave of the COVID-19 pandemic have still affected the automobile industry of Thailand, affecting the consumer confidence towards the overall Thai economy, and also affecting the consumer delay in making the decision to purchase automobiles. However, it has been expected that the situation will be recovered from the government sector's attempt to solve problem together with vaccination plan that will cause community immunity. However, the automobile manufacturers have made their effort to operate the proactive sales promotion activities as well as the economic stimulation measure of the government sector. These factors have taken part in relieving anxiety of the consumers and stimulating more spending.

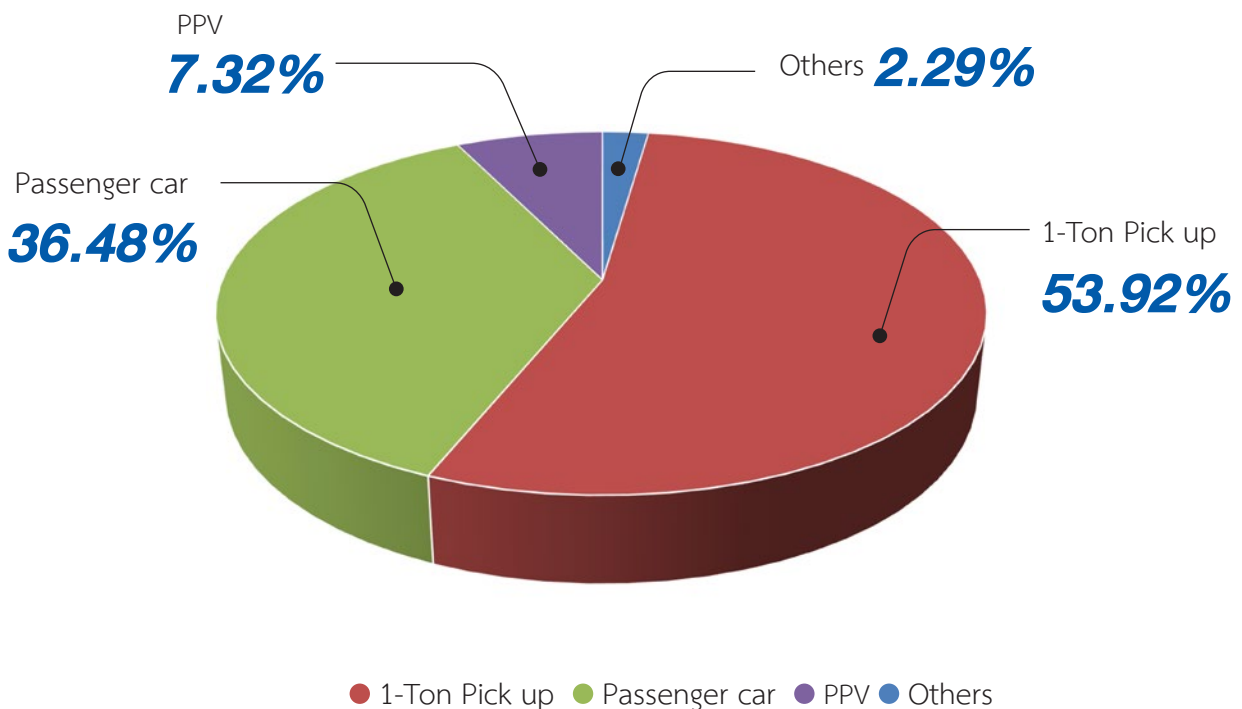
Total domestic distribution has been at 0.78 million automobiles, decreasing by 0.21%, while total export has been at 0.89 million automobiles, increasing by 23.43%. The main market group includes Asia, Oceania, European Union, America, and the group of countries in Middle East.

In accompany with the shortage situation of semiconductors for automobile production, resulting in off-target total production of automobiles in 2021. The automobile manufacturers have solved the problems by alternating the production models and accelerating the production in order to compensate off-target total production.

### Car Production per Type



### Ratio of Production per type



Considering the types of vehicle, the production ratio in the 2021 Fiscal Year can be described as follows:

- 1-ton pickup: Its production ratio is 53.92% of total car production in Thailand, an increase of 21.80%. It is still a popular product continuously with major car manufacturers making investment and using Thailand as a production base like Mitsubishi, Toyota, Isuzu, Nissan, Ford, and Great Wall Motor and SAIC Motor-CP.

- Passenger car: Its production ratio is 36.48% of total car production in Thailand, an increase of 14.88% from the previous year. Eco-car with 1,400 cc or less are still the most popular in the group.

- Pick-Up Passenger Vehicle or PPV: Its production ratio is 7.32% of total car production in Thailand, an increase of 21.19% from the previous year.

- Others (Van, Bus and Truck) for Commerce: Its production ratio is 2.29% of total car production in Thailand, an increase of 39.45% from the previous year.

### 3. Competition

The size of industrial rubber parts product market in Thailand has been large, resulting in rather intense competition, availability of several players, and ability to manufacture products for various industries. This has caused this market interesting. However, the Company is experienced in manufacturing the industrial tire products for long time, and has the standard and modern manufacturing process, and reliable technologies, resulting in ability to consistently share the top market share.

In 2021 (October 2020 – September 2021), the market share of industrial rubber parts products for using in automobiles has been at the fourth order or 12.80% for OEM market, whereas there are complete distribution channels from sales to the Manufacturer or Original Equipment Market (OEM) Market, and the Continuous Industrial Customer Group of Sub-Automobile and Sub-Motorcycle Manufacturers. In 2021, revenues have been at 32.60% from the OEM market.

If classifying by type of product, it indicated that in 2021, revenue from distribution of industrial products amounted to Baht 2,926.90 million (+28.22% YoY), being classified by sales via OEM 4W+ Market at 25.87%, OEM 2W Market at 6.73%, and other industrial markets, such as refrigerator, and agricultural mechanical machines at 22.67% of total sales volume of the Company.

However, the OEM market of the Company includes the group of automobile assembly plant customers, such as Mitsubishi, Toyota, Isuzu, Honda, Nissan, Mazda, Suzuki, Ford, and Chevrolet, and motorcycle assembly plant customers, such as Honda, Suzuki, Kawasaki, Yamaha, and Ducati, etc.

## 2. Motorcycle Tires and Tubes

### (1) Nature of Products or Services

IRC offers variety of motorcycle tires and tubes products which are different in each type and usage, for instance, tire used for running on normal roads, tire used for obstacle race, tire for scooter, and tire for heavy usage. In part of products, the research and development is conducted to fulfill the demand of motorcycle manufacturers, and the group of customers who sell spare parts to the general motorcycle users, and home users both in domestic and foreign markets. The safety is a part of issues emphasized

by us at a topmost level, and is a condition leading to all designs and developments of tires.

## (2) Market and Competition

### Conditions

IRC is the leader in the motorcycle tire and tube markets in Thailand which has been relied and utilized in the quality of the product manufacturing and supply potential by motorcycle manufacturers in Thailand such as Honda, Yamaha, Suzuki, Kawasaki etc.

With the distinctive points in quality, manufacturing potential, and delivery, together with the after service, these bring about our success in achieving the number one market share in Original Equipment Manufacturer (OEM) market continuously. Additionally, the Company has strong commitments towards research and development of product and production process to continuously supply customers with accepted-quality products and deliver new innovation to meet the diverse customer demands and lifestyles whether in terms of pattern, size, specification and performance. Currently, the Company is able to manufacture tire and tube products for multi-purposes over than 600 models such as on-road tires, mini-cross tire, off-road tires, scooter tires, heavy-duty tires, snow tires, energy-saving tires, and tires for electric vehicle motorcycle etc.

In 2021, has announced a motorcycle tire for scooter under the code IZ-S S-99T especially for 150 - 300cc scooter riders in domestic and ASEAN markets. As well as tires for delivery motorcycles, such as Persona NR50, and off-road tires for international markets, such as the IRC VX-10 and VX-30.



## 1. Policy on Promoting Competition and Production Distribution

### Main Groups of Customers

Main groups of motorcycle tire and tube customers are separated by domestic and export distribution namely;

#### 1) Domestic market

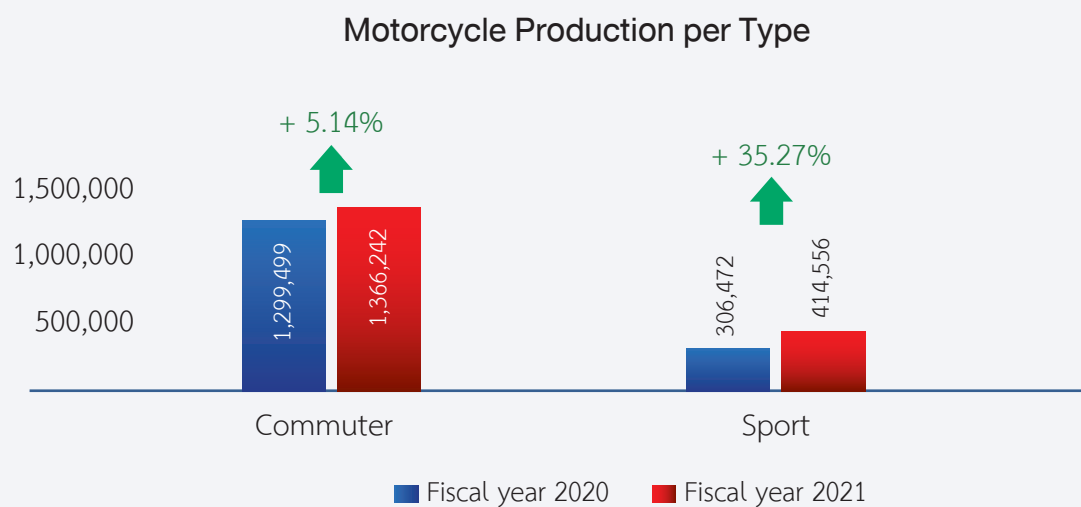
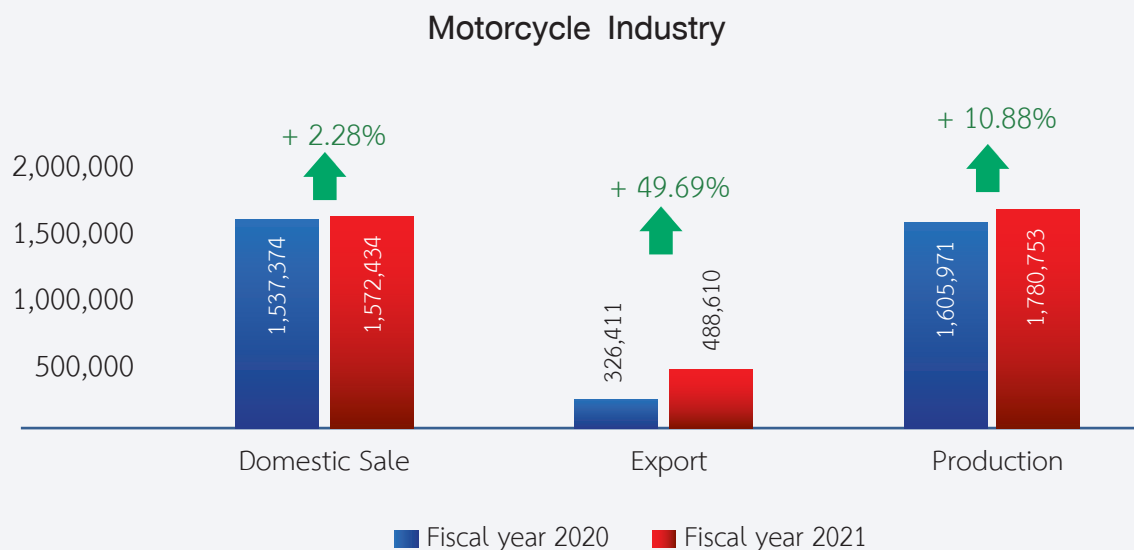
- Direct supply to motorcycle Original Equipment Market: OEM, the main customers are Honda, Yamaha and Kawasaki
- The Sittipol 1919 Co., Ltd. as the distributor in the replacement market

#### 2) Export market

- Direct supply to motorcycle OEMs under IRC's global marketing activities
- Inoac International Co., Ltd. and BIMC Co., Ltd. for Japan market
- Inoue Rubber (Japan) Co., Ltd. for the markets in Japan, United State of America, Europe, and other continents
- Supply via Asian Inoue Rubber (Singapore) to customers in ASEAN countries including Myanmar, Cambodia and other ASEAN countries

## 2. Market Conditions

### Overview of the Motorcycle Industry in 2021



For an overview of Thai motorcycle market in the accounting year of 2021, total production was 1.78 million automobiles, being classified into 1.37 family motorcycles, and 0.41 sport motorcycles. The overview was expanded by 10.89% from previous year. The family motorcycle group was expanded by 5.14% from previous year. In part of the market of sport motorcycle group, it was expanded by 35.27%, resulting from a low base in previous year.

The effect from the new wave of COVID-19 pandemic crisis has resulted in the existing recession of Thai economy for another period. The labour user group in the industries has been directly affected from the country shutdown, and discontinuity of economic activities in various sectors, resulting in a reduction of purchasing power due to more diligence of people in spending. However, motorcycles have

still been the essential products whether for the daily life and the unemployed persons' shift of themselves to earn their living as the riders for food delivery and deliveryman for the logistics companies. In accompany with very high competitions in motorcycle market, it has caused few difficulties for the motorcycle owners, resulting in improved sales figure.

### 3. Competition

IRC is the first Thailand manufacturer of motorcycle tire-tube products under "IRC" brand. In 2021 (October 2020 - September 2021), the market share in tire market has been the number one or 55% for OEM Market, or market share of 26% for the overall tire-tube product market. There are the complete distribution channels from sales to the Manufacturer or Original Equipment Market (OEM), and sales of spare parts to Replacement (REP) Market and Export Market. In 2021, revenues were at 13.11% generated from OEM Market.

If being classified into type of product, the finding indicated that in 2021, revenue from distribution of motorcycle tires-tubes amounted to Baht 2,368.69 million (+14.11% YoY) being classified into sales via OEM Market by 13.11%, REP Market by 12.51%, and Export Market by 19.11% of total sales volume of the Company.





## 1.2.3 Research and Development, and Innovation

IRC (Asia) Research Co., Ltd. (IAR) under the support of the Board of Investment of Thailand has taken the modern machines, equipment and software for participating in the research development with Thai and Japanese specialists.

In addition, the readiness in product development in collaboration with the customers has been a key factor in fulfilling the customer demand in order to bring about the product development and innovation that truly fulfills the demand. Moreover, there have been the research projects in collaboration with the government agencies, leading to the research results which are consistent with the government sector's requirements. Thus, IAR is one of the drivers of product and service development for increasing the sustainable competitiveness.

The Company has conducted research and development both in terms of product innovation and production process innovation in order to fulfill the customer demand, and to be ready for supporting the changes upon change into the use of EV motor vehicles, whereas the products in other industrial groups have been developed in replacement of the missing sales volume of rubber products in spare parts of combustion engine automobiles.

### **(1) Product Innovation and Development**

The research and development is considered as one of IRC's strengths. We do not aim at the production growth of good and high quality products into the market only. However, we remain determining towards the new product creativities and innovations to fulfill the customer demand along with developing the production process towards Smart factory in order to control the product quality to be reliable, trustworthy, and build maximum satisfaction to both domestic and foreign customers by adhering to work rules, business ethics and code of conduct of the staffs by realizing on the significance of formula/product process development, as well as storage and protection of the Company's confidential information, for instance, copyright, patent, research information, market information and customer information, whereas the Company has cultivated and built an awareness on the said matters to the staffs at all levels in order to lead to the sustainable growth and create a positive impact to be arisen in long term.



From 2020, IAR, Wangnoi Plant, has been accredited for testing laboratory capability according to TIS 17025-2561 Standards (ISO/IEC 17025:2017): General Requirements of Testing Laboratory and Calibration Capability



## Innovative Products

### VX-40

It is full of confidence on every riding conditions for Pure Off Road Tire for Motorcross bike in the capacity of 250-400 CC.



### Low-Rolling Resistance Tire for Electric Motorcycle

- Increase the energy consumption efficiency
- Reduce friction
- Mitigate CO<sub>2</sub> emission



### Pigment for Manufacturing Rubber Chips for Synthetic Flooring

At present, the problem for the change in color above the determined standards is detected in the colored rubber chips used for manufacturing synthetic floor, resulting in the attractiveness and usage of synthetic floor. Therefore, the Research and Development Unit has improved the said problem by changing the kind of pigment to be higher purified, resulting in the lower rubber degeneration until acquiring the colored rubber chips with the pass of environmental condition and UV tolerance according to the determined standards, and enabling to control the compound cost to be at a competitive price by the efficiency improvement of the said colored rubber chips, resulting in the quality colored rubber chip-made synthetic floor products according to the standards with a longer useful life.

### Innovation of Track Floor for Athletics Field Type A and B from Synthetic Rubber and Natural Rubber Materials



With a determination in the continuous product development from the rubber chip innovation being accredited according to TIS 2682-2020 Standards, the development has been carried out to be a synthetic rubber floor Type C in various forms, for instance, multi-purchase field floor, playground floor, and sports field floor. At present, the development has been carried out to extend the additional products for rubber floor as an innovation of track floor for athletics field Type A and B, which is high quality and able to be used as the competition field in national level or in local level, and also be accredited according to the synthetic floor standards of TIS 2683-2020 in every type of product, for instance, Type A, B, and C, which has already been registered of the List of Thai Innovations.

### Rubber Door Seal in Electric Automobile Industry

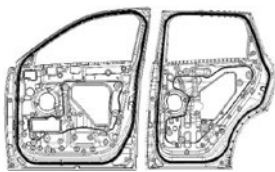


The electric automobile industry is going to be more popular in foreign countries on continuous basis, resulting in a decrease in demand of petrol automobiles and autoparts in the future. It has been expected that the electric automobiles will likely play a key role in not more than the next 20 years. Therefore, the Company has accelerated to be prepared and to develop its potentiality in developing rubber parts in electric automobiles. The Company

has currently developed and manufactured door seal parts for the automobile manufacturing companies in Thailand, enabling to expand into the EV market in the future.

### Lightweight Technology

The direction of modern vehicle development



is aiming to the lightweight vehicle with high efficiency, safety, energy-saving, and environment-friendly because lightweight vehicle can improve the driving performance of vehicle, and reduce the fuel consumption in driving, contributing to a decrease in fuel cost and a decrease in pollution emission volume into the environment. However, the Company has accelerated the development in the following matters.

- Change in materials used for manufacturing by selecting to use the lightweight materials but remaining having the property and performance not inferior to the former ones, whereas the said materials are used in the joint area of door seal parts in electric automobiles.

- Manufacturing technology using infrared in heating, enabling to increase heat in short period, and causing a faster material stability

### ECO-EPDM Rubber Manufactured from Natural Initial Materials



EPDM (Ethylene propylene diene monomer) rubber is a type of synthetic rubber which is widely used due to good properties in various areas, for instance, being excellent in high elasticity, high heat resistance, air deterioration resistance, for instance, oxygen, ozone, UV, and heat. In addition, EPDM rubber is also able to be resistant to chemical, acid and base. However, in manufacturing synthetic rubber, a precursor from petroleum group is used, and this is a reason of unavoidable impact on global warming condition.

At present, the Research and Development Unit has studied on the use of new kind of Eco EPDM Rubber from synthesizing ethylene manufac-



tured from a natural precursor which is bioethanol from sugarcane, resulting in lower carbon footprint value than synthetic rubbers derived from the petroleum group due to a lower carbon dioxide volume emission. From the research and development result, the finding indicated that the property of natural rubber products is indifferent and replaceable, and the process can be developed for further using in actual production.

### Future Operating Plan

- Development of synthetic floor for athletics track-field in an international level
- Development of flooring rubber block
- Creation of Thai innovative product standards
- Development of rubber parts in the electric automobile industry

## (2) Innovation in Production Technology

Many areas are improved and developed for business growth under the commitment to create innovations in both products and production processes, focusing on the improvement of production process for high productivity using low production resources through the transition from manual to automated systems, by applying the concept of “Lean Automation” System to build confidence in the quality and reasonable price of the product, to make both domestic and international customers utmost satisfied. In addition, IRC has organized a competition to present innovations within the organization, both in terms of Product Innovation and Process Innovation, the winner and runner-up groups will be provided of special award with study tour for creative works, inventions and innovations abroad to inspire them and allow them to open to new knowledge and apply the knowledge they have found, seen, and touched by themselves into new innovations in IRC.

In terms of applying the “Internet of Things: IoT” to analyze the production efficiency for cost reduction, the Company has installed the analysis program at the main machine, this will allow the executives and employees in relevant departments to know the production efficiency, loss points from initial monitoring, they will know about the loss time and use this data to solve problems in production process and to enhance the overall efficiency of the machine (OEE - Overall Equipment Effectiveness).



After collecting results, improving and developing until satisfaction, the results will be expanded and further installation will be done in other machines.

In 2019, the Company has begun to use the Smart factory system in production, making it possible to use Big Data for further development in 2020 by generating data to support AI systems that will be used for production controls, such as blowing tires or using robots to transport workpieces in the manufacturing process (Mobile Robot), etc.

### Performance

The expansion of an Automation System to become “Lean Automation System” and “Smart Factory” program to increase efficiency and reduce production costs. This has been supported by The Board of Investment of Thailand (BOI) and government agencies such as the Federation of Thai Industries, to achieve sustainable development. In addition, the Activity Day and the First Innovation Day were held annually at Wangnoi site, where innovation contests were divided into 2 groups: Product Innovation, which is the development of new products; and Process Innovation, which is the development of innovation and machinery in the manufacturing process, to spark development and improvement of the product and production process

IRC has created projects for internal innovation in order for every employee to improve and develop competitive production process, for example, Quality Control Circle (QCC) and Kaizen activities, including the annual Innovation Day



In 2021, IRC has developed products and projects for the installation of in-line automation as well as a trial installation of Big Data and Smart Factory programs to analyze the overall performance of the machine, to improve production efficiency and product quality, and to reduce the waste from production process.

Tools/ Projects	Details	Employee
Quality Control Circle: QCC	Project for work-related improvement, encouraging the employee to demonstrate their performance, improve their proficiency, and learn through each other, creating self-esteem, teamwork, and good corporate culture in every employee of every level, for the best interest of the organization in terms of satisfying customer needs, cost reduction, and further performance efficiency enhancement	Whole Organization
Kaizen	The improvement of working process for cost reduction, efficiency enhancement, simple improvement of working environment of each individual	Whole Organization
Innovation Day	Innovation Project contest, including Process Innovation and Product Innovation, to encourage the employee to invent new innovation continuously	Whole Organization
Automation Projects	The innovation development for enhancing process efficacy and the Company's competitiveness potential which is continuously evolving	Engineering Department



54 Models

Industrial Elastomer Parts



47 Models

Motorcycle Tires and Tubes



47 Models

Productivity Improvement Project

## The innovation of production technology results from 2019-2021

Projects name	Total Projects			Productivity Up (Baht)		
	2019	2020	2021	2019	2020	2021
Quality Control Circle: QCC	65	137	135	1,179,213	7,855,513	4,773,112
Kaizen	755	950	685	8,274,154	13,910,083	16,333,839
Innovation Day*	5	-	-	7,701,204	-	-
Automation	28	31	47	63,852,000	21,851,424	44,072,000

Remark: \* In 2020 and 2021, There were no Innovation Day held due to the situation of Covid-19 epidemic.

## Awards and Achievement in Production Technology



### Supplier Quality Excellence Award 2020

The Company received the General Motors Supplier Quality Excellence Award 2020 from General Motors (Thailand) Co., Ltd. on July 1, 2021. This award was given to the automotive parts manufacturers who have outstanding performance that exceeds GM's standards, present the best technology and produce the highest quality parts in the automotive industry.

## 1.2.4 Investment Privilege

The Company and its subsidiaries have been granted for taxation privilege according to the Investment Promotion Act B.E. 2520 (1977) by the approval of the Board of Investment under the prescribed conditions. The essence of the taxation privilege is as follows.

Details	Inoue Rubber (Thailand) Pcl.		Kin No Hoshi Engineering Co., Ltd.	
<b>1. BOI Certificate No.</b>	64-0737-1-07-1-0	64-0736-1-07-1-0	63-0570-1-00-1-0	1302(1)/2012
<b>Dated</b>	17 March 2021	17 March 2021	15 April 2020	13 February 2012
<b>2. For promoting the investment in business</b>	Manufacturing Tires and Tubes for Motorcycles	Manufacturing Elastomer Parts for Vehicles and Mixed Rubbers	Manufacturing Metal Molds and Repair of Self-Manufac- tured Molds	Manufacturing Metal Molds and Repair of Self-Manufac- tured Molds
<b>3. Granted Important Privileges</b>				
3.1 Being exempt of corporate income tax for net profit generated from operating the promoted and exempt business without requiring to include dividend from the promoted business which is exempt of corporate income tax to calculate for tax payment.	3 Years	3 Years	5 Years	8 Years



Details	Inoue Rubber (Thailand) Pcl.		Kin No Hoshi Engineering Co., Ltd.	
3.2 Being permitted for deducting loss for the year arisen during being exempt of income tax from net profit arisen after the exemption period of corporate income tax for 5 years period from the expiry date pursuant to Clause 3.1.	Being permitted	Being permitted	Being permitted	Being permitted
3.3 Being exempt of reduction in import tax for machines as considered by the Board for approval.	Being exempt	Being exempt	Being exempt	Being exempt
3.4 Being exempt of import duty for raw materials and essential materials required for importing from foreign countries to be used in manufacturing for exporting from the first import date.	Not being exempt	Being exempt	Not being exempt	Not being exempt
3.5 Being reduced of corporate income tax for net profit generated from operating the promoted business in the rate of 50% of normal rate for 5 years period from the expiry date pursuant to Clause 3.1.	Not being reduced	Not being reduced	Not being reduced	Being reduced
<b>4. Effective Date for Exercising the Right under BOI Certificate</b>	24 July 2021	24 July 2021	3 May 2021	31 October 2012



## 1.2.5 Policy of Investment in the Subsidiaries and Associated Company

The Company establishes the policy of investment in its subsidiaries for operating the business to support the Company's business lines, and enhance the competitiveness, facilitate the easiness in management line with investment value in both subsidiaries as at 30 September 2021 at Baht 20.05 million (the details as per Note to Financial Statements 15).

For the policy of managing the subsidiaries and the associated company, the Company has appointed the executives to hold the director and executive office in the subsidiaries and the associated company in order to closely participate in management and formulation of significant policies.

## 1.2.6 Supply of Products

### (1) Total Production Capacity

The production capacity is classified by production line of the following products.

	Production Capacity/ Year	
	2020	2021
Industrial Elastomer Parts	245 million units	244 million units
Motorcycle Tires - Tubes	19.5 million units	19 million units

### (2) Supply of Raw Materials and Products Used in Manufacturing

In supplying raw materials for using in manufacturing, the Company formulates the policy by mainly taking into account from quality, price, delivery ability, and source of production through inspection of property and test from standard laboratories. However, the ordering is carried out according to the general properties of the manufacturers and properties prescribed by the automobile manufacturing company's customers. Moreover, there have still been the policy of seeking for the source of production of alternative and various raw materials, ability to use in replacement, and fulfilling the future customer demand, and cost to ensure the competitiveness in the market in order to enhance the market competitiveness in all dimensions.

The main raw materials used in manufacturing include natural rubber, synthetic rubber, carbon black, steel parts, canvas, valve, wire, and other chemicals which are the manufacturing mixtures in the supply proportion of main raw materials within the country and from foreign countries as follows.

Proportion of Main Raw Material Supply in 2021	Proportion
• Domestic	86.29 %
• Overseas	13.71 %

### (3) Environmental Impact from Manufacturing Process and Disposal of Abundant Raw Materials

-None-

### (4) Environmental Disputes or Litigations

-None-

### (5) Undelivered Works

-None-

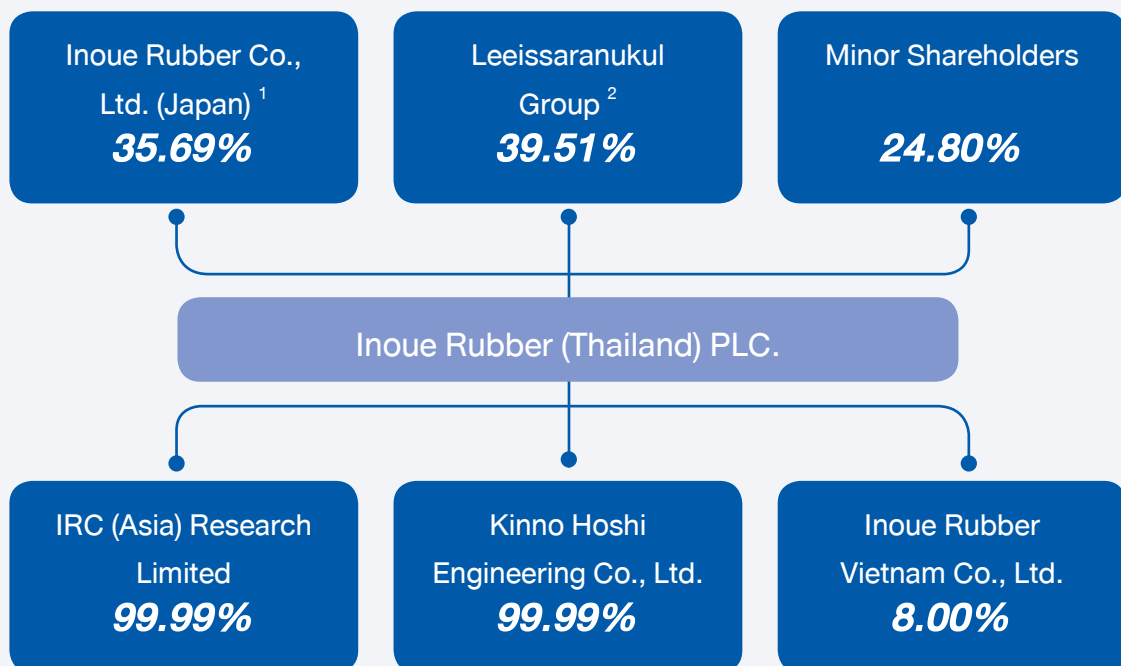


## 1.3 Shareholding Structure of the Company

### 1.3.1 Shareholding Structure of the Company

The Company had commenced its business operations in manufacturing motorcycle tires-tubes through the joint-venture of the group of Leeissaranukul Family and Inoue Rubber (Japan) Co., Ltd. which is the current major shareholder in 1969, and it has continuously expanded its business. Until present, the Company has operated its business in 2 business lines which are Motorcycle Tires and Tubes Business Line and Industrial Elastomer Parts Business Line under the following shareholding structure.

As at February 9, 2021



Remark: <sup>1</sup>Major shareholder group who participate in business operation by sending persons to be directors

<sup>2</sup>Leeissaranukul Family including Sopa-Kanok International Co., Ltd, Mrs. Porndee Leeissaranukul, Mr. Thanong Leeissaranukul, Mrs. Pimjai Leeissaranukul, Mr. Apichart Leeissaranukul, Mrs. Porntip Sethiwan, Mrs. Kessara Leeissaranukul, Mr. Chokchai Sethiwan, Mr. Kanin Laochinda, and Ms. Sirinya Laochinda



## 1.3.2 Parties with Conflict of Interest

- None -

## 1.3.3 Relations with Major Shareholders

The groups of the Company's major shareholders are the group of Leeissaranukul Family and Inoue Rubber Japan Co., Ltd., whereas both groups had jointly established Inoue Rubber (Thailand) Co., Ltd. in 1969. Inoue Rubber (Japan) Co., Ltd. is the supporter of the manufacturing technology and distribution. The joint venture and operating collaboration agreement has been made. The Board of Directors and the Management Team are the groups of persons who have the appropriate knowledge and competence, and experiences for the organizational management and mission to fulfill the market demand and the national level demand.

In 1993, the Company registered to transform as a Juristic Person according to the public law, and listed in the Stock Exchange of Thailand. The composition of the Board of Directors has been adjusted into more balance in business operations, consisting of directors, independent directors, and members of the Audit Committee.

The Company is managed by the joint-management system of the experts both from Thailand and Japan, together with a clear norm of the operating power manual by mainly adhering to the Corporate Governance Code, Business Ethics, and Code of Conduct with all stakeholders.

However, the information of all types of connected transactions, values, conditions and rules has been disclosed in Topic Internal and Connected Transactions

## 1.3.4 Shareholders

### Major Shareholders

List of the top 10 shareholders as at ex-dividend date (XD) on February 9, 2021

Shareholders	Number of Shares	Shareholding Percentage (%)
1) Inoue Rubber (Japan) Co., Ltd.*	68,600,000	34.30
2) Sopa-Kanok International Co., Ltd.**	50,666,000	25.33
3) Inoue Rubber (Thailand) PLC.	7,792,300	3.90
4) Dr. Vicharat Chawa-amphorn	7,408,888	3.70
5) Mrs. Pimjai Leeissaranukul**	5,568,575	2.78
6) NOMURA SECURITIES CO LTD-CLIENT A/C	5,246,500	2.62
7) Mrs. Porntip Sethiwan**	4,884,875	2.44
8) Mr. Thanong Leeissaranukul**	4,370,500	2.19
9) Mrs. Porndee Leeissaranukul**	3,200,000	1.60
10) Mr. Viriya Trangadisaikul	3,102,700	1.55

Remark: \* and \*\* are the major shareholders that participate in formulating the Company's management via Directors nominated to IRC's Board of Directors

\*\* Leeissaranukul family Shareholding

## 1.4 Registered and Paid-up Capital

The Company's fully-paid registered capital is 200,000,000 Baht, being classified into 200,000,000 ordinary shares at par value of 1 Baht/share, whereas the shareholders have the voting right of 1 share per 1 vote.

## 1.5 Issuance of Other Securities

- None -

## 1.6 Dividend Policy

### Dividend Policy of the Company

The Company's dividend payment policy is not paying more than 65 percent of net profit of consolidated financial statements after deducting corporate income tax and legal reserve by considering the fiscal year performance.

### Dividend Policy of the Subsidiaries

According to the subsidiary's dividend payment policy, dividend payment is considered from each subsidiary's performance

### IRC Dividend Payment in the past 3 years

Year	2019	2020	2021*
Earnings per share (THB/share)	0.83	1.12	1.77
Dividend per share (THB/share)	0.4164	0.5699	0.8845
- BOI	0.059	0.0739	0
- NON-BOI	0.3574	0.496	0.8845
Dividend payout ratio (%)	50.00	50.00	50.00

\*If the 2022AGM approve



## 2. Risk Management

### 2.1 Risk Management Policy and Plans

#### 2.1.1 Risk Management Policy

“The Company determines and realizes risk management as a part of good corporate governance in driving the organization growth stably regarding the impacts on the Company’s objective, goal, reputation, and image. Thus, the enterprise risk management standard is established and communicated throughout all business units for inculcating the understanding of framework, procedure, and plan of risk management at an appetite level. This can be ensured that each business unit shall assess, control, monitor and report risk at the same standard level.

Therefore, the Risk Management Committee has established the policy framework, procedure and plan of risk management by emphasizing on;

1. The maximum efficiency of risk management at the minimum or appetite level;
2. Continuously monitoring, reviewing, examining and assessing current and upcoming risks in accordance with changing circumstances both from internal and external factors;
3. Encouraging employees at all level to acknowledge and prevent the risk that might occur;

4. Encouraging risk management and innovation as the Company’s culture and driving to value enhancement of the Company”.

#### 2.1.2 Risk Management Culture and Tools

Nowadays, global economics and situations changes and moves forward abruptly, leading to a continued growth of business challenges. The Board of Directors saw that the Risk Management is a key process for business operation and to lead the business to achieve sustainable growth, in line with the Code of Good Corporate Governance FY2017. Thus, appointed the Risk Management Committee to manage the Company’s risk with systematic, follow the law, good practice, and global standard which are Committee of Sponsoring Organizations of the Treadway Commission (COSO ERM) along with ISO14001:2015 and ISO9001:2015. Specifically focus in these 4 risk factors; Strategy, Operational, Financial, and Compliance, under the Risk Appetite, and including the risk control of the Company and its subsidiaries, leading to strategic and business plans that aligned with the Company’s mission and vision both for short-term and long term.

To push the Company to make a better



achievement of its objective and target, the Risk Management Committee has defined the roles and responsibilities of the Risk Management Committee, by emphasizing about the role that the risk owner must know and understand the risk of his/her responsible job, together with promoting the contest and competition about innovation and management for internal organization, for every level of employee to recognize and participate in risk management, leading to a Systematic Report and maximize efficiency.

Moreover, the Risk Management Committee has revised the Key Risk Indicators (KRIs), which cover the Company's major businesses; Motorcycle Tires and Tubes Business Unit and Industrial Elastomer Parts (IED) Business Unit, for Key Risks evaluation and created and reviewed the Business Continuity Plan (BCP) as a preparation in case of emergency, in order to prevent the damage to business operation or the Company's stakeholders. Also, follow-up the performance of the Risk Management Committee, to conclude and report to the Board of Directors every quarter.

## 2.2 Risk Factors for the Company's Business Operations

Overview of key risk factors affecting the Company's operations are as follows;

### 2.2.1 Strategy Risk

#### - Risk from Automotive Industry Conditions, Domestic Economy, and World Economy

In 2020-2021, Thailand automotive and motorcycle industries have been affected by COVID-19 outbreak, semiconductor shortage, containers shortage, resulting in disruptions in both domestic and international supply chains. Furthermore, the economic upheaval has resulted in a fall in the

purchasing power of public sector. To adapt quickly to diverse changes, the Company has issued measures and established strategic plan.

#### Motorcycle Tires and Tubes Business Unit:

Motorcycles are another indicator that can be used to assess consumer purchasing power, consumers, particularly among lower-income and middle-class consumers. Domestic motorcycle sales in 2021 are expected to increase over the previous year, according to the expansion of the domestic market and the export market and low base in the previous year. Furthermore, the global economy has started to recover from COVID-19 vaccination measures. As a result, in order to mitigate the effects and diversify the risks that may occur, the Company maintains a strategy based on three major market classifications, which are as follows:

(1) Original Equipment Market (OEM) - The Company therefore focuses on retaining market share increasing production of high-performance tires, such as tubeless tires in new motorcycle models with more diverse patterns, as well as developing new tire patterns for many models of 150 cc or less motorcycles.

(2) Replacement Market - The Company focuses on promoting sales with local distributors and constantly launching new products in response to market demands by participating in promotional activities such as issuing discount coupons to bike delivery customers and motorbike taxi drivers in Bangkok and suburbs. IRC also provides free alcohol gel to retailers and dealers across the country in order to work together to curb the COVID-19 outbreak. However, in the situation of COVID-19, the delivery business has become one of the most popular services in the 'New Normal' era. There is marketing opportunities because motorcycle tires are employed in the in the freight/food delivery

business. The Company has marketed a specially designed ‘Persona’ motorcycle tire for delivery that provides the durability and road grip required for city use.

(3) Export Market - The Company was impacted by a container shortage for export due to a significant number of containers left in destination countries such as the United States and the European Union. Fewer containers returned to Asia, resulting in higher freight charges and lost sales opportunities. Furthermore, the cost of freight has been doubled due to increasing inventory as a result of shipment delays. The Company has managed by booking containers in advance for a period of 2-3 months. In this regard, the Company requested customers to bear the expense of transportation.

#### **Industrial Elastomer Part Business Unit:**

The automotive industry’s semiconductor shortage has a significant impact on car manufacturing. Because of the increased demand for semiconductors in the electronics industry, semiconductor manufacturers had to adapt their production processes to meeting that demand. When the global economy recovers, so does demand for automobiles. As a result, semiconductor producers are unable to meet the expectations of automakers. In addition, there was a fire at a semiconductor manufacturing in Japan, which caused supplies to be disrupted.

The shortage of semiconductors is expected to continue to affect auto production through 2021. In the second quarter of 2022, the situation is expected to improved. Automakers have made recovery plans in order to increase production volume. Furthermore, the shortage of semiconductors is a contributing reason to the COVID-19 outbreak in Thailand. As well as lockdowns in automakers’ key trading partner countries, affecting supply chains and revenues of the Company.

In addition, the Company is studying Carbon Footprint Products, which will lead to the development and improvement of products with lower greenhouse gas emissions. This will also help to boost competitiveness in the global market.

#### **- Risk from transitioning to Electric Vehicle (EV)**

National Electric Vehicle Promotion Policy intends to make Thailand a hub for the production of electric vehicles production in the future. This benefits the potential and competitiveness of the growing number of new electric vehicle manufacturers (New Comers) such as Great Wall Motor (GWM), MG, PTT-Foxconn, MINE Mobility, and others. There is a business opportunity, the Company has the potential in the area of research and development of particular properties products for electric vehicles. The Company has completed the work presentation to the aforementioned electric car manufacturers and is in the process of developing motorcycle tires for specialized electric motorcycles applications.

The Company has expedited the development of its potential in new product development of such as Weather Strip, Glass Run, Anti-vibration Rubber, Chargers product. As well as expanding into the other industrial products such as floor paving rubber made from recycled rejected rubber in the manufacturing process, development of rubber parts used for sealing glass grooves and floors in buildings or tall buildings, or rubber parts used in the construction industry, and so on. We will develop a variety of products to fulfill a wide range of customers’ demands in order to increase market expansion opportunities. Additionally, the products will be designed to have improved functionality and features. Furthermore, the Company is researching the design of rubber parts used in car assembly in

order to accommodate and respond to customer requests more quickly and correctly. This is also part of our strategy for retaining market share in the automobile segment.

### **- Risk of relying on the major customers**

In this year, the Company distributed motorcycle tire and tube products and Industrial Elastomer parts products to 14 major customers, with revenue from such sales accounting for approximately 70% of total revenue in 2021.

The Company has always had a good relationship with such customers. However, there are many operators who are direct competitors to the Company. So, there is a potential that customers will not renew their contracts with the Company and will instead purchase products from competitors.

However, in order to remain competitive, the Company has consistently controlled its risks by improving the quality of its products and services. Furthermore, keep maintain current customers as best as possible. In addition, to continuously follow the progress with customers, acquiring more new customers and new markets such as automobile and electric motorcycle manufacturers, as well as customers in other industries to maintain strong sales.

## **2.2.2 Operational Risk**

### **- Risk of Technology and Innovation in the production process**

The Company have brought lean concept, improving the manufacturing process to be a smart factory, Business Intelligence (BI) system, supplemented with the Total Productive Management (TPM) to co-develop with intelligent technologies, to enhance the efficiency, reduce cost, and losses in production management. The Company have also

been encouraged to promote the Company's innovation deemed as part of the Company's corporate culture conforming to the Company's organizational vision and missions and the Thailand 4.0 model progressed by the government. These well-developed strategies will lead the Company's organization to greater competitiveness and success, while creating potential values for the Company's products and services in a sustainable manner. Moreover, to maintain the quality standard of the Company's productions, the Company have also determined to focus on controlling, developing, and maintaining machinery and equipment to ensure effective production process at all times, while preventing possible production problems that may affect customer satisfaction. Significantly, the Company have managed and improved the Company's production process to exceed the required standards and regulations continuously, ensuring the least impact caused to the surrounding communities, in which the Company's executives had perfectly prepared to handle and manage such risks. The Company are striving to maintain good relationship and understanding with all people living in the communal areas adjacent to the Company.

### **- Risk of Occupational Health and Safety and the Quality of Employees**

The Company have never abandoned the importance of developing a concrete foundation of the organization by fostering knowledge promotion to create good and consistent consciousness among employees in order to work according to the expected goals and objectives. The Company are also aware of the highest safety in the workplace as it helps reduce all possible risks that may take place during the employees' daily operations. The Company aim to become a "zero-accident" workplace through the instillation and implementation of safe-

ty principles among employees. All employees in the Company are encouraged to pursue the “5 Do 5 Don’t” concept, being committed to doing good things and refraining from being involved in improper practices. A safety training program is featured in the Safety Day, a corporate activity launched to ensure sufficient knowledge on occupational health and safety for employees. In 2021, the Occupational Health and Safety Committee has performed in accordance with the Company’s target excellently. Moreover, the responsible departments in the Company monitor flood problems closely, while submit significant reports on flood-related incidents to the top executives for acknowledgement on a weekly basis. Aside from an overwhelming risk of flood, the Company also holds its fire evacuation drill regularly.

### **- Risks of information systems and cyber threats**

The employees of the Company were employed to Work from home due to the COVID-19 pandemic. Under the tight supervision of the Information Technology Department, the Company has increased the stringent control over the organization’s information system and information network systems. The Company is well aware that cyber threats that have had a huge impact on the digital society. The Company therefore do frequent risk assessments.

## **2.2.3 Financial Risk**

### **- Risk from fluctuations in foreign exchange rates**

The Company had transactions in both Japanese Yen (JPY) and US Dollar (USD). In 2021, Thai Baht was weakest in the period of 3 years and it tends to be more depreciated than regional currencies

due to domestic factors that affects the Company’s import price of raw materials.

However, the Thai Baht’s depreciation is still a factor favoring exports. As a result, the Company focused more on the export market to compensate for the sluggish domestic sales caused by the economic circumstance.

The movement of exchange rates and raw material prices is regularly monitored by the Company. In addition, the Company defined a Forward Contract policy and developed methods to mitigate this transactional risk involving foreign currency. A report also made on a regular basis for Management to acknowledge and reported to the Risk Management Committee every quarter.

### **- Risk from High Liquidity**

The Company has guidelines for cash management to manage high financial liquidity by paying a dividend at a rate higher than the interest rate received from short-term investments. As well as planning additional investments in other channels, such as investing in mutual funds from leading financial institutions in the country. During the situation of the COVID-19 outbreak, the Company has closely monitored the situation and consulted investment supervisors for investment in innovative research and new product development to respond to Climate Change and Electric Vehicle. As well as investments to develop into a Smart Factory, such as the application of robots and automation in the production process. In addition to being worthwhile cash management and benefiting the Company in the long term, the investment is also supported by the Board of Investment (BOI).

### **- Risk of Customer’s Credit**

For a customer’s credit risk, there is a report about the terms of an account receivables to the Management

regularly; in order to make a follow-up action whenever potential risky transactions are found; and such data are shown in the Financial Statement report every quarter. However, most of the Company's account receivables do not reach the maturity; thus, they do not affect the liquidity and the financial status of the Company.

## 2.2.4 Compliance Risk

### - Risk of Compliance and Regulations related to the Company

The Company is fully aware and committed to perform in complied with the laws, rules and regulations both production, business operation, accounting, occupational health and safety, labour, information disclosure, anti-corruption altogether with other global standards that deemed necessary and concerned the Company's business such as ISO Standard. Thus, the Company's had performed follows such rules and standards excellently.

In 2021, there is a review of Risk Management policy, Risk Management Committee's charter, as well as Roles, Duties and Responsibilities of the Board of Directors, to be aligned with the Corporate Governance Code 2017 (CG Code), the Market Misconduct Act Prevention, and the Thailand 4.0 policy.

### - Risk of Social and Environment

The Company is fully aware that in order to be the "Corporate Citizenship", is not only performed follow the laws, rules, and regulations, it also include the listening and responding to the need and expectation of the stakeholders with fairness. The Company has established the Environmental Committee and Social Responsibility Committee to communicate between the Company and the Stakeholders, to ensure that the Company can operate the business in the society sustainably.

### - Risk of Corruptions

For Anti-Corruption, the Company has declared their intention to be part of the Private Sector Collective Action Coalition Against Corruption (CAC), encouraging the Risk Management Committee to assess the potential impacts caused by corruption stringently, apart from the follow-up and control of the Management, to ensure that the Company has an appropriate internal control system. The Company also defined the Anti-Corruption policy and communicated to employees through the Handbook of Good Corporate Governance training course by the Top Management and create an official channel to file a complaint about corruption called as "Whistle Blowing Channel" as show in the details below;

- (1) By reported directly to the Chairman
- (2) By sending a postmail to the Chairman or Company Secretary through  
258 Soi Rangsit-Nakornnayok 49, Prachathipat, Thunyaburi, Pathumthani 12130
- (3) Through email; [listen@ircthailand.com](mailto:listen@ircthailand.com)
- (4) Through website; [www.ircthailand.com/en/investor/corporate/whistleblowing](http://www.ircthailand.com/en/investor/corporate/whistleblowing)

## 2.2.5 Emerging Risk

The second and third waves of COVID-19 outbreak in Thailand, which began in December 2020, have resulted in a significantly higher number of infected people across the country. The government has put in place measures to prevent and control the disease, such as lockdowns, travel restrictions and allowing government and private sector employees to work from home, and so on.

The plants of the Company are located in Pathum Thani and Phra Nakhon Si Ayutthaya Provinces, which are classed as Maximum and strictly controlled areas (Dark red area). Therefore, the Company has issued the following internal

actions to comply with government mandates and requirement:

### - Personnel management measures

The Company established measures to comply with the government regulations such as the Emergency Decree on Public Administration in Emergency Situations, for example, During the period of travel restrictions in the Maximum and strictly controlled area, the Company issued travel certificates to employees to show to the authorities, publicized information to employees in order to practice in accordance with government policies, assigned employees to work from home, and organized meetings/ seminars via online system, including established Bubble and Seal measures, which the Company has monitored and supervised employees. The Company has monitored the employees, and risk employees are quarantined from other employees in accordance with the prescribed principles. Additionally, preventive supplies such as alcohol gel, medical masks and ATK test kits were provided to employees and stakeholder groups.

As of September 30, 2021, the accumulative number of infected people was 7.90% of the entire population.

### - Business management measures

COVID-19 pandemic, new wave is stifling economic recovery. Affecting the public sector's purchasing power and generating supply disruption due to the presence of infected workers in the supply chain, particularly in the automotive industry. As a result, production and exports to recovered less than expected.

However, it has spurred the delivery business. In recent years, it has become one of the most popular New Normal services influences marketing

opportunities. This is because motorcycle tires are utilized in the freight/food business, and the Company has sold a specially designed 'Persona' motorcycle tire for cargo that offers durability and road grip suitable for city use.

In addition, the Company has launched IZ-Ss S99T motorcycle tire for scooters and IRC motocross tires VX-10 and VX-30 were exported to international markets to support the Company's sales.



## 3. Driving business for sustainability

### 3.1 Sustainability Management Policy and Target

IRC is resolute to propel the organization to sustainability as per the sustainability strategy of the Company. It begins with the concrete base of everybody in IRC called IRC DNA, which consists of

1. Our Company Our Home 2. Corporate Culture and 3. Competency Development and Career Path. Along the road to firm sustainability, there must be the risk management and supply chain management conducted by Risk Management Committee. On the other hand, Environmental Conservation and Good Corporate Governance are conducted by Good Corporate Governance and Social Responsibility Committee. In addition, transparency and accountability are conducted by Audit Committee.

The roadmap for sustainability goal requires 4 key plans as follows.

1. Innovation; the Research and Development, and Innovation Technology
2. Customer's Satisfaction & Relation
3. International Standard Quality that is reliable for customers
4. Production: 1. Process Improvement      2. Smart Factory  
3. Effective Procurement      4. 3Rs policy      5. Effective Productivity

Each department consists of a plan, a target, and an indicator, which are monitored and evaluated daily, monthly, and quarterly by the Executive Committee and the Board of Directors.

These key plans bring about the competitiveness in cost, quality and product reliability, as well as revenue growth responsible by 3 main channels which are 1. Existing Products, 2. New Products and 3. New Markets that all lead to IRC's sustainability goal.

# STRATEGY MAP

On the way to IRC Sustainability, there are Risk and Supply Chain Management as a top frame and Environmental Conservation and Good Corporate Governance



In 2021, the company reviewed its strategy and sustainability goals without any change in the main contents. However, further consideration was given to operational plans and quantitative targets over the next two years which involves new markets and products in both short and long terms.

Given its sustainability goals, IRC has formulated sustainability management policies and plans in line with its business operations and corporate strategies to reflect its commitment to develop a business with the focus of environmental, social and governance (ESG) issues, following the company's vision. Additionally, the company has developed its policies to be in line with the sustainable development goals (SDGs) of the United Nations and has reported activities that aim to achieve global sustainability in this report.

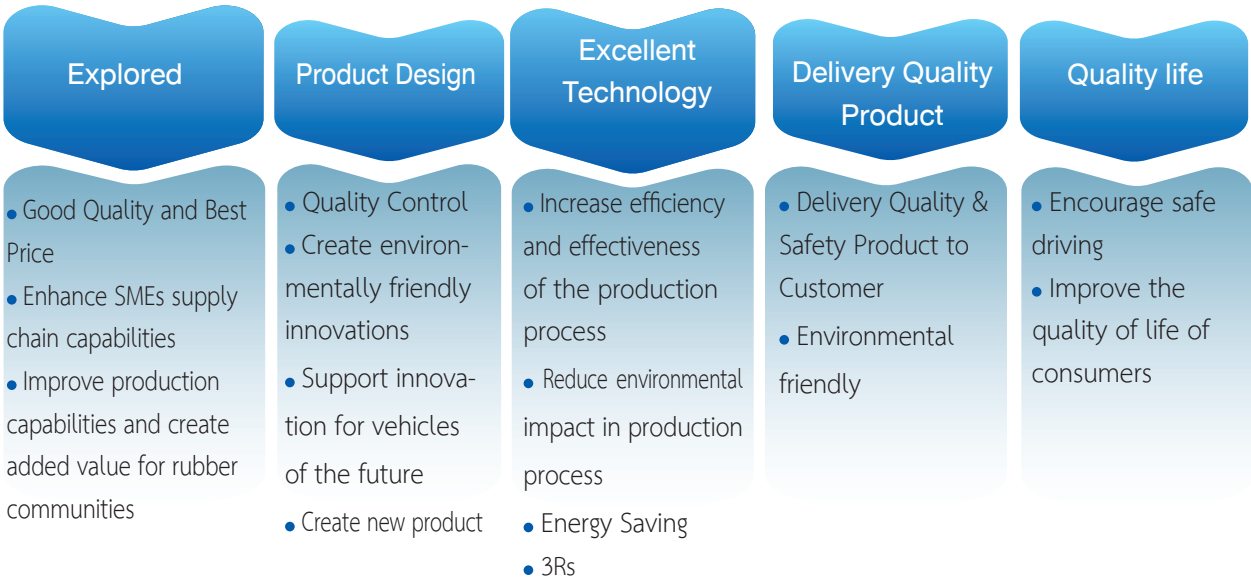
## 3.2 Impact Management to Stakeholders in the Business Value Chain

### 3.2.1 Value Chain

There are processes to connect with stakeholders at all stages throughout the organization's value chain. The company has created value for the society and environment through its products and services following the organization's vision on corporate governance and the BCG model, which focuses on economic development in three main areas including bio economy, circular economy, and green economy to boost the country's competitiveness.



### Value Chain



### 3.2.2 Analyzed the stakeholders in value chain

The company has analyzed the organization’s value chain that directly and indirectly involves stakeholders from upstream to downstream. The stakeholders are divided into seven groups consisting of employees, customers, suppliers, society/community/environment, shareholders, competitors, and government agencies. The company continues to listen to stakeholders’ opinions at least once a year and is truly determined to engage with stakeholders to effectively meet the needs and expectations and to improve sustainability management processes.

Stakeholder	Expectation of stakeholder	Response to stakeholder	Performance on stakeholder engagement	SDGs
Employees	<ol style="list-style-type: none"> <li>1. Fair employee benefits and compensation</li> <li>2. Health and sanitation at work and job security</li> <li>3. Happy working environment</li> <li>4. Professional skill development to keep up with the changes</li> <li>5. Complaint channel for fair hearings</li> </ol>	<ol style="list-style-type: none"> <li>1. Establish policies and employee treatment practices.</li> <li>2. Establish policies on employee conduct and treatment of other employees.</li> <li>3. Establish IRC’s safety, occupational health, and working environment policies.</li> <li>4. Provide personal protective equipment (PPE) for employees.</li> <li>5. Join the Happy Workplace project of the FTI to create a happy working environment.</li> <li>6. Have a plan to develop skills for employees at all levels in the organization</li> </ol>	<ol style="list-style-type: none"> <li>1. No accident at work that leads to death</li> <li>2. More than 61 percent of employees participating in the Safety Day event</li> <li>3. Average number of hours of more than 18 hours.</li> <li>4. No complaint related to human rights principles</li> <li>5. No labour dispute</li> </ol>	

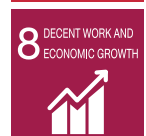
Stakeholder	Expectation of stakeholder	Response to stakeholder	Performance on stakeholder engagement	SDGs
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(reskilling and upskilling)  
 7. Create a channel for fair hearings for employees such as an HR Clinic.

Customers	<ol style="list-style-type: none"> <li>1. Reliable quality</li> <li>2. Reasonable quality and price</li> <li>3. On-time delivery</li> </ol>	<ol style="list-style-type: none"> <li>1. Recognize and adhere to 'The spirit of quality' that represents the 'Quality is priority. On-time delivery. Satisfied customers.' Motto.</li> <li>2. Comply with the rules and standards at all times.</li> <li>3. Promote internal quality control in each production unit.</li> <li>4. Receive support from Chief Executive Officer and Managing Director for the Quality Assurance Unit's decisions.</li> <li>5. Continuously participate in marketing activities with customer</li> </ol>	<ol style="list-style-type: none"> <li>1. Awards, certificates, plaques, and accolades received from customers and other organizations.</li> </ol>
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Suppliers	<ol style="list-style-type: none"> <li>1. Fair and equal treatment of suppliers</li> <li>2. Efficient supply chain</li> <li>3. Assistance</li> </ol>	<ol style="list-style-type: none"> <li>1. Establish policies and practices on supplier and/or creditor treatment.</li> <li>2. Support potential development of sub-contractors (SMEs).</li> <li>3. Provide support to improve the quality of rubber from Khlong Pang Cooperative, Trang province to achieve international certification such as PEFC's ISO19001:2015 sustainable rubber plantation standard.</li> <li>4. Provide information assistance during the Covid-19 pandemic and reduce credit terms for suppliers to receive faster payment, improving liquidity for unusual times.</li> </ol>	<ol style="list-style-type: none"> <li>1. Selected suppliers were able to deliver quality products and services to the company in a timely manner.</li> <li>2. Small and medium enterprises (SMEs) are able to increase their competitiveness, strengthening the country's economy.</li> </ol>
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Stakeholder	Expectation of stakeholder	Response to stakeholder	Performance on stakeholder engagement	SDGs
Society/ community/ environment	<ol style="list-style-type: none"> <li>1. Pollution and environmental management</li> <li>2. Environmentally friendly products</li> <li>3. Climate change</li> <li>4. Efficient resource management</li> <li>5. Ecological conservation</li> </ol>	<ol style="list-style-type: none"> <li>1. Establish social and environmental responsibility policies.</li> <li>2. Establish environmental policy.</li> <li>3. Establish a monitoring and surveillance agency for environmental complaints.</li> <li>4. Conduct environmental monitoring and evaluation on a regular basis to improve and develop an efficient environmental management system.</li> <li>5. Help the society and communities during the Covid-19 pandemic by providing personal protective equipment (PPE) such as face masks, 75% alcohol gel, high flow oxygen therapy, and negative pressure room setup to hospitals. Additionally, the company provides rice and water to help the communities and villagers in need.</li> </ol>	<ol style="list-style-type: none"> <li>1. Built strong relationships with neighbors in the Rangsit and Wang Noi areas.</li> <li>2. Participated in social development (CSR) activities to create shared values between the organization and the society (Creating Shared Value or CSV).</li> </ol>	  

Shareholders	<ol style="list-style-type: none"> <li>1. Corporate governance</li> <li>2. Transparency in business management</li> <li>3. Effective risk management</li> </ol>	<p>The board of directors, as representatives of all shareholders, has the following duties:</p> <ol style="list-style-type: none"> <li>1. Create policies and manuals on corporate governance and business ethics.</li> <li>2. Promote continuous development of corporate governance.</li> <li>3. Support the preparation of sustainability report.</li> <li>4. Appoint the Corporate Governance and Social Responsibility Committee and the Risk Management Committee.</li> <li>5. Develop a risk management plan.</li> </ol>	<ol style="list-style-type: none"> <li>1. Received the Very Good CGR rating from the Thai Institute of Directors Association.</li> <li>2. Selected to be on the 2021 Thailand Sustainability Investment (THSI) list of the Stock Exchange of Thailand.</li> <li>3. Received the SET Awards in the Best Sustainability category in 2021 from the Stock Exchange of Thailand.</li> </ol>	
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stakeholder	Expectation of stakeholder	Response to stakeholder	Performance on stakeholder engagement	SDGs
Competitors	<ol style="list-style-type: none"> <li>1. Business operations that are transparent and compete fairly</li> <li>2. Assistance and exchange of information that is beneficial to business operations.</li> </ol>	<ol style="list-style-type: none"> <li>1. Develop a competitor treatment policy.</li> <li>2. Disclose the company's information in the annual report and sustainability report.</li> </ol>	<ol style="list-style-type: none"> <li>1. Developed processes that can increase efficiency, reduce costs, preserve the environment, and allow for innovations, leading to business advancement and the development of the industry as a whole.</li> <li>2. Create a network of good business partners.</li> </ol>	 
Government Agency	<ol style="list-style-type: none"> <li>1. Certification</li> <li>2. Comply with Law and Regulation</li> <li>3. Control environment inside the Company at required standard</li> <li>4. Acknowledged the new regulation.</li> </ol>	<ol style="list-style-type: none"> <li>1. The Company asks permission and certification from related parties before starting the operation</li> <li>2. The Company follows concerned law and regulation</li> <li>3. Be responsible for society, as well as control, maintain, preserve and promote environment</li> <li>4. Monitoring the new regulation</li> </ol>	<ol style="list-style-type: none"> <li>1. The Company and its subsidiaries do not have legal dispute or lawsuit where the directors, executives, or related person are being involved.</li> <li>2. Received the NACC Integrity Awards no.9 from Office of the National Anti-Corruption Commission.</li> </ol>	

### 3.2.3 Assessment of the Materiality Issues and the Stakeholders

#### Procedure to Assess Key Issues for Sustainability

##### 1. Identification of key issues

The Company has established the scope of analysis on key issues for sustainability as follows:

**Internal factors :** Analyze the sustainability issues affecting the value chain for short-term and long-term sustainability, covering from raw material selection activities until delivery to consumers, including key factors affecting the Company’s Vision, Mission and Sustainability Strategies.

**External factors :** Analyze issues under the attention of stakeholders, tendency of Thailand and the world, and the UN Sustainable Development Goals (SDGs).

##### 2. Prioritization

Considered the interesting internal factors and external and prioritized issue by stakeholders and executive committee as showed below



Economic	Social
1. Quality and Cost Competitiveness	6. Human Rights
2. Risk Management	7. Occupational Health and Safety
3. Supply Chain management	8. Customer Relationship Management
4. Business and Social Innovation	9. Human Resource Improvement
5. Quality Reliability	10. Covid-19
Environmental	Governance
11. Environmental Management	17. Anti-Corruption
12. Energy Conservation and Global Warming	18. Good Corporate Governance
13. Ecosystem Conservation	19. Corporate Social Responsibility
14. Climate Change	
15. Environmental Friendly Products	
16. Efficient Resources Management (3Rs)	

*\*Remark:*

*Vertical is key issues to stakeholders, analyzed from collecting primary and secondary data such as interviews, evaluations, data from the shareholders' meeting minutes and other news sources from stakeholders, etc. Horizon is key issues to the organization, analyzed from the evaluation of impacts on the organization by executives, and long-term risks.*

### 3. Validation

In 2021, the Good Corporate Governance and Social Responsibility Committee reviewed the materiality issues by considering Thailand's Roadmap, the development to Thailand Industry 4.0, the economic direction both domestic and international levels, and the United Nation's Sustainable Development Goals or SDGs, then presented to the Executive Committee for consideration as a practitioner. Lastly, the materiality issues were proposed to the Board of Directors to consider whether they comply with the overall enterprise direction and appropriateness. This is to ensure that the materiality issues are selected, reviewed, and assessed comprehensively and up-to-date.

### 4. Establishment of guidelines to respond to stakeholders

Key issue on sustainability considered and approved by the Board of Directors will determine the operational direction at the plan/project level and use it as a strategy to drive the business to meet the needs of stakeholders, and suitable for business operations in the current business ecosystem

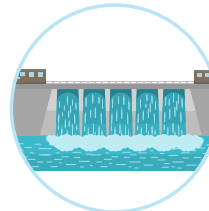
## 3.3 Sustainability Management in Environmental Dimension

### 3.3.1 Environmental Policies and Practices

IRC has defined “**Environmental Policy**” to be upheld by all members within the organization in order to drive sustainable development in the aspects of environmental conservation and maintenance of balanced ecosystem.



- Improve and develop Environmental Management system which consistent with laws and other requirements concerning with organization procedures



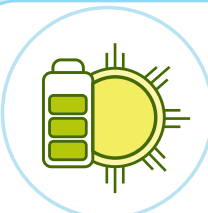
- Efficiently and Effectiveness utilize of Electrical Power, Water, and all others resources



- Develop management process to Zero Waste and pollution occurred from production process and other activities. This includes preventing of potential pollution



- Promote and develop staff to have a green spirit for creating a culture and environmental awareness by impacts from activities that affect the environment, save for better environment to the Company and community









- Communicate Environmental policy to public

Paying attention to environmental management, the Company is investing in the improvement and development of manufacturing process to earnestly harness resources, waste and pollution that exert the lowest consequence on the quality of life of the stakeholders. The Company complies with numbers of laws and regulations surrounding the organizational operations. The Company executes an environmental management system in accordance with ISO 14001 standards and promotes the green culture of the people in the organization so as to ensure minimal adverse impact on the environment while ascertaining that the next generation will witness a green world.

## Management Approach

To play a part in fostering a good environment within the Company and pass on to nearby communities, the society, the nation and the world community. The Company seeks to fasten its response to climate change threats by sticking to the Sustainable Development Goals (SDGs) in 6 of its main goals in which the Company can participate in tackling the climate change. The currently emerging issues surrounding climate change include

<p><b>3</b> GOOD HEALTH AND WELL-BEING</p> 	<p>1) Protecting the environment to promote employees and surrounding communities' health and well-being</p>	<p><b>6</b> CLEAN WATER AND SANITATION</p> 	<p>2) Water quality enhancement and increase recycling</p>
<p><b>7</b> AFFORDABLE AND CLEAN ENERGY</p> 	<p>3) Reducing the amount of resources used and increasing the use of alternative energy</p>	<p><b>12</b> RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>4) Managing the efficient use of natural resources and the elimination of toxic waste and pollution</p>
<p><b>13</b> CLIMATE ACTION</p> 	<p>5) Reducing greenhouse gas emissions (GHGs)</p>	<p><b>15</b> LIFE ON LAND</p> 	<p>6) Protecting the environment and ecosystems</p>
<p><b>Environmental Good Governance</b></p>		<p><b>Green Industry</b></p>	

The Company adhere to the method of environmental management as Environmental Good Governance principle, which is an international standard.

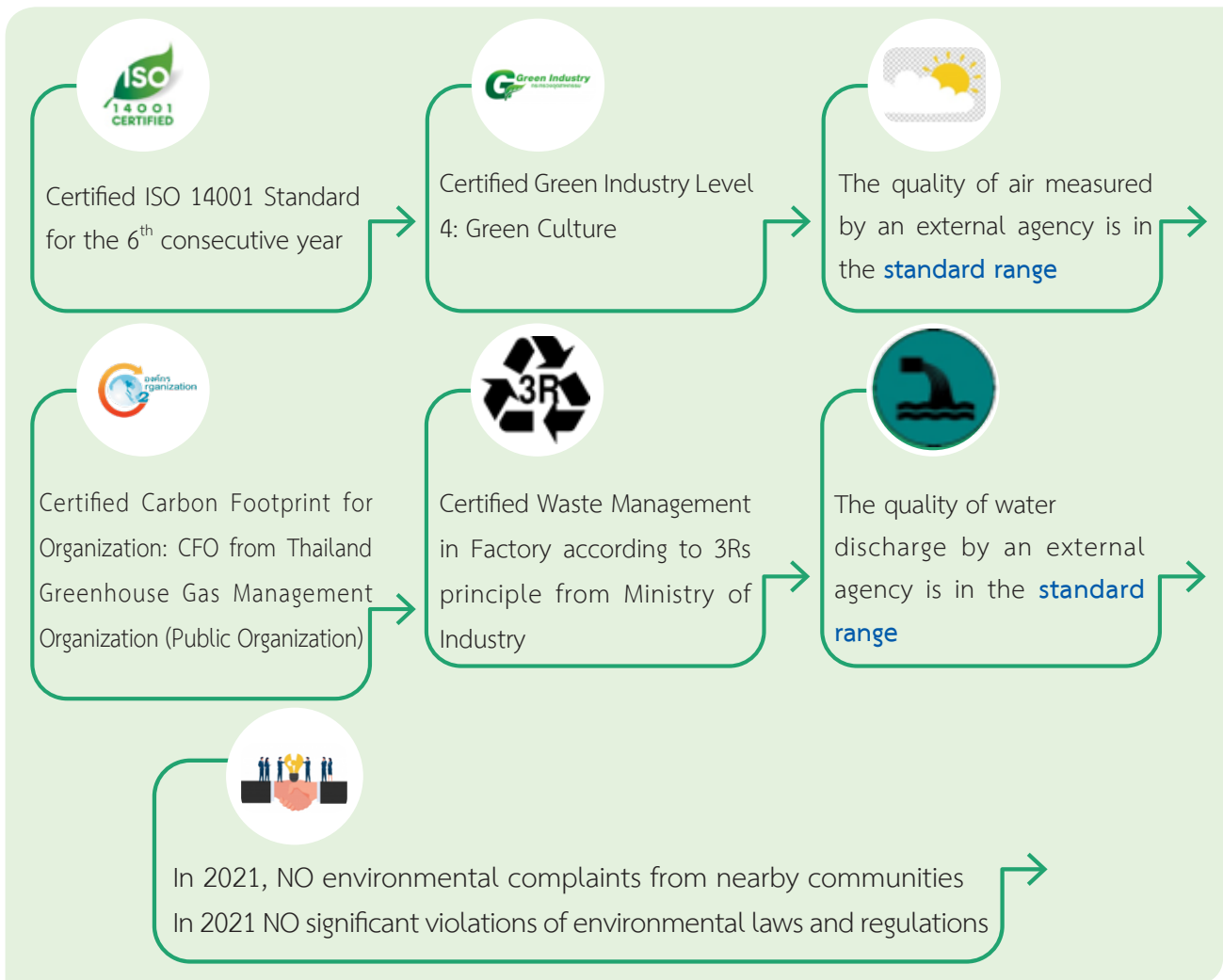
Moreover, we comply with the 6 important principles that is transparency, fairness, and people participation toward environmental management. This lead to the suitable judgment for both policy and good operation towards sustainable environmental.

The Company has developed into a green industry as guided by the project of the Ministry of Industry. The framework helps promote continuous environmental improvements, and demonstrate social and environmental responsibility both inside and outside the organization; as well as the supply chain. At present, the Company has been awarded with the Green Industry Level 4: Green Culture



### 3.3.2 Environmental Performance

#### Key Environmental Performance in 2021



The Company has been certified by the environmental management system ISO 14001, an international standard economically and socially recognized as a result of the promotion and implementation of environmental policies and sustainability strategies, as well as established the environmental and energy culture, so that all employees work together in an environmentally friendly way for business operations of all areas, until becoming part of the corporate culture, leading to continuous and sustainable development, which can bring about good results in various aspects as follows

- Increase business opportunities and build trust for customers
- Reduce production costs from efficient use of

energy and resources

- Provide a standard water treatment system which is able to recycle water for the use in a green area and cooling tower system
- Being accepted by stakeholder groups such as communities, government agencies, customers, shareholders, etc.

#### 2022 Goal

- NO environmental complaints from nearby communities
- NO significant violations of environmental laws and regulations
- Certified Carbon Footprint for Organization : CFO for two consecutive year

# 1. Energy Management and Climate Change Strategy

## Key Performance in Energy Management in 2021



- Reduce electric energy expenses from continuously implementing the Energy Conservation Project for increasing the efficiency of energy consumption and reduction of greenhouse gas emission, which is estimated to the approximate amount of Baht 10.7 million/year.



- Solar power consumption of 7,569.02 GJ, increasing from 2020 by over **81%** from the additional installation of Solar Rooftop at Rangsit and Wangnoi Plants.



- Greenhouse gas emission volume (Boundary 1) of 13,186 tonnes of equivalent carbon dioxide, decreasing from 2020 by **0.71%**.



- Reduce the rate of energy consumption/tonnes of production by **5.65%**
- Cancel the use of boiler in manufacturing process in Wangnoi Plant, resulting in a decrease in fossil fuel consumption volume and electricity cost saving



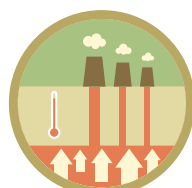
- Greenhouse gas emission volume (Boundary 2) of 21,091 tonnes of equivalent carbon dioxide, decreasing from 2020 by **7.32%**.

The Company is aware of the climate change problem, problem of severe natural disasters that damage life, property and natural resources, therefore has established a responsible business plan, promoted sustainable and valuable energy consumption, planned the development of systematic production process and operations, promoted the supply and consumed environmentally sensitive energy, and promoted clean energy development project to reduce the impact on the environment and community, alleviated the problem of global warming, and respond to the Paris Agreement under the United Nations Framework Convention on Climate Change.

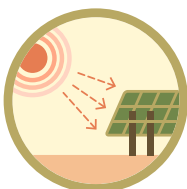
## Energy Saving Policy



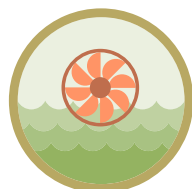
- The Company will operate and develop appropriated energy management system which is a part of the Company's business operations and it has to be implemented in accordance with relevant laws and regulation.



- The Company regards that the energy conservation is the duty and responsibility of all executives and employees at all levels and they are required to deliver their cooperation to comply with the energy saving measures, to monitor and report relevant issue to the energy saving committee.



- The Company will continuously improve the energy efficiency in order to meet the nature of business, production technology and internationally best practices.



- The Company will support the necessary resources, including personnel, budget, time as well as training courses and encourage all employees' participation through presenting their suggestions that are beneficial to energy saving of the Company.



- The Company will set annual plan and goal for the energy conservation and communicate with all employees for accurate understanding and compliance.



- The Company by energy saving committee will revise the energy saving policy, goal, and plan on annual basis.

## Management Approach

- Reduce fossil fuel consumption by changing into renewable energy, and planning the worthwhile energy consumption by creating value and awareness on energy consumption.
- Plan and control energy efficiency and maximize benefits. Reduce energy loss in all steps engaged. Regular monitoring and supervision of electrical appliances is done to lessen energy leakage.
- Use of renewable energy especially one from natural sources such as solar energy.
- Choose high-efficiency tools and equipment such as electrical appliances with No. 5 brand, economical thin tubes, LED bulbs and the usage of highly efficient equipment
- Devise products with lower environmental impacts, and use green technology as part of consideration for future investment projects.

## Business Value Addition through the Greenhouse Gas Emission Reduction Project

### • Promotion Project for Preparing Carbon Footprint for Organization (CFO) in collaboration with Thailand Greenhouse Gas Management Organization (Public Organization)



The Company has participated in the Promotion Project for Preparing Carbon Footprint for Organization (CFO), Phase 8, which is a key tool supporting the preparation of information and report of greenhouse gas volume in the organizational level for enhancing the capacity in managing and reducing greenhouse gas emission, and for mutually reducing and controlling carbon dioxide emission, resulting in global warming.

### • Energy Conservative Project

#### Rangsit Plant



#### Install Solar Rooftop sized 603.68 kWp



The power generation system from solar cell provides clean energy that does not causes pollution and helps reduce global warming, the Company is aware of environmental problems, therefore, has installed a 603.68 kWp Solar Rooftop for the whole rooftop area of the plant where solar cells can be installed, it could generate electricity for 923,962.38 kWh/year, saving electricity cost for 3,511,057.044 baht/year, reducing 553.083 tons of CO<sub>2</sub>/year.



#### Install Inverter Vacuum Pump at Tire 1

Tire Curing Press Division has installed Inverter to decrease speed of vacuum pump in order to cause suction which is suitable for usage, enabling to reduce energy consumption by 40%, reduce electric energy consumption by 126,720 kWh/year, save electricity bill by 481,536 Baht/year, and reduce carbon dioxide emission by 75.9 tonnes of carbon dioxide/year.



#### Reduction of Vacuum Pumps and Cooling Tower Usage in tire curing press area

- Install 1 large vacuum tank as a receiver for vacuum steam, resulting in ability to reduce the use of vacuum pump by 2 sets of vacuum pumps.
- Install water tank in replacement of Cooling Tower, resulting in reduction of cooling tower usage.
- Able to reduce electricity energy consumption by 89,424 kWh/year, and save electricity bill by 344,282 Baht/year, and reduce carbon dioxide emission by 52.73 tonnes of carbon dioxide/year.





### Replacement of High Efficient Split Type Air-Conditioner

The high split type air-conditioner has been replaced for using, resulting in ability to reduce electric energy consumption by 4,849 kWh/year, save electricity bill by 18,667 Baht/year, and reduce carbon dioxide emission by 2.86 tonnes of carbon dioxide/year.



18,667 Baht/year



### Change of Light Lamps into LED Lamps in Tire 2 manufacturing area and Tire 1 tire repair area

The 424 light lamps have been replaced from fluorescence lamps T5 28W into LED lamps 18W at the following divisions.

- Tire 2 Quality Control Division for 196 lamps
- Tire 2 Curing Press Division for 156 lamps
- Tire 2 Canvas Cutting Division for 36 lamps
- Tire 1 Tire Repair Division for 36 lamps



115,395 Baht/year

The above change has resulted in ability to save electricity energy by 30,528 kWh/year, save expenses by 115,395 Baht/year, and reduce greenhouse gas emission by 18.27 tonnes of carbon dioxide/year.



### Installation of Inverter, Water Pump Motor for conveying ground water for using in production lines

Inverter has been installed at water pump motor for conveying ground water for using in manufacturing process in order to reduce the energy consumption value. Formerly, electric power of 2.2 kW was used, and after installing Inverter, electric current frequency has been decreased to be lower than 50 Hz, resulting in a decrease in electric power to be remained at 1.57 kW, resulting in ability to reduce electric energy consumption by 3,156 kWh/year. This has contributed to saving in electricity bill by 11,993 Baht/year, and reduction of carbon dioxide by 1.58 tonnes of carbon dioxide/year.



11,993 Baht/year

## Wangnoi Plant



### Cancellation on the use of boiler in manufacturing process

Wangnoi Plant cancelled the use of boiler in manufacturing process, resulting in ability to save electric energy cost by 2,321,568 Baht/year.



2,321,568 Baht/year



### Install Solar Rooftop sized 997.92 kWp



3,120,000 Baht/year

The Company installed a solar rooftop sized 997.92 kWp on the whole rooftop area of the plant, the renewable electricity was generated in replacement of external energy for 906,040 kWh/year, saving electricity cost of 3,120,000 baht/year, reducing carbon dioxide emissions of 540 tons of carbon dioxide/year



### Project to install inverter to adjust the motor frequency of air treatment system, Wet scrubber CV extruder 3,4

An inverter was installed to adjust the current frequency of electric fan motor, Wet scrubber CV extruder 3,4 to below 50 Hz in order to reduce energy loss from excessive use. The electricity consumption was reduced by 26,736 kWh/year, saving electricity cost for 105,607 baht/year and reducing carbon dioxide emissions by 15.96 tons of carbon dioxide per year



### Project to install a hot air blower to heat the workpiece at the glue spray booth instead of using hot air from a steam boiler

Install a hot air blower to heat the workpiece at the glue spray booth in replacement of using hot air from the steam boiler because the distance between the boiler and the usage place is quite far, causing a lot of energy loss on the way. In addition, the boiler system is running by using fuel oil as direct fuel, the installation of hot air blower can help reduce carbon dioxide emissions by 17.06 tons of CO<sub>2</sub> per year.



## Future Operating Plan

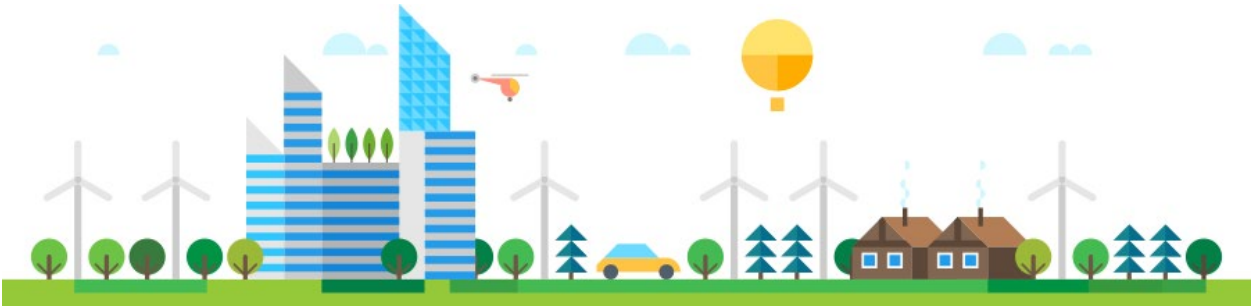
- Continuously implement the Energy Conservation Project in order to enhance the efficiency of energy consumption and greenhouse gas emission.
- Operate according to the strategic plan in management of greenhouse gas emission in long term to be consistent with the requirements and commitments determined both in the national level and global level.

## Goal in 2022

- Intensity of greenhouse gas emission of not more than 1.36 tCO<sub>2</sub>e/Tonnes
- Electricity consumption of not more than 1,288 kWh/tonnes of production
- Fuel oil consumption of not more than 235 liters/tonnes of production

## 2. Water Management

### Key Performance of Water Management in 2021



- Water consumption rate was 9.87 cubic meter/ production ton  
Decreasing **16.26%** compared to previous year



- The amount of Biochemical Oxygen Demand (BOD) 10.92 mg/liter in line with the control standard value for not more than 20 mg/liter



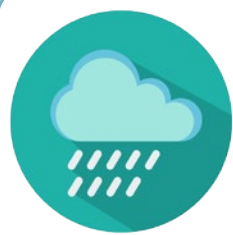
- Total water consumption was 176,309 cubic meters  
Decreasing **0.78%** compared to previous year



- The amount of Chemical Oxygen Demand (COD) 63.42 mg/liter in line with the control standard value for not more than 120 mg/liter



- Water consumption from Provincial Waterworks Authority 95,554 cubic meters and Groundwater 80,755 cubic meters



- Total Dissolved Solids (TDS) 547.42 mg/liter in line with the control standard value for not more than 3,000 mg/liter

Population growth and economic growth are the driving forces for increasing water consumption in all sectors. These factors result in the possibility of a water crisis in the future. In addition, global warming and climate change are still the causes that affect the water cycle on the earth and lead to various disasters such as rainfall fluctuation and drought or flooding. In order to prepare and to deal with the effects of such phenomena, the Company therefore assigns a working team to continuously monitor the water situation in the main dams and nearby dams in the Company’s working areas. The objective is to be able to manage the water resources efficiently.

# Management Approach

- 1. Establish the water management system for sustainable water use
- 2. Apply technology in the management and increase the quality of waste water process
- 3. Implement 3Rs principle to increase water efficiency by reducing the use of water and reusing of after treatment water (recycled water)
- 4. Analyze water quality to be in accordance with the legal criteria on a regular basis

## Water Recycle Project

Plan for 2021	Performance
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### Water Recycle Project for Cooling System

Water Recycle Project for Cooling System

The Company has applied the 3Rs principle to enhance the efficiency of water consumption by reducing water consumption (Reduce) and reusing the post-treated water (Recycle) with Electrocoagulation method which uses the reaction of electric current to create a concentrated magnetic field for separating substances such as bacteria, oils, heavy metals from water without using chemicals, this method is not harmful to the environment, reduces the amount of sludge from the treatment system and increase the efficiency of wastewater treatment in recycling water for cooling system

Reduce the consumption of tap water in the cooling system and green areas for 9,200 cubic meters/year or 3% of total recycled water.





### Water Reuse Project

Project to reuse water from treatment systems in green areas



The Company has installed the reused water meter which can collect the data about the volume of reused water.

### Water Reduction Project

The project to promote the reduction of water consumption by strengthening the awareness of valuable water consumption with training on green culture, and the campaign signs were posted at many locations inside the plant, 3Rs Principle is also applied in this campaign

To make all employees to realize the importance of water resources and to encourage employees to help in water saving when seeing campaign signs.



Wastewater Management Project for the Industrial Factories in Khlong Prem Pracha area together with Department of Industrial Works for the more efficient improvement and development of the Wastewater Treatment System

The plant has managed the effluent in conformity to the legal standards, and acquired the improvement guideline for enhancing the efficiency of the Wastewater Treatment System by preparing the Report of Mass Balance for Using Water and Wastewater for further applying in planning.

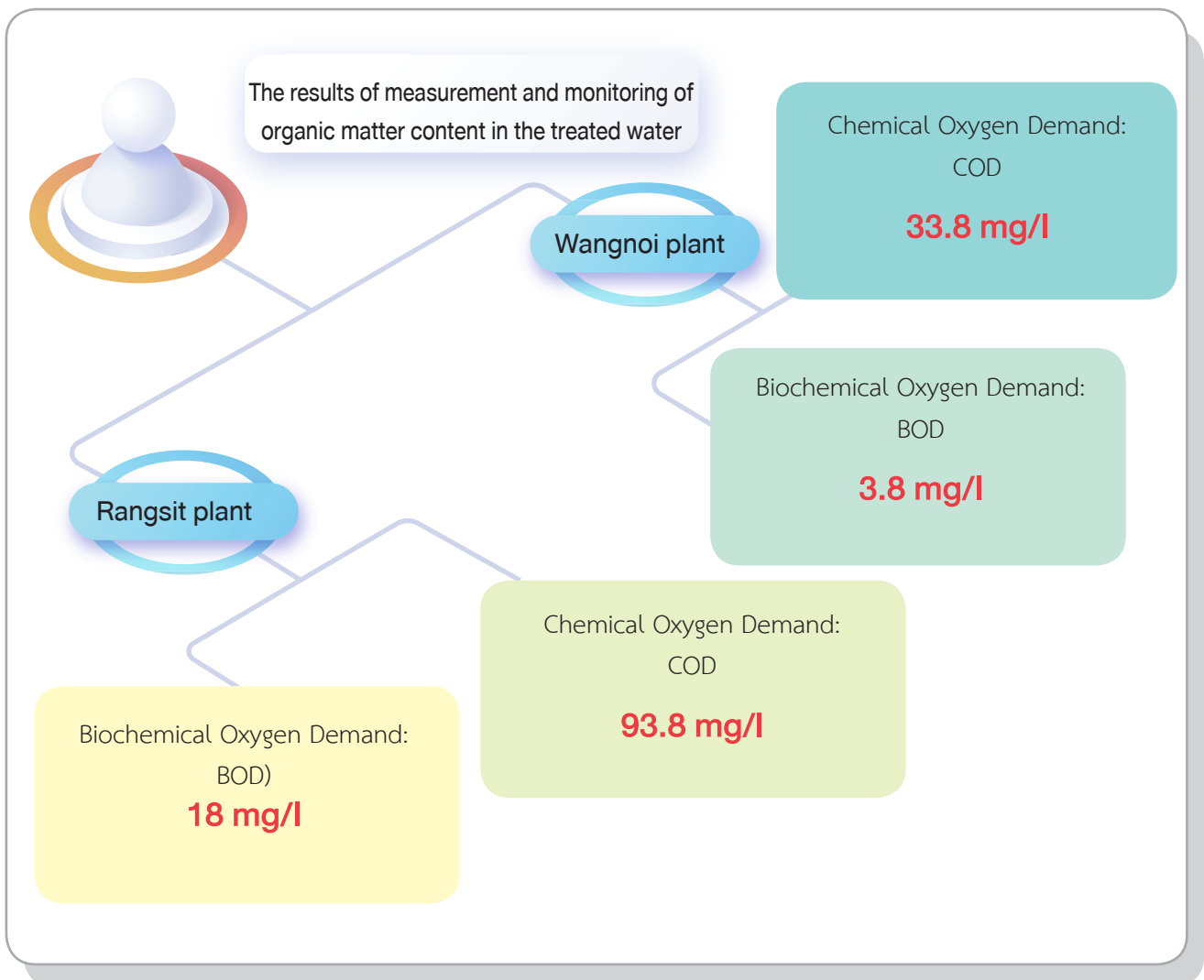


## Wastewater Management

The Company applies “Electrocoagulation” technology in wastewater treatment relying on the reaction of very high voltage electric current in generating magnetic field with intensity until enabling to separate substances, for instance, bacteria, water, heavy metals, out of water, without use of chemicals, and without environmental hazard.

In addition, the Company manages effluent with the 3Rs Principle in order to reduce effluent volume which will be discharged down into the Company’s reservoir, whereas there is Wastewater Recycle System for recycling water in the production process.

In 2021, the responsible work unit of the Company measured and monitored the organic content in the treated water as shown below



The Company's ability to maintain effluent standards to be in the level of not more than 20 milligram/liter according to the criteria for determining effluent quality of the Ministry of Industry. The Company recycles the clean water which is completely treated, for instance, watering, cooling system, for emergency backup, such as fire, etc.

## Operational Plan

For the wastewater reduction within the organization, the Company has efficiently controlled and managed the water before discharging by using 3Rs principle with the following actions

- Carry out various project to reduce the amount of waste water, such as reducing water utilization, reusing of wastewater and recycling waste water, etc.
- Monitor and investigate the wastewater quality by having certification from the external organization to ensure that the water quality released in the Company's pond is in accordance with the standards set by law. Together with improve the efficiency of the wastewater treatment system to be able to generate quality recycled water for using in various activities in the factory to replace the purchase of tap water from the Provincial Waterworks Authority.
- For the water management in the Company, there is the control of water usage in various activities of the Company appropriately. The amounts of the water used in the special activities such as Big cleaning day and Wet scrubber cleaning are recorded. Moreover, there are checklist to monitor the leaks in various areas in the Company that may cause water extravagant. There is also a campaign to raise awareness among employees about the importance of water resources and to reduce the use of water
- Install a photovoltaic water turbine at the water storage pond, Rangsit plant.

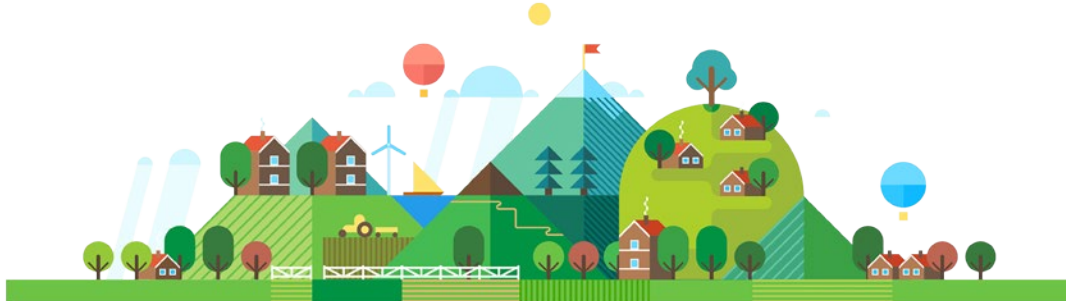
## Goal

- To make the results of environmental pollution measurement within the standard range and continuously improve the Company's waste water quality control system.
- To implement various programs to reduce the amount of waste water such as reducing water consumption, waste water recycling.
- Develop a recycling water production system to be more efficient and to reuse waste water for other benefits, such as watering plants, flushing water in toilets; and to reuse waste water in Wet scrubber system.
- Water usage not exceed 5 cubic meter/production ton.

### 3. Pollution and Waste Management

#### 3.1 Air Quality Control

##### Key Performance of Air Quality Control in 2021



- Air quality measurement results in all operating areas were better than the standards



#### NOx emission quantity

- Rangsit plant was 0.01 ppm/production ton, decreasing 20% compared to base year (2019)
- Wangnoi plant was 0 ppm (terminated fossil fuel boilers)



#### SOx emission quantity

- Rangsit plant was 0.04 ppm/production ton
- Wangnoi plant was 0 ppm (terminated fossil fuel boilers)



#### GHGs Emission Intensity

- Rangsit plant was 1.37 kilogram/production ton, decreasing 9.5% compared to base year (2019)
- Wangnoi plant was 0.56 kilogram/production ton, decreasing 19% compared to base year (2018)



No air pollution complaints from nearby communities



No significant violations of environmental law and regulations

The Company develops its business together with the control of air pollution emission not just complying with the legal requirements, but it also takes into account the impact on the surrounding communities and societies, as well as invests for continuously reducing the complaints on dust, smell, and noise affecting the surrounding communities, for instance, the use of efficient pollution treatment system, the improvement of manufacturing process at some points for creating the confidence and reducing the community concerns.

# Management Approach

## Air Quality Management Projects

Project Name	Details	Performance
<p><b>Rangsit Plant</b></p>	<p>The Solar Energy Paddle Wheel Aerator Installation Project</p> <p>Installation of Solar Energy Paddle Wheel Aerator in the reservoir area for 4 sets, Solar Cell Panel in capacity of 300 Watt in total of 1,200 Watt for contributing to enhance the efficiency of treatment and mitigation of aquatic smell problems, and maintenance of environmental quality</p> 	<ul style="list-style-type: none"> <li>• Not detect the complaints on bad smell from the water in reservoir.</li> <li>• Reduce the electric energy consumption volume of 3,066 units/year.</li> <li>• Mitigate the greenhouse gas emission volume of the 1.53 tonnes of equivalent carbon dioxide.</li> <li>• Being equivalent to tree planting of 145 plants</li> </ul>
<p>Smart IT Application Project for Environmental Management</p>	<p>Installation of Supervisory Control and Data Acquisition (SCADA) System for monitoring the working status and control of Air Pollution Treatment System in type of Wet Scrubber, and Real-Time Wastewater Treatment System</p>  	<ul style="list-style-type: none"> <li>• Install SCADA System in 2 Environmental Pollution Treatment Systems, for instance, Wet Scrubber and Wastewater Treatment System.</li> <li>• Able to use information for continuously planning, developing and improving the system efficiency.</li> </ul>
<p><b>Wangnoi Plant</b></p>	<p>Install Solar Rooftop 997.92 kwp</p> <p>The solar panels will generate electricity and converted from direct current to alternating current, and sent to power supply system, to CV, PE, Power house and KINNO departments.</p> 	<ul style="list-style-type: none"> <li>• The electricity consumption in the plant was reduced by 117,365 kwh per month</li> <li>• Saving cost by 450,000 baht per month</li> <li>• Mitigate the greenhouse gas emission volume of the 66 tonnes of equivalent carbon dioxide</li> <li>• Being equivalent to tree planting of 5,500 plants/month</li> </ul>

Project Name	Details	Performance
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Install Dust monitoring system at Mixing Department



Filter bag performance monitoring system which originally used the method of daily inspection from Diff pressure gauge was replaced by software displaying the analysis data and traceability, and also measuring the total amount of dust released from dust collector's chute in real-time manner, we also have a plan to expand the use of this system to other Dust Collectors.

We can monitor and detect possible malfunctions to the air treatment system of the Dust Collector in real-time manner.

Installation of Electrostatic Precipitator (ESP)

The Air Treatment System applies Electrostatic Particle Separation Method, and uses a high voltage in order to ensure the cationic particles in air or smoke which are suctioned into the machine. After that, the air passes through the plate with various anions. The cationic particles are adhered at the anionic plates, and the oil portion is droppe down into oil receiving tank, causing non-wastefulness of filters, and ability to eliminate aerosol in the smaller size than 0.3 nanometers

More treatment/ disposal efficiency can dispose the following.

- More dust volume of 87.9%
- More Total Volatile Organic Compounds (TVOCs) of 91%
- More Oil Mist Volume of 80%

## Operating Plan

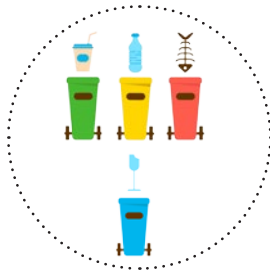
- Improve and increase the efficiency of Air Pollution Treatment System.
- Expand the installation of Solar Rooftop for reducing the electric energy consumption inside the plant.

## Goal

- Environmental pollution value measurement result is within the standard criteria, and the Air Quality Control System of the Company is developed for the continuous improvement.
- There are no complaints on environmental issues.

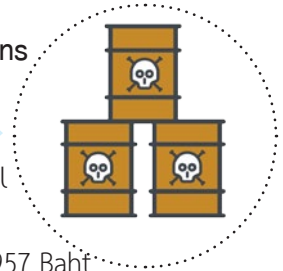
## 3.2 Waste Management

### Key Performance of Waste Management in 2021



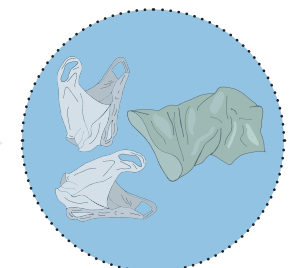
- The total waste volume was 2,147 tons, decreasing 30.22% compared to previous year

- The total amount of hazardous waste was 650 tons
  - Hazardous waste that could not be disposed and sold was 586 tons
  - Hazardous waste that was sent for disposal and for sale was 64 tons
  - Income from selling hazardous waste was 303,957 Baht



- The total amount of non-hazardous waste
  - The total amount of recycled waste was 1,496 tons
  - Income from selling recycled waste 5,094,978 Baht

- The distribution of plastic bags at the Company's canteen was cancelled
- The consumption of disposable plastic cups was decreased by 30.1% compared to previous year



- Certified Waste Management in Factory according to 3Rs principle from Ministry of Industry

The Company is committed to managing waste inside the Company on an efficient manner to wisely harness resources and mitigate global warming. Similarly, the Company ensures compliance with relevant laws regarded as an important part of the business and responsible to the community, the society and the environment.

## Management Approach

The Company has applied the 3Rs principles in waste management. It includes production planning, machine improvement, work methods development, and desirable employee characteristic promotion to emit the least amount of waste. The Company manages each type of waste legally as per utilization by using the 3Rs principles --- Reduce, Reuse and Recycle. The notion also covers the use of renewable resources and the rejection of non-environmentally friendly products. Thirdly, the development of technology is put in place to help cope with waste during the process, such as automation that combats waste in the production process and the introduction of several initiatives to cut reliance on paper and shorten work processes.

## Waste Reduct Project

### 1. Merit from Waste Project

Project Details:

1. Place recycling bins around the Plant area;
2. Sell recycled wastes to recycling businesses;
3. Donate money from selling wastes to 4 organizations as follows:
  1. Rangsit Babies' Home Foundation, Khlong 5, Pathumthani
  2. Old Age Home, Khlong 6, Pathumthani
  3. Rajavithi Hospital
  4. Lamsai Subdistrict Administrative Organization

However, in 2021, the Company has temporarily suspended the implementation of the Merit Waste Project due to the COVID-19 pandemic situation.

### 2. Sell food waste from the Company's cafeteria as animal food.

3. Stop giving out plastic bags at the Company's cafeteria and campaign to encourage the use of cloth bags to reduce the amount of plastic waste.

4. The Company sells rubber scraps as part of the production process to turn into alternative fuels to reduce reliance on fossil fuels as much as possible. Likewise, some rubber scraps produce flooring rubber tiles (Vi-Pafe) under the brand IRC and are sold to rubber scrap-processing plants to manufacture recyclable rubber. It is regarded as one of the 3Rs process of the Company.



5. To combat sewage disposal and unused materials, the Company has long run a campaign to separate waste before throwing away. This is to ensure that unwanted materials are properly used and management can be appropriately and systematically completed.

- Hazardous waste, the Company has selected agencies/companies with working standards and licenses to perform waste management as a service provider for treatment/disposal of waste or unused materials.
- Recyclable waste is sold to buying agencies/companies for recycling purposes.
- General waste is managed by hiring the municipality to be responsible for the matter.

The Company formulates a guideline for managing infectious wastes in the COVID-19 pandemic situation, for instance, medical mask, and Antigen Test Kit (ATK). Due to the necessity of proper and efficient management of these wastes for preventing the disease contagion, as well as for safety of the related operators, therefore, the Company has defined the specific waste discarding point for the said infectious wastes.



## Future Operating Plan

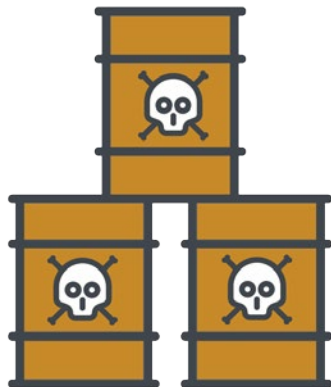
- A campaign of discarding wastes in proper types both of general waste and recycle waste so that the acquired recycle wastes are taken for participating in the Merit Waste Project.

## Goal

- Cancel all types of disposable plastics.
- Reduce consumption volume  $\leq 1\%$ .
- Reuse by  $\leq 0.5\%$ .
- Recycle by  $\leq 92\%$ .
- Landfill of waste by  $\leq 3\%$ .

## 4. Leakage & Spill Prevention and Management

### Operational Results of Leakage & Spill Prevention and Management in 2021



- NO significant spillage of chemical or LPG for 5 consecutive years

The Company determine to develop the operations to prevent significant spills that may affect the environment and the surrounding community, as well as to enhance the business trust. More importantly, this is aimed to prepare for the case of chemical spills so that the employees have knowledge about the control of chemical spills and are able to solve the immediate situation.

### Management Approach

The Company has an annual emergency drills to review and prepare our employees to promptly solve and suspend if any emergency occurs, all 5 emergency response plans are as follows:

1. Fire Prevention and Fighting Plan

2. Flooding Response Plan

3. Boiler Explosion Response Plan

4. Chemical Leakage and Spill Response

5. LPG Leakage Response Plan

The Company holds the training for reviewing the knowledge regarding the operations with chemicals, the operations inside chemical storage room, as well as the primary self-conduct in case where the event of chemical spillover and leakage is detected.



The chemical storage area inside the Company is improved in order to prevent the event of chemical spillover and leakage to the outside of separating boundary in conformity to the determined standards.



## Future Operating Plan

- The drill of evacuation plan and staff training are carried out once a year
- Any new activity or production process will be assessed of risks to review and add necessary measures if any leakage or spill occurs into drains and natural water source, as well as the extended area or container as 2nd step in the event of an emergency
- Wangnoi Plant plans to construct a inflammable chemical storage building by planning to use a budget of 3.5 million Baht

## Goal

- No significant leakage of oil and chemicals throughout the operation period



## 3.4 Sustainability Management in Social Dimension

### 3.4.1 Social policy and practices

IRC is confident that every employee who has joined IRC was selected through a fair and transparent process based on the principles of good governance and business ethics without discrimination against race, religion, gender, age, or physical disabilities. The company considers each person's qualifications, knowledge, abilities, skills, relevant work experience, and potential that can be developed along with the organization's growth. The guidelines and policies have been developed as follows:

#### 1. Human rights

IRC employees at all levels are treated fairly, equitably, and respectfully based on the fundamental human rights in line with the international principles to achieve the sustainability development goals (SDGs) as well as related laws and regulations in recruitment, performance appraisal, employee potential development, and skill and knowledge training necessary for performing the duties of each job position in order to enhance their potential and support their career advancement through training activities, seminars, and on-site visits with speakers from inside and outside the organization.

IRC has established policies and procedures for employees including employee conduct and other employee treatment practices based on its corporate governance policy that is in line with national and international human rights principles such as the UN Guideline Principles on Business and Human Rights (UNGPs). This year, IRC has signed the UN Women's Empowerment Principles (WEPs) to recognize gender equality, unleash the potential of all genders, and equally empower all employees to reach their potential.

#### 2. Employee treatment

To motivate and reward IRC employees, the company provides compensation and benefits to employees at all levels with fairness. All employees are treated and must treat other employees on the basis of equality and fairness that is in line with the human rights principles such as non-discrimination, no

forced or child labor, no involvement with human trafficking, and gender equality. Under fair treatment, employees will be appointed, relocated, awarded, or punished based on good-faith considerations that take into account knowledge, abilities and suitability of the employees with comparison with the labor market and taking into consideration the changing living conditions. Moreover, employees will receive special compensation that matches the Company's performance in both short and long terms. Additionally, the Company provides opportunities and supports employees in being promoted and developing their abilities by assessing the scope of their positions and responsibilities

Aside from that, recognizing the importance of mental health care for employees, the Company has set up a counseling unit as a channel for listening to employees' problems, expanding employees' perspective, and creating understanding of various issues. The Company provides a service corner for counseling or HR CLINIC to resolve issues that can affect employees' quality of life.

### **3. Employee development**

IRC focuses on both employees' and the Company's success. It is, therefore, the Company's core mission to focus on developing not only employees' knowledge and skills, but also their attributes so that all employees are a fit to the Company's culture. This begins on the first day that a person becomes a member of IRC, which is the orientation day. New members will experience learning at the Productivity Training and Education Center, covering important aspects of the organization such as safety issues. Given the Company's priority in people, new members must learn about safety through a simulation-based training. New members must be aware of and understand the basic system of machinery as well as avoid any possible hazard at work. The Human Resources Development will follow up and evaluate employee performance (on-the-job training) to assess the readiness of work at the production level and the employee's performance and ability to adapt to the organization at all levels.

Benefit for the organization: Human resource development will increase productivity and reduce costs as employees become more proficient in the work they do, reducing errors that might occur. As a result, human resource development is one way that enables an organization to keep up with changes and proudly compete with other businesses.

Benefit for employees: When employees are highly productive, more doors of opportunities will be opened for career advancement. Continuous employee development will also reduce the turnover rate of skilled personnel by strengthening the relationship between employees and the organization.

As a result, employees are committed and dedicated to achieving the organization's success.

### **4. Occupational Health and Safety**

Determined to operate its business with employee safety as a priority, IRC has established the Occupational Safety, Health and Environment Committee following the Ministerial Regulations on the Standard for Administration and Management of Occupational Safety, Health and Environment B.E.2549 (2006). The Company has established policies for occupational safety, health, and work environment as

a guideline for welfare, safety, and environment by promoting hygiene, safe working environment, and accident prevention, starting from training to educate new employees on workplace safety and supporting activities to raise such awareness among employees.

## 5. Customer management

As per the ‘Good Corporate Governance’ manual, IRC strictly ensures compliance to regulations and practical guidelines. The focus is placed on quality and punctual product delivery, including better than-expected products with fair conditions. The Company provides correct, adequate and timely information about products and service so that clients are equipped with information for making a decision. No exaggeration is given to advertisement and other communication methods as this may result in misunderstanding over quality, quantity and conditions of products or service. Likewise, another key matter is the confidentiality of customers. The Company does not unlawfully use any information for own benefit or related parties. Moreover, the Company caters to the needs of customers rapidly and offers systems and channels in order for customers to effectively complain quality of products and services, survey clients’ satisfaction and conclude information for the purpose of analysis and quality revision and development.

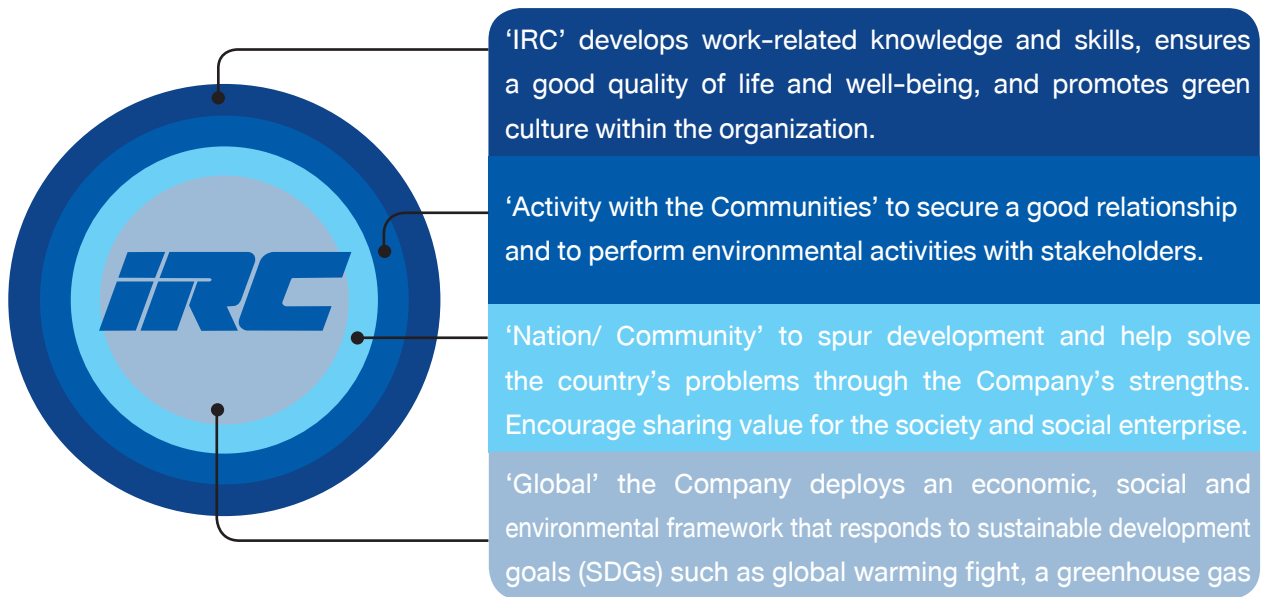
The highest level of customer satisfaction in 4 dimensions of products and services is 1 out of the 7 policies under the vision and mission regulated by the Board of Directors and the Executives. The framework will propel the Company to the designated targets as listed below:

- Price/ Cost	- at the most competitive step for customers.
- Quality	- to be the greatest extent when compared to the quality criteria in the customers’ viewpoint.
- Delivery	- at the best competitive delivery rating by customers.
- Services to Solutions	- Solving the most effective service for customers regardless of time condition

## 6. Communities and Social Participation

IRC determined the goal and operated the CSR activities according to sustainable business strategy, and Social Responsibility and Environment Policy. IRC has focused on environmental responsibility and ecosystem conservation, and creating shared value between social and business together. IRC also developed social living by corporate social responsibility activities (Corporate Social Responsibility: CSR).

The Board of Director, Executive Committee, and Good Corporate Governance Social Responsibility Committee collaborated to determine the Company’s CSR activities strategy as followed;



## IRC's management practices during the Covid-19 pandemic

IRC has been able to support all stakeholders and conduct its business to overcome the health crisis. The board of directors has closely monitored the situation and received report from the management team on the Covid-19 situation at every board meeting. Moreover, the board has provided recommendations to the management team in introducing policies and measures to prevent and control the spread of Covid-19 in the organization and to strictly comply with the government's measures. The IRC has launched the following employee management measures:

### Preventive measures

- Provide personal protective equipment (PEE) such as masks and alcohol gel, as well as PPEs, rubber gloves, and face shields for employees who are required to contact with outsiders such as those working in the inventory who receive and deliver goods from and to people outside the Company.

- Provide Sinopharm vaccines to employees who wish to be vaccinated. Approximately 93 percent of IRC employees have been vaccinated against Covid-19. The other seven percent of employees are those who insist on not getting vaccinated and people at risk with conditions such as having a congenital disease or pregnancy.

- Establish a measure to prevent the spread of Covid-19 in the organization called the DMHTT (Distancing, Mask wearing, Hand washing, Testing, and Thai Chana) measure following the Ministry of Public Health's guidelines.

- Establish the Work from Home policy for employees who can work from home to reduce the risk of infection during a severe period of Covid-19 outbreak.

- Adopt the bubble and seal measure to prevent and control infection in the factory area and to avoid death and economic and social impact from business discontinuity.

- Establish measures for public relations, announcements, knowledge promotion, and employee health code of conduct and promote eating hot food, using service spoons, staying at home to prevent infection during short and long holidays, and sharing facts.

- Create a co-ordinating center for Covid-19 information with follow-up measures to reduce relevant risks. If employees are found to be at risk, employees must be strictly quarantined in their own homes and provide truthful information so that the team can effectively plan and manage the risk of infection in a timely manner. The company makes a list of employees in the risky group and closely monitors the situation to report to the management.

- Randomly conduct ATK test on a monthly basis for 15 percent of employees according to the Ministry of Health's regulation.

## **Treatment measures**

- Establish measures to screen for the virus when employees are found to be infected or at high risk. A disease investigation will be conducted to assess the person's and close colleagues' risk level. The persons are then categorized into Tier 0, Tier 1, and Tier 2 patients. ATK test kits are provided for high-risk employees to monitor conditions and prepare for any future isolation.

- Jointly establish a field hospital to accommodate employees who wish to receive treatment in case of being infected with Covid-19.

## **Remedial measures (for employees who are quarantined or waiting for treatment)**

- Deliver Fah Talai Jone (*Andrographis paniculata*) and user manuals to employees and family members.

- Deliver survival bags to employees waiting for treatment to reduce the chance of spreading the virus.

- Allow paid quarantine leaves to support employees.

- Build an isolation center for employees in Tier 1 to reduce the risk of spreading the virus to their families.



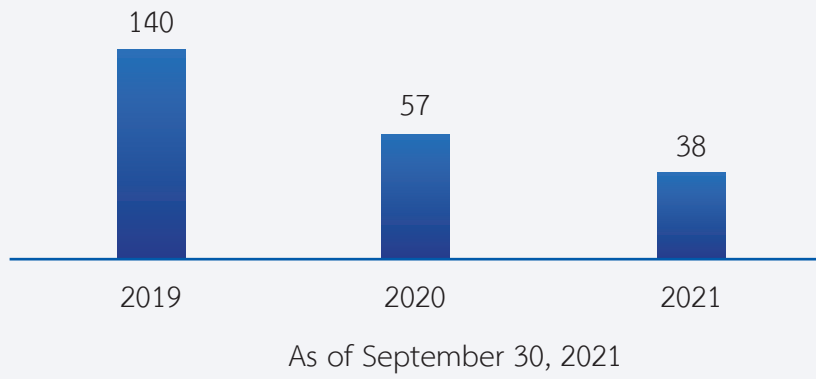
# Social Goals in 2021

	Goal in 2021	Complied with SDGs
Human Rights	No complaint about human rights issue	 
Employee Compensation and Benefits	Turnover < 10%	   
Employee Development	Employee training average > 18 hr./person/year	  
Safety and Occupational Health	Employee attendance in Safety Day > 50% of each department	
Customer Relationship	Customer's satisfaction > 90%	

## 3.4.2 Performance on social aspect

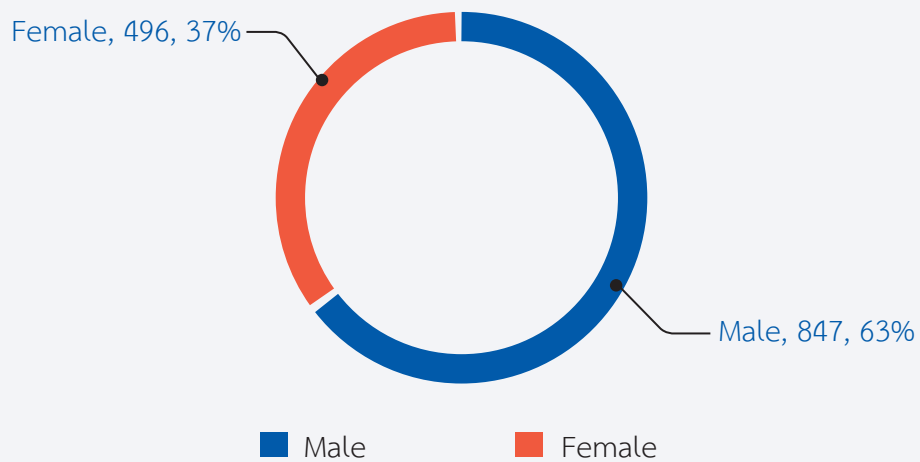
With its vision to become a leader in innovation and smart factory, the company has been recruiting new generations of personnel for operational and support departments to modernize its production process and deliver highest quality products to customers. Accordingly, the number of new employees has been decreasing. As modern machineries are utilized and operations are more accurate, machineries have increasingly been used in operations to replace operational staff.

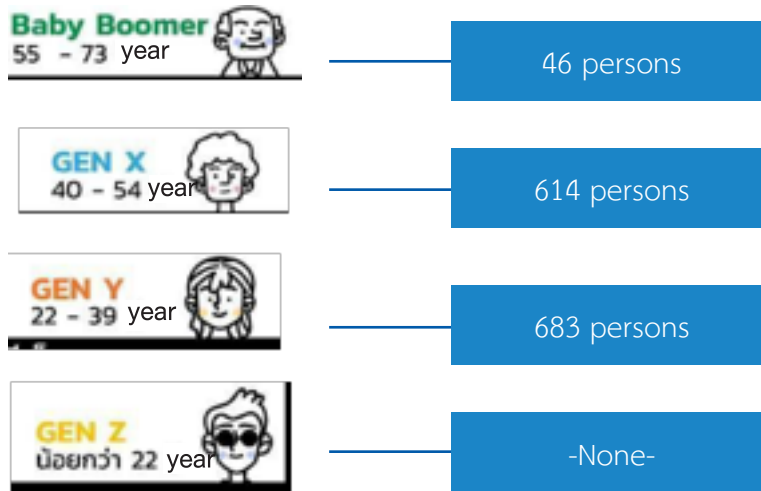
### New employee rate (person)



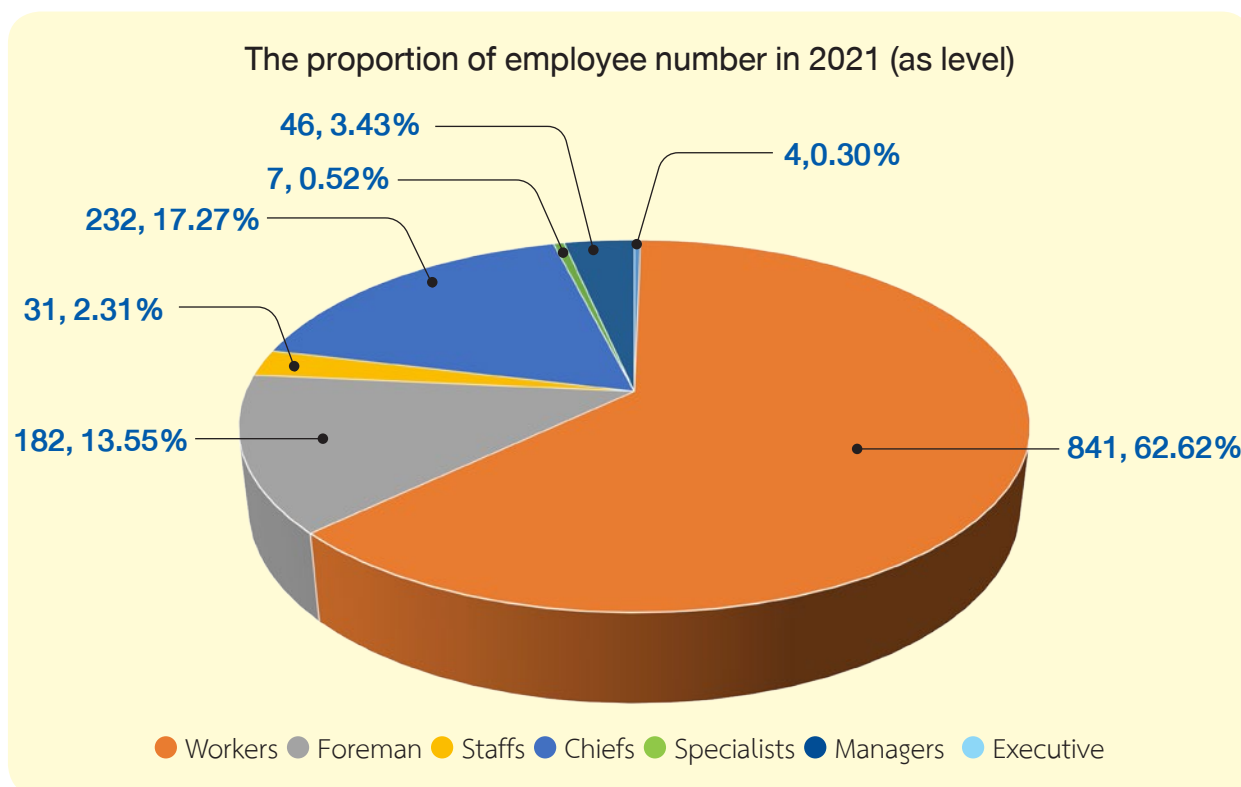
The Company and its subsidiaries have 1,343 employees

### The proportion of employee in 2021 (Person)





Business Unit	Persons
Administrative and Control Unit	116
Motorcycle Tires and Tubes	588
Industrial Elastomer Parts	498
IRC (Asia) Research Company Limited	120
Kinno Hoshi Engineering Company	21



Remark: There are 5 disabled workers of the total 1,343 employees.

## Employee treatment

### Labor Rights

IRC therefore encourages our employees to form ‘LaborUnion’, which is a group legally established to represent the overall employees in overseeing the employment conditions as well as employee benefits and welfares and at the same time collaborate with the Company in providing good and healthy working conditions through holding regular consultancy meetings between the executives and the Labor Union. The Company has also appointed Employees Committee to act as employee representative and of which its members consist of directors appointed by the Labor Union and election to consult with representatives who are senior management in ensuring that appropriate welfare and benefits are provided to IRC employees.

### Monetary Welfare

Apart from the benefits which all employees are directly entitled to, IRC also cares for the family members of its employees by providing monetary benefits for various occasions such as the death of father, mother, spouse or children of the employees, including maternity and marriage allowances.

In FY2021, IRC and its subsidiaries paid employee compensations in a form of salary, bonus, provident fund, social security and other employee welfares totaling 723.07 million baht. The details of IRC employee benefits are described as follows:

- Provident Fund Program under which the employees are allowed to make their own savings plan. The savings rate and money contributed by the employer shall start from 3-6% and continually increase according to the employment period specified by the Company.
- Medical allowance for employees, including spouse and children.
- Death, maternity and marriage allowances to aid employees and their families.
- Life insurance

### Healthcare Welfare

IRC recognizes the importance of having good physical and mental health and have therefore arranged the following health-related welfares including:



Annual health check

Health and Medical Center with specialized physicians to give medical service and advice to employees



Gym and fitness center



Sport Day activity



Clean and hygienic cafeteria that serves foods at affordable price



## Other Employee Welfares

- IRC offers uniforms and safety shoes for staff every year
- Transportation service
- Recreational and Internet Centers
- Special privilege in buying IRC products
- Special activities such as Thank you party/ New Year party

## Other activities for the employees

### Charity Project

Apart from creating happy working environments for our employees, IRC also passes on happiness to the overall society through the following activities.

- Charity and merit making on important occasions and religious holidays such as donating money and items to governmental agencies, schools, temples and surrounding communities, including merit making activities.
- Organize a market for people with disabilities to support and improve the quality of life of people with disabilities, providing a place to sell goods and services including food and noodle at the Wang Noi plant.



## Employee care during the Covid-19 pandemic

As IRC continues to implement effective measures and risk management to take care of its employees during the Covid-19 outbreak, the company has been able to operate its business

activities and effectively control the spread of the virus. The measures introduced include:

**Face mask** - The company has continuously distributed medical-grade face masks to all employees since the start of the Covid-19 outbreak. Additionally, the company has set up a place for proper mask disposal to reduce the spread of the virus.



**Alcohol gel** - In the early stages of the Covid-19 pandemic (March 2020), personal protective equipment (PPE) was in high demand but short in supply. The company realized that providing alcohol gel was necessary. With access to ethanol and sufficient production capacity, the company began producing its own alcohol gel in April 2020 for employees, communities, suppliers, customers, and the public (such as schools and hospitals that had made a request).



**Sinopharm vaccines** - To support measures to prevent the spread of Covid-19, strengthen the immune system of employees, employees' families, co-workers, the company, and the country, and reduce the chance of severe illness and death, the company has introduced measures to encourage

employees who have not been vaccinated and wish to get vaccinated to receive Sinopharm vaccines provided by the company. Employees who received the vaccines account for 99 percent of the total number of employees.



**Co-ordination** - Find a care unit and provide support to patients after confirmation of positive RT - PCR test results.

**Fah Talai Jone (Andrographis paniculata) delivery** - In case the infected person is waiting to be contacted by the hospital, the company will deliver Fah Talai Jone (Andrographis paniculata) capsules to the employees' homes and deliver survival bags to patients who struggle to find food.

**Leave entitlement** - In case an employee is required to quarantine for 14 days due to the risk of being in close contact with an infected patient, the company allows the employee to take a paid leave without a leave deduction, and the employee can take sick leaves if necessary.



## Target of Benefits for IRC People in 2022

IRC emphasizes personnel along with promoting activities and taking care of good welfare all the time, for 2022 Target, the Company focuses on the importance of supervising, advising and listening to employees about work and life to create happiness in living together in IRC society

## 2022 Plan

The Company focuses on creating employee engagement in the organization so that they can feel a part of organization. The Company cares employees well through many projects such as:

1. Add channels to listen to and discuss problems. Through the service of HR CLINIC Room in Head Office area and Wang Noi Plant as another channel for listening the problems or consultation to increase the perspectives and understanding of many areas. Therefore, we provided a corner of consultation and listening to employees about their problems or HR CLINIC for taking care and serving personnel.
2. Allocate monetary and non-monetary compensation and welfares to employees.
3. Build a collaborative environment through various activities.

## Employee Development

As for employee potential promotion, IRC offers training courses to refresh knowledge and work skills twice a year, to ensure that employees at all levels are knowledgeable, capable and consistent with working standards. Other offers include the Individual Development Plan by looking into the strengths and weaknesses of staff. It deals with the functional competency by own and supervisors to identify areas of improvements and development. This process enables employees to get to the point when developing themselves and more obviously see changes in behavior after the sessions. The data obtained through the analysis will be used to select additional training courses for individual development. It is offered as an in-house training program with the focus on the basic course of work and promotion. Also, off-house trainings center on the development of potential in specific titles. As for on-the-job training, trainers lead a close coaching program from the first day until a probation is completed. IRC also

observes skilled employees and on-site performance and ensures that employees possess skills as specified in accordance with the requirements of the international standard quality system (ISO 9001: 2015).

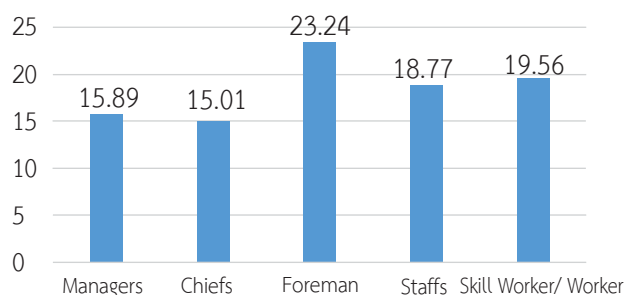
The Covid-19 pandemic has accelerated digital transformation in many organizations to enhance personnel development, increase digital knowledge and skills, and develop new skills for employees through reskilling and upskilling to improve employees' knowledge and skills. To increase employees' knowledge on smart factory, the company has established the Productivity Training and Education Center (P.T.E.C) as a training center for new and current employees. The P.T.E.C offers trainings on safety and quality as well as reskilling and upskilling programs.



## Summarize training hours average in 2021

Due to the Covid-19 pandemic, the company encouraged employees to attend online classes. As a result, the average number of training hours in 2021 was 18.53 hours/person/year.

Number of training average hours per year of employee (Divided by employee level)



## Human Resource Development Target in 2022

The Company will focus on the development of personnel to have work potentials together with the development of desirable behaviors according to the core values of organization for supporting the mission of empowering personnel at all levels with following targets:

1. Personnel at all levels are developed in knowledge and competence, skills and attitudes based on the established individual competency framework.
2. Personnel at all levels develop their behaviors consistent with the core values of the Company.
3. Create an organization to become a learning organization.

## Safety and Occupational Health

### Safety Activities Projects

During the Covid-19 outbreak, the company organized various online activities to support employees in working with safety.

1. Safety Day - to raise employees' awareness of safety at work. Activities were organized both physically under the New Normal rules and virtually with details as follows:

- Safety slogan contest
- Safety board contest
- Online exhibition and quizzes with a prize



2. Safety and Environment Activity week - to create knowledge, understanding, and awareness of safety and the environment so that employees can practice correctly. This year, the company used online channels to organize various activities to raise awareness on the issues such as safety questions answering activity, safety slogan contest, and green culture photo contest.

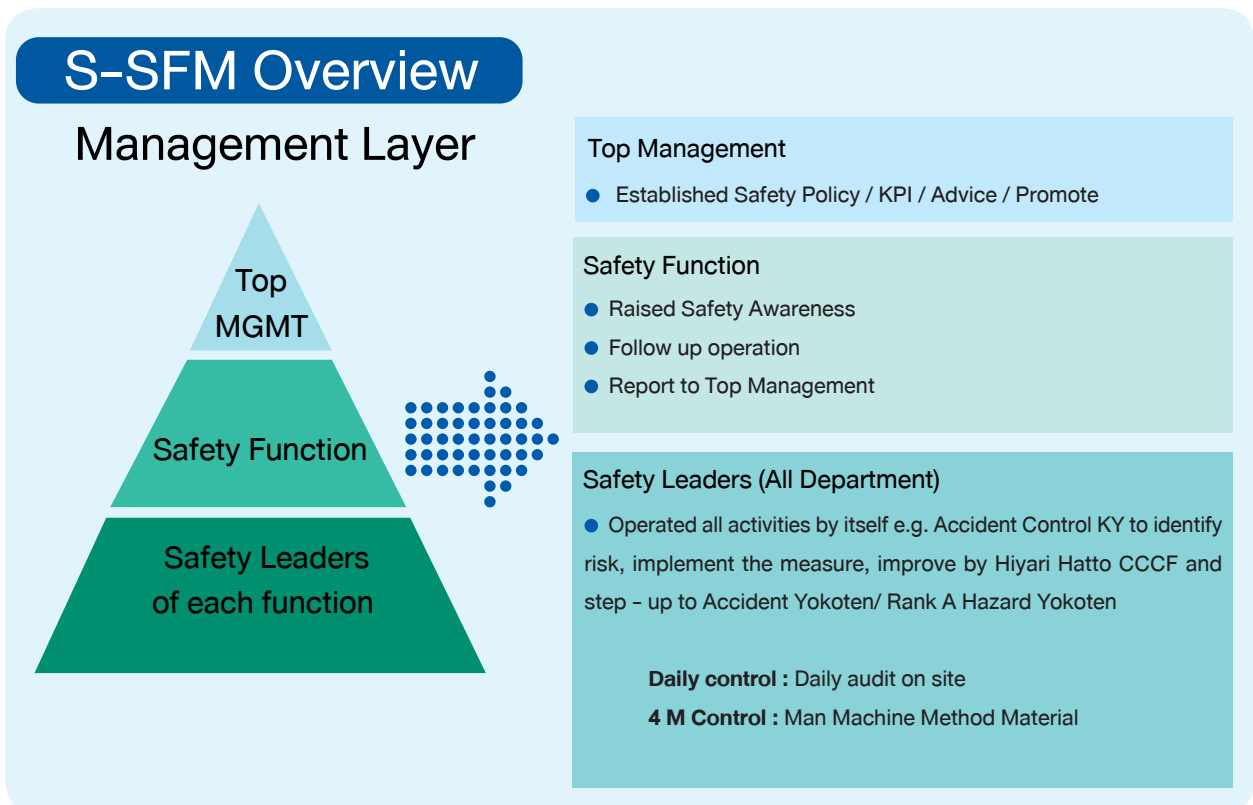
3. Risk Assessment Machine Safety - was also provided with the objective to confirm the safety of the machines before allowing employees to run, this activity includes assigning an audit team, machine hazard risk, improvement and solving, tagging for result confirmation and permission for running machine.



4. **Safety Culture** - This highlights the safety culture mindset for all staff and related parties at plans. It offers knowledge, guidelines, promotional signs, safety-related talks and a safety culture follow-up monthly.



5. **Safety shop floor management (S-SFM)** - is an on-site safety management activity to supervise and control work with safety in the work area. There are 33 requirements that must be met including the development of safety experts in safety expertise level 1,2,3 and 4 for each department to increase knowledge and understanding about safety shop floor management (S-SFM) activities and to enable employees to implement them correctly.



6. **TCC (Toyota Co-Operation Club) Safety Activity** This is about safety activity and assistant task force. Its aim is to promote safety for suppliers of TOYOTA by offering knowledge, consultation, inspection, follow-up and assessment under the target of Zero Accident.



7. **Risk Management Activity** Related activities and a business continuity plan are staged, and rehearsals and revision are held once a year to build trust among customers concerning response and reaction to an emergency to avoid business interruption. This year, emphasis was placed on training in response to the Covid-19 epidemic, causing business disruptions.

**Emergency Operation Centre: EOC**

Inside: Minor Point no.1 Building

Inside: Minor Point no.2 Building

Inside: Minor Point no.3 Building



Inside: Major Point at A1-A2 Meeting Room



8. 'Drive Safe, Away from Covid-19' campaign during long holidays



3. Used the ozone machine to disinfect the areas.



### 9. Emergency preparation

IRC focuses on emergency and crisis preparedness, such as the inspection and maintenance of fire suppression equipment and live safety patrol to check and increase confidence in the company's emergency management system.

#### Fire Evacuation Training



### Safety Simulation Room Training

To promote the safety and occupational health in workplace, as well as to control any factors that could affect nearby communities, many activities such as Safety Simulation Room Training is held. This training simulates the production process to the employee for better understanding of the danger, to be able to foreseen danger, and caution steps when operate such works. The training courses were categorized as Manager Group, Chief and Foreman Group, and Worker Group, to focus on Learner's Center teaching method.

### Health and sanitation measures to prevent the spread of Covid-19

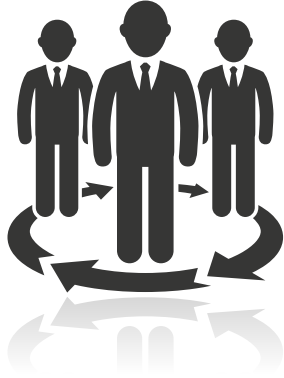
IRC recognizes the importance of employee's health, especially when the Covid-19 outbreak took place. The company has provided health knowledge to employees and has introduced measures to control and prevent the spread of the virus as follows:

1. Publicized health news and employee conduct in the new normal.
2. Sprayed disinfectant in high-risk areas.



### Safety Simulation Room Training: Chief and Foreman Group

For the acknowledge of danger factors that could happen to employee and to control and prevent the danger.



### Safety Simulation Room: Worker Group

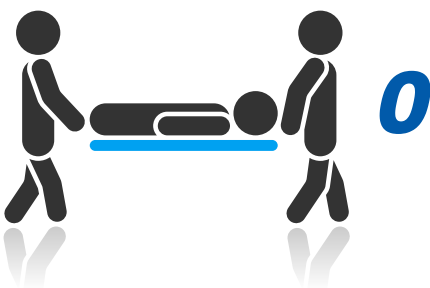
For the awareness of danger from workplace, cause, effect, and self-protection, also what kind of danger to expect.



### Safety Simulation Room: Manager Group

For the acknowledge of risk or danger for consideration and improvement in management manner.

### Accident Statistic



### Accident Rates

No serious accidents occur



### Production Safety

Production process causing serious damage on an individual, property, environment and reputation



### Personal Safety

Wangnoi 1,705,446  
Rangsit 2,141,835

Of working hours of employees without any serious injuries as of 30 September 2021

As a result of regular preparation for the emergency and critical situation, the Company did not have extreme lost time accident or injured person. This included the outcome of the Safety Simulation Room training that gave knowledge to employee at any level through simulation. The target of the employee joining the simulation course is at least 35%

## Target in 2022

For safety management - The company aims to reduce work-related accidents by setting a goal of no work-related accident that leads to discontinuity in 2022.

## 2022 Plan

2022 Operational Plan to achieve the given targets will enhance the level of risk assessment to determine the risk in each activity as a risk level, and apply it as a measure to control the risk at each level to be clearer.

## Customer relations

Customer engagement: During the Covid-19 outbreak, the company provided medical masks and alcohol gel to customers as well as personal protective equipment such as gloves and plastic caps to motorcycle-taxi drivers in areas with a large number of commuters to help prevent the spread of Covid-19 and build confidence in using motorcycle-taxi service.



In addition, social activities were organized such as merit-making with the Honda Foundation at Wat Phrabat Nam Phu, Lop Buri province, and motor tyre giving to support Honda safe driving skill competition for vocational students at the regional and national levels.



The identification of essential issues and concerns-IRC has done research and prepared to support the manufacture of rubber parts for electric vehicles (EV car) in the future. As well, IRC executes new product innovation development to meet the needs of other booming industrial markets.

The Company has set a zero claim target and operated a follow-up report on claimed products on a monthly basis. Furthermore, the Company is certified by institutions such as ISO 9001: 2015, ISO 14001: 2015 and ISO/IEC 17025, and these build customers' trust. IRC has formulated the regulations on the restriction of hazardous substances 2: RoHS2\*, which came into effect in 2019. And the IRC now manages to fulfill the control standard.

As per quality criteria dictated by customers, our quality must be of exceptional quality. This guideline is amongst the highest satisfaction levels for customers in 4 dimensions (1. Price/Cost 2. Quality 3. Delivery 4. Service/Problem Solving) of products and services. This is also part of the policies regulated by the Board of Directors and the Executives, known as the 7 policies that will ensure the success of the established targets.

## Customer Satisfaction Survey

IRC conducts customer satisfaction surveys on an annual basis in the 3 key categories: product quality, logistics and service. The survey can be classified into 5 chief items as shown below:

1. Satisfaction in quality level and product quality development.
2. Satisfaction in product.
3. Satisfaction in product design and product level as opposed to competitors.
4. Satisfaction in delivering products, punctuality, accurate product's amount and shipping documents, packaging standard and staff coordination.
5. Satisfaction in service and communication, completeness and accuracy of product order, coordination and after-sale service.

**The Company is classified as excellent (100%)**

Customer Satisfaction for Rangsit Site (%)

**94.90**

Customer Satisfaction for Wangnoi Site (%)

**88.86**

### Social/Community

IRC has confidence in sustainability of happiness, that comes from sharing and living together within the community by operates business together with develops society. Evidently, IRC does not only develop within the company, but develop outside the company, Society and Community for the balance in growth and sustainability.

In 2021, we operate in many projects following the

sustainability target, to respond the customer requirements, raise value for shareholders, as well as develop society and community. We consider problem issues of society, expectation/requirement of stakeholders, world changes trend, political situation, and disaster for creating framework as showed by 6 projects as followed;

#### 1. HAI ARCHEE - HAI CHEEVIT Project

From the intention to become a part to create Thai society, HAI ARCHEEP - HAI CHEEVIT then was created with the aim to train the female prisoners for starting the career after being acquitted so that they can earn their living and take care of their families without turning back to illegal activities.

**“ Create good people to society ”**

IRC, led by Mrs. Pimjai Leeissaranukul, the Chairman, organized the training session about the moral, good attitude in living and vocational training as well as provide the facilities for the female prisoner development at the Klong 5 Women's Correctional Institution, Klong lhuang, Pathumthani, to be skilled labor under the cooperation of the Department of Corrections for six years consecutively.

During the Covid-19 pandemic in 2021, employees were unable to receive on-the-job training at the company due to the Department of Corrections' strict measures. As a result, the company coordinated with the Department's guards through an online channel and conducted an assessment using a documentation system to monitor operations such as safety at work, Five S's, quality mindset, and operational standards. The company provided hand sanitizers and alcohol to the female correctional facility, Klong 5, to prevent the spread of the virus and support the inmates and guards in Factory 6 to get through the crisis together.



**2022 Target:** the total number of trained trainees is 6 prison officers and 12 inmates.

**2022 Action Plan:** Organize training courses on the “Give Career Give Life” Project for inmates to learn how to work in practice and work theory on safety, 5S, quality awareness, work instruction, and Kaizen, along with learning moral principle to have sense of right or wrong, sense of shame and shame of sins as the principle to remind their minds, so that they will be released and be a qualified personnel who will not commit offenses any more.

## 2. KLONG PANG MODEL (Klong Pang Cooperative at Trang province)

IRC has developed the ISO 9001 system for the production of ribbed smoked sheets that meet international standard, reduce the variability of the properties of the ribbed smoked sheets, and is traceable according to the ISO 9001 standard. The project began in 2016 and continues to develop operational systems and related standards. In 2020, the company support the launch of the Sustainable Rubber Plantation under PEFC Standards project in order to promote environmental sustainability and help businesses in the wood and related industries to achieve world-class standards.

For 2021, the co-operative created a plan to achieve the standards and prepared a guide on sustainable forest parks to ensure practical and concrete operations. The cooperative applied for a certification of TIS 14061 sustainable rubber plantation from the Management System Certification Institute (Thailand), the standard for forest management for sustainability in response to the United Nations Framework Convention on Climate Change (UNFCCC) and climate change mitigation measures that can be transferred from sustainable forest plantations to the supply chain of wood products.

In addition, the co-operative has automated its production processes to increase production capacity and improve the quality of the ribbed smoked sheet to meet the quality standards as required by customers and modernized its rubber smoke machine by collaborating with the Rubber Authority of Thailand and Fah Thai Agricultural Processing Industry Company Limited, demonstrating the co-operative’s commitment in raising its operational standard.



**2022 Target:** 1. The source of latex can be traceable > 90%; 2. Number of cooperative members > 225 people.

**2022 Action Plan:** 1. Follow up the ISO 9001 system; 2. Enhance the efficiency of latex production; 3. Develop a system to monitor latex from production sources; 4. Support the forest management in accordance with FSC (Forest Management Certification) standard; 5. Support the production of guiding pillars to directly sell to the Department of Rural Roads in order to add values to the products and for sustainability.

### 3. SAFE RIDE (IRC CARE)

SAFE RID (IRC CARE) Project enhances the knowledge and understanding in traffic laws and the safe use of motorcycles, as well as preliminary inspection and maintenance of motorcycles for youth in schools in 4 regions across Thailand. Due to travel restrictions in 2021, the company was able to travel to the Municipal School 1 (Yiamkessuwan) in Samut Prakan province to promote knowledge among young students.

Samutprakarn



**2022 Target:** Participate in youth educational programs in 4 provinces.

**2022 Action Plan:** Impart knowledge surrounding traffic laws, safe motorcycle ride and vehicle checking and basic motorcycle maintenance for teenagers across schools.

### 4. Safety Driving Campaign during Long Holiday Project

It is the project to promote safe driving during New Year and Songkran festivals, we established a car rest place for convenience and service to people in collaboration with Ayutthaya Provincial Government, and provided drinking water to drivers who travelled through Wang Noi Highway and supported food and beverage for officers at public service point. In 2020, the Company organized a campaign for safe driving during New Year festival at the city hall of Ayutthaya province, under the cooperation with the Disaster Prevention and Mitigation

Center, Ayutthaya Province, and the Highway Police. We also posted signs to promote safe driving, provided drinking water to travellers, and due to the outbreak of COVID-19, government agencies canceled activities during Songkran Festival in April 2020, the Company still supports the STAY HOME, STAY SAFE campaign banner for the Highway Police, Phra Nakhon Si Ayutthaya Province.

Songkran



New Year



**2022 Target:** participate in Safe Drive in Festival Periods Project twice a year

**2022 Action Plan:** promote safe driving during New Year and Songkran festivals during 7 dangerous days.



## 5. Activity with communities

This activity is charity and merit making on important occasions and religious holidays such as donating money and items to governmental agencies, schools, temples and surrounding communities, including merit making activities.



Supporting gifts of 2021 Children's Day for communities, and schools.



Donated to the Covid-19 prevention fund as a Co-Host to establish health service at the Dharma Practice Hall Sai Suwapan Temple, Pathum Thani Province via the primate of Pathum Thani who is the abbot of Wat Khin Khet.



Gave motorcycle tires to Thanyaburi Police



Gave 326 spare parts of educational equipment to Thanyaburi Technical College to use as a public utility for student's learning.

In addition, to help prevent Covid-19, the company donated 75 percent of its alcohol gel products, which has disinfecting properties and can stop the growth of a variety of bacterial cells, viruses, and fungi, to government agencies, hospitals, temples, and communities nearby.



Gave the surgical masks and alcohol gel to the communities nearby factories and government organization in order to distribute to residents.

Gave rice and drinking water to Lam-Sai Sub-district Administrative Organization, in order to distribute to residents who suffered with Covid-19.

Donated high flow nasal oxygen to the governor of Phra Nakhon Si Ayutthaya, Pathum Thani, and Nonthaburi provinces to fight against Covid-19.



The company also provided a permanently installed negative pressure room to the police hospital to create negative pressure or make the room's pressure lower than the room outside, which will help prevent the virus in the room from spreading to the outside.



**Target in 2022:** Communities' satisfaction is 90% in 2022  
**Plan in 2022:** Keep in touch with the communities near the factory and the government agencies sustainably.

## 6. IRC's 50<sup>th</sup> Anniversary Project

Inoue Rubber (Thailand) PLC. or IRC was established in December 1969 as a collaboration between Leeissaranukul Family, Thai automotive experts and Inoue Rubber Co., Ltd., a Japanese leading motorcycle tires-tubes manufacturer. Both experts have been working together to create world-class products well until completing 50th Anniversary, we aim to become a sustainably growing organization realizing the balance of economy, society and environment under the Company's Vision and Mission.

2021 is the second year that the company gave a multi-purpose field made from Vi-Pafe rubber flooring products to the public. Vi-Pafe product or multi-purpose rubber flooring product is a Bio-Circular-Green (BCG) product on the innovation list that contains natural rubber latex and recycled rubber from the manufacturing process that has been researched and developed into a value-added quality product that is safe for users.

The project has been operating since 2020 and has given 10 fields in total.



At Jesada 6 Village Child Development Center of Lam Sai Sub-district, Ayutthaya Province.



At Tha Khanun Subdistrict Municipality area, Kanchanaburi.

**Target in 2022:** 15 public places  
**Plan in 2022:** Gave the Vi-pafe rubber to 15 public places



# Economic Social And Environmental Performance

## Economics Performance

GRI	Topics	Unit	2019	2020	2021
Disclosure 201-1	<b>Revenue</b>				
	Sales and services	Million THB	5,429.64	4,364.11	5,297.38
	Total Revenue	Million THB	5,481.27	4,433.89	5,371.10
	Net profit	Million THB	166.54	219.06	340.03
	EBITDA	Million THB	196.93	264.32	421.06
	<b>Expenditure for income contribution to stakeholders</b>				
	COGs	Million THB	4,865.66	3,799.05	4,577.50
	Employee benefit obligations	Million THB	260.55	326.80	349.72
	Corporate Income Tax / Tax payment to government and local authorities	Million THB	30.39	45.26	80.97
	Community Investment / Community and Social Development	Million THB	1.87	3.91	1.74
	Dividend payment to shareholders (waiting for 2022AGM approval)	Million THB	83.27	109.53	170.01
	Dividend payment to shareholders	Baht/share	0.42	0.57	0.88
Disclosure 204-1	<b>Supply chain management</b>				
	Local purchases of goods and services	Million THB	4,625.05	3,779.54	4,644.47
	Percentage of local purchases of goods and service	Percentage	86.39	86.99	86.29
Disclosure 205-2	<b>Anti-corruption</b>				
	Percentage of employees that acknowledge anti-corruption policies	Percentage	100	100	100
	Confirmed incidents of corruption and action taken	Case	0	0	0

## Social Performance

GRI	Topics	Unit	2019	2020	2021
Disclosure 201-1	<b>1. Employment</b>				
	Employee* (Persons) *The Company has an exclusive employment policy. There are no temporary, part-time, or self-employment and no seasonal difference in manpower				
	Employee	Persons	1,582	1,402	1,343
	- By Gender:				
	* Male	Persons	1,014	891	847
	* Female	Persons	568	511	496
	By Level :				
	*Worker/ Skill Worker				
	Male	Persons	653	534	492
	Female	Persons	421	364	349
	Total	Persons	1,074	898	841
	* Staff Level				
	Male	Persons	13	11	11
	Female	Persons	24	22	20
	Total	Persons	37	33	31
	* Foreman Level				
	Male	Persons	152	153	160
	Female	Persons	21	22	22
	Total	Persons	173	175	182
	* Chief Level				
	Male	Persons	153	149	141
	Female	Persons	89	89	91
	Total	Persons	242	238	232
	* Specialist Level				
	Male	Persons	7	7	6
	Female	Persons	1	1	1
	Total	Persons	8	8	7

GRI	Topics	Unit	2019	2020	2021
	* Manager Level				
	Male	Persons	27	29	28
	Female	Persons	9	10	10
	Total	Persons	36	39	38
	* Division Manager Level				
	Male	Persons	7	6	7
	Female	Persons	1	1	1
	Total	Persons	8	7	8
	* Top Management Level				
	Male	Persons	2	2	2
	Female	Persons	2	2	2
	Total	Persons	4	4	4
	- By Age :				
	Less than 30	Persons	336	262	202
	Between 30-50	Persons	1,107	1,003	977
	More than 50	Persons	139	137	164
	- By Generation :				
	Baby Boomer age 55-73 years	Persons	28	28	46
	GEN X age 40-54 years	Persons	613	585	614
	GEN Y age 22-39 years	Persons	905	763	683
	GEN Z age less than 22 years	Persons	36	26	0
	- By Area :				
	Rangsit site	Persons	826	722	706
	Wangnoi site	Persons	756	680	637
	- By Business unit :				
	Admin & Control	Persons	135	124	116
	Motorcycle Tire & Tube	Persons	703	600	588
	IED	Persons	594	534	498
	IRC (Asia) Research Co., Ltd	Persons	131	122	120
	Kinno Hoshi Engineering Co., Ltd.	Persons	24	22	21
<b>Disclosure 401-1</b>	Total Employees Turnover	Persons	200	216	67
	By Gender:				
	*Male	Persons	120	143	42
	*Female	Persons	80	73	25

GRI	Topics	Unit	2019	2020	2021
	- By Age :				
	Less than 30 years	Persons	59	60	34
	Between 30-50 years	Persons	129	125	25
	More than 50 years	Persons	12	31	8
	- By Area :				
	Rangsit site	Persons	138	103	27
	Wangnoi site	Persons	63	113	40
	Total New Employees		140	57	38
	- By Gender:				
	* Male	Persons	105	40	23
	* Female		35	17	15
	- By Age :	Persons			
	Less than 30 years	Persons	131	51	36
	Between 30 - 50 years		9	4	2
	More than 50 years	Persons	0	2	0
	- By Area :	Persons			
	Rangsit site		81	30	21
	Wangnoi site		59	27	17
<b>Disclosure 401-3</b>	<b>Parental Leave</b>	Persons			
	Employees back to work after parental leave		17	13	7
<b>Disclosure 404-1</b>	<b>2. Employee Development</b>				
	Total training hours	Hour	53,891	39,139	30,770
	Average training hours	Hour/employee	36	27	38
	By Gender:				
	* Male	Hours/ Person/ Year	37.14	26.86	43.17
	* Female	Hours/ Person/ Year	34.88	27.02	45.23
	By Level :				
	*Worker/ Skilled Worker	Hours/ Person/ Year	31.41	32.67	37.89

GRI	Topics	Unit	2019	2020	2021
	* Staff level	Hours/ Person/ Year	18.96	21.45	37.54
	* Foreman level	Hours/ Person/ Year	42.14	60.58	44.43
	* Chief level	Hours/ Person/ Year	52.93	48.93	32.29
	* Manager up level	Hours/ Person/ Year	63.79	26.92	31.68
	Reskill-Upskill Program	Program	-	10	22
<b>Disclosure 412-2</b>	<b>3. Labour and Human Rights</b>				
	Total hours of employee training to human right policies or procedures concerning aspects of human rights	Percentage	100	100	100
	Labour and Human Right Complaint	Case	0	0	0
<b>Disclosure 403-1</b>	<b>4. Occupational Health and Safety</b>				
	<b>Percentage of total workforce represented in formal joint management</b>				
	- Worker health & safety members	Percentage	100	100	100
	<b>Injuries, Illness, Fatalities, and Safety in Production Processes</b>				
	<b>Total work hour</b>				
	- Employees	Hours	2,223,062	3,920,873	3,847,281
	- Worker controlled by IRC	Hours	589,900	523,044	586,425
	<b>Total Recordable Injuries Case (TRIC)</b>				
	- Employees	Persons	9	7	14
	- Worker controlled by IRC	Persons	6	3	3
	<b>Lost Time Accident (LWC)</b>				
	- Employees	Case	1	1	3
	- Worker controlled by IRC	Case	0	0	0
	<b>Fatalities</b>				
	- Worker controlled by IRC	Case	0	0	0
	- Employees	Case	0	0	0
	<b>Lost Time Injury Frequency Rate (LTIFR)</b>				
	- Employees	Person/ Million man-hr	0	0.47	1.76
	- Worker controlled by IRC	Person/ Million man-hr	0	0	0



GRI	Topics	Unit	2019	2020	2021
	<b>Lost Time Injury Frequency Rate (TRIR)</b>				
	- Employees	Person/ Million man-hr	3	1.41	7.85
	- Worker controlled by IRC	Person/ Million man-hr	0	5.47	5.12
	<b>Injury Frequency Rate (IFR)</b>				
	- Employees	Person/ Million man-hr	0	0.47	1.76
	- Worker controlled by IRC	Person/ Million man-hr	0	0	0
	<b>Occupational Disease Rate (ODR)</b>				
	- Employees	Persons	0	0	0
	- Worker controlled by IRC	Persons	0	0	0
	<b>Lost Day Rate</b>				
	- Employees	Percentage	18	7.50	0.48
	<b>Accidents in the production process</b>	Case	15	6	17
<b>** Injuries are excluded first aid in the injury rate (IR) and lost day count begins the scheduled work day after the accident</b>					
	<b>Safety Day Activity</b>				
	- Target	Percent of total employees	50	30	35
	- Operational Result	Percentage	51.38	36	40
	<b>Safety Simulation Room Training</b>				
	- Operational Result	Percent of total employees	80	100	100
	- Operational Result	Percentage	92.90	99.85	98.69
	<b>Fire Evacuation Drill</b>				
	- Target	Times/year	2	1	1
	- Operational Result	Times/year	2	1	1
<b>Disclosure 102-43</b>	<b>5. Customer Responsibility</b>				
	Customer Satisfaction survey				
	- Tire-Tube Business Unit	Percentage	100	84.22	94.9
	- IED Business Unit	Percentage	N/A	82.82	88.86
<b>Disclosure 416-2</b>	No. of incidents of non-compliance with regulations and voluntary codes concerning customers' safety	Case	0	0	0

GRI	Topics	Unit	2019	2020	2021
Disclosure 417-2	No. of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling	Case	0	0	0
Disclosure 417-3	No. of incidents of non-compliance with regulations and voluntary codes concerning marketing communication	Case	0	0	0
Disclosure 418-1	No. of incidents of substantiated compliances regarding breaches of customer privacy	Case	0	0	0
Disclosure 414-1	<b>6. Supplier Social Assessment</b> New suppliers screened by Human Rights criteria	Percentage	100	100	100
	New suppliers screened by Labour Practice criteria	Percentage	100	100	100
	New suppliers screened by negative impacts on society criteria	Percentage	100	100	100
Disclosure 414-2	Number of suppliers subjected to Human Rights	Case	0	0	0
	Number of suppliers subjected to Labour Practice	Case	0	0	0
	Number of suppliers subjected to negative impacts on society	Case	0	0	0
Disclosure 419-1	<b>7. Socioeconomic Compliance</b>				
	Number of fines for non-compliance with laws and regulations	Case	0	0	0
	Amount of fines for non-compliance with laws and regulations	Baht	0	0	0

## Environmental Performance

GRI	Topics	Unit	2019	2020	2021
Disclosure 302-3	<b>Total Energy Consumption within the Organization</b>	GJ	254721.4213	286,816.63	308,597.17
	<b>Non-Renewable Energy Consumption</b>				
	<b>Energy:</b>				
	- Natural Gas (LPG)	GJ	3588.5091	491.60	2,217.00
	- Bunker oil/ Fuel oil	GJ	167521.5802	432,618.62	159,492.07
	<b>Electricity and steam :</b>				
	- Electricity	GJ	82409.472	131,225.58	144,002.08
	- Steam	GJ	0	0	0

GRI	Topics	Unit	2019	2020	2021
	Other :				
	<b>Renewable Energy</b>				
	- Solar	GJ	126.88	4,183.63	7,569.02
	- Biomass and Biogas	GJ	0	0	0
	<b>Energy Intensity</b>	GJ/production tons	13.51	18.48	17.44
<b>Disclosure 302-4</b>	<b>Reduction of energy consumption</b>				
	Electricity	GJ	339.38	6,323.71	226.26
	Steam	GJ	0	0	0
	Bunker oil/ Fuel oil	GJ	0	254.50	0
<b>Disclosure 305-1</b>	<b>Greenhouse gas (GHG) emission</b>	GJ	0	0	0
	Direct GHG emission from production processes (SCOPE 1)	tCO <sub>2</sub> e	13,333.81	13,280.14	13,186.01
<b>Disclosure 305-2</b>	Indirect GHG emission from power and biogas purchased (SCOPE 2)	tCO <sub>2</sub> e	13,325.15	22,758.22	21,091.34
<b>Disclosure 305-4</b>	<b>GHGs Emission Intensity</b>				
	Rangsit	tCO <sub>2</sub> e/production tons	1.41	1.51	1.37
	Wangnoi	tCO <sub>2</sub> e/production tons	0.05	0.84	0.56
<b>Disclosure 305-7</b>	<b>Air emissions</b>				
	CO <sub>2</sub>	Tons	NONE	NONE	NONE
<b>Disclosure 305-4</b>	CO <sub>2</sub> Intensity	Tons/ Production tons	NONE	NONE	NONE
	Total Suspended Particulate Matter: TSP Intensity	Tons/ Production tons	NONE	NONE	NONE
<b>Disclosure 303-1</b>	<b>Water</b>				
	Total water used	m <sup>3</sup>	88,792	177,689	176,309
	Water supply used	m <sup>3</sup>	48,744	95,787	95,554
	Ground water used	m <sup>3</sup>	40,048	71,902	80,755
	Water used from other sources	m <sup>3</sup>	0	0	0
	Water Intensity	m <sup>3</sup> production tons	4,71	11.78	9.87

GRI	Topics	Unit	2019	2020	2021
Disclosure 303-3	Reused and Recycled water	m <sup>3</sup>	NONE	NONE	NONE
	Percentage of water recycled and reused to total water withdrawal	Percentage	NONE	NONE	NONE
Disclosure 306-1	<b>Effluent</b>				
	Biochemical Oxygen Demand: BOD	mg/l	13.25	9.13	10.92
	Chemical Oxygen Demand: COD	mg/l	51.00	48.48	63.42
	Oil and Grease	mg/l	3.33	11.00	4.00
	Total Soluble Solid: TSS	mg/l	20.75	71.88	31.79
	Total Dissolved Solid: TDS	mg/l	1031.00	605.03	547.42
Disclosure 306-2	<b>Waste Disposal</b>				
	<b>Total waste</b>	Tons	1,545.64	3,076	2,147
	<b>Hazardous waste</b>				
	- Hazardous waste that cannot be sold	Tons	169	308.5	586.24
	- Hazardous waste that can be sold	Tons	9	30.8	64.18
	- Hazardous waste that can be sold	Baht	24,300	134,940	303,957
	<b>Non-hazardous Waste</b>				
	- Recycling of non-hazardous waste	Tons	1,367	2,737	1,496
Disclosure 306-2	- Return from selling	Baht	4,199,644	8,866,505	5,094,978
Disclosure 306-3	<b>Oil and Chemical spills</b>				
	Number of significant oil and chemical spills (more than 100 Barrels each)	Case	0	0	0
Disclosure 308-1	<b>Supply Chain Management</b>				
	New suppliers/ key suppliers were self-assessed on SCOC criteria	Percentage	100	100	100
Disclosure 307-1	<b>Environmental Compliance</b>				
	Number of significant fines associated with environmental law violation	Case	0	0	0
	Monetary value of significant fines associated with environmental law violation	Baht	0	0	0
Disclosure 308-1	New suppliers were self-assessed on SCOC criteria	Case	10	10	11
Disclosure 308-2	New suppliers found environmental issues	Case	0	0	0

## 4. Management Discussion and Analysis: MD&A

Overview of the Company and its Subsidiaries Operation

(Unit: million Baht)	Q1/2021	Q2/2021	Q3/2021	Q4/2021	FY2021	FY2020	%YoY
Total Revenues	1,342.11	1,449.34	1,311.54	1,268.10	5,371.09	4,433.89	+21.14%
Cost of Sales and Services	1,094.71	1,188.75	1,146.76	1,147.28	4,577.50	3,799.05	+20.49%
Selling and Administration	97.05	96.37	94.22	84.89	372.53	370.51	+0.55%
EBIT	150.35	164.22	70.56	35.93	421.06	264.33	+59.29%
Net Profit	121.18	131.88	57.70	29.27	340.03	219.06	+55.22%
Basic Earnings per Share	0.63	0.69	0.30	0.15	1.77	1.12	+58.04%

### Performance Report

From last year, the global economy is continuously recovered from the progress of COVID-19 vaccine injection and the ease of COVID-19 situation in many countries together with the recovery of Thai economy from government's stimulus measures. These positively affect the supply and demand of both domestic and foreign and lead to the recovery of Thai automotive industry and cause the automotive infrastructures increase their production, which leads to the increase in the production of automobiles 19.38% and motorcycles 10.88%. This affected the sales and production costs of the Company and the subsidiaries during the

fiscal year 2021 (1 October 2020 to 30 September 2021) as follows;

1. The Company's total revenue increased by 937.20 million baht or 21.14% from last year.
2. The cost of sales and services increased by 778.45 million baht or 20.49% from the last year, mainly due to the increase of raw material according to demand and supply together with the increase of oil price and the increase of freight expenses due to the container shortage. However, the company's labor costs decreased due to closely costs

monitoring.

3. Selling and administrative expenses slightly increased by 2.02 million baht or 0.55% from last year.

4. The Company received dividend income from the affiliate amounted to 21.56 million baht.

Overall, in FY2021, the Company had net profit around 340.03 million baht, increased around 120.97 million baht or 55.22% comparing to last year. The main reasons are the increase in sales and the effectiveness of closely expense monitoring. The Company's earnings per share is 1.77 baht.

Moreover, in FY2021, the Company had technology and innovation research and development expenditure following the suggestion, or additional explanation on technology and innovation research and development expenditure around 47.02 million baht.

## Financial Status

As at September 30, 2021, the Company had total assets at 5,295.37 million baht, increased by 706.81 million baht comparing to September 30, 2020. The main reasons are the increase of value of equity instrument resulted from the change of valuation method due to the adoption of the financial reporting standards related to financial instruments (TFRS 9). In addition, trade and other receivables and inventories also increase following the increasing sales. Moreover, the Company has increased investment in debt instruments as well.

The total liabilities of the company were 1,400.91 million baht, increased by 361.34 million baht compared to September 30, 2020 mainly due to the increase of trade and other payables.

In this regard, the Company has shareholders' equity of 3,894.47 million baht, increased by 345.47 million baht from unappropriated retained earnings

and change in other components of equity due to the adoption of the financial reporting standards relate to financial instruments (TFRS 9). This results in the book value per share of the company at 20.26 and the debt to equity ratio (D/E ratio) at 0.36.

## Cash Flow

In FY2021, the Company had net cash generated from operating activities around 609.94 million baht, increased by 29.47 million baht. The net cash used in investing activities was 401.96 million baht, increased by 324.59 million baht, mainly due to investment in debt instruments. There was net cash paid for financing activities around 109.76 million baht, mainly from dividend payment.

As of September 30, 2021, the Company had cash and cash equivalents around 1,003.32 million baht, increased by 98.22 million baht compared to September 30, 2020.

## The Company's measures toward the COVID-19 epidemic

According to the third wave of COVID-19 epidemic, the Company has implemented the measures to manage the business risk to maintain the Company's performance by strictly following preventive measures of COVID-19 by the government. In addition, the Company has closely followed up the situation and orders from the customers in order to prepare proper production plan, as well as has cautiously monitored and managed all costs and expenses. Moreover, the Company has provided vaccine for the employees to create herd immunity.

## The Possible Impacts on Financial Position and Performance in the Future

Economic and political situations of the world and Thailand as well as the COVID-19 epidemic are major factors that might affect the Company's performance in the future. The Company expects that the total sales will increase following the increase of the automotive industries production from the recovery of the COVID-19 epidemic. Additionally, there are other factors that might affect the Company as states below;

- Electrical Vehicle or EV: According to 30@30 policy from National Electric Vehicle Policy Committee (EV Board), the goal is to manufacture Zero Emission Vehicles at least 30% of total automobiles in 2030. The Company thus cooperates with the technology partners to manufacture the rubber parts and motorcycle tires to support the EV.

- The shortage of semiconductor affects automobile manufacturers that are our customers, thus causes the Company's production to falloff the target. The Company forecasts that the shortage of semiconductor will continue to next year. If the government accelerates COVID-19 vaccine

injection, the economic activities will further continue and bring about the increase in domestic sales in Thailand. However, the Company closely follows up this situation.

- The shortage of shipping containers and the increase in freight cost affects the Company's export. Therefore, the Company manages the situation by booking containers in advance and closely coordination with the customers.

- Power crisis in China and the increase in oil price affect the production costs due to the increasing price of refined petroleum products. Thus, the Company manages the risks by doing futures contracts and closely coordination with the suppliers.

- Climate Change: The Company proceeds on environmental protection and carbon management by implements measures including efficient energy use, renewable energy use such as Solar roof; Zero waste; and 3R policy, and becomes Green Industry level 4.

The Company pays attention on the risk management in production cost and the competitiveness enhancement in all aspects including research and development, and improvement in industrial transformation which are in accordance with the Company's business plan.



## 5. General Information and Other Important Information

### 5.1 General Information

Abbreviation	Inoue Rubber (Thailand) Public Company Limited
Abbreviation	IRC
Company Registration Number	0107536001737
Type of Business	Manufacturer of Industrial Elastomer Part and Motorcycle Tires and Tubes
Website	<a href="http://www.ircthailand.com">www.ircthailand.com</a>
Site (Head Office)	258 Soi. Rangsit - Nakornnayok 49, Prachatipat, Thanyaburi, Pathumthani 12130 Tel. (66) 2 996 0890 Fax (66) 2996 1439
Tel	(66) 2 996 0890
Fax	(66) 2 996 1439
Registered Capital/ Paid-up Capital	200,000,000 Baht (fully paid-up)
Number of Share	200,000,000 ordinary shares
Par Value	1 Baht



Company that IRC held more than 10% share



#### 1. IRC (Asia) Research Limited

258 Soi. Rangsit - Nakornnayok 49, Prachatipat, Thanyaburi, Pathumthanee 12130

Tel: (66) 2 996 0890 Fax: (66) 2 996 1439

157 Moo 5, Phaholyothin Rd., Lamsai, Wangnoi, Ayutthaya 13170

Tel: (66) 2 996 1471-3 Fax: (66) 2 996 1574

**Type of Business:** Conducts mainly researches and development for the Company's raw materials and products

**Registered Capital:** 30 million baht, paid-up capital 10.05 million baht, share portion 99.99%



#### 2. Kinno Hoshi Engineering Co., Ltd

157 Moo 5, Phaholyothin Rd., Lamsai, Wangnoi, Ayutthaya 13170

Tel: (66) 35 272 206-7 Fax: (66) 35 214 896

**Type of Business:** Manufactures metal molds for motorcycle and automotive elastomer parts. Currently, mainly manufactures various types of mold for the Company.

**Registered Capital:** 10 million baht, paid-up capital 10 million baht, share portion 99.99%

### Reference Persons

#### Security Registrar

Thailand Securities Depository Company Limited  
93 Ratchadaphisek Road, Dindaeng, Bangkok, 10400  
Tel (66) 2 009 9000  
Fax (66) 2 009 9991

#### Auditor

Ms. Nopanuch Apichartsatien  
Certified Public Accountant (Thailand) 5266  
Pricewaterhouse Coopers ABAS Ltd.  
Bangkok City Tower 15th Floor  
179/74-80 South Sathorn Road, Bangkok, 10120  
Tel +66 (0) 2844 1000 Fax (66) 2 286 5050

## 5.2 Important Information

- None -

## 5.3 Legal Disputes

No legal disputes in the following events were raised by the Company or its subsidiaries, whereas the Company or its subsidiaries are the litigants or disputants and the cases or disputes have not yet been terminated.

- (1) The case which may negatively affect the assets of the Company or its subsidiaries with the amount higher than 5% of shareholders' equity as at 30 September 2021;
- (2) The case which has significant impact on the business operations of the Company and its subsidiaries but the numeral impact is not assessable;
- (3) The case which is not derived from the normal business operations of the Company and its subsidiaries;

In addition, the cases where the directors, executives, or related parties are the litigants of the Company were unavailable.

## 5.4 Secondary Market

-None-





*Part 2*

# Corporate governance

## 6. Corporate Governance Policy

### 6.1 Overall of Corporate Governance Policy

Inoue Rubber (Thailand) Public Co., Ltd., has established the Corporate Governance Policy (herein called CG Policy) by applying principles and guidelines of the Corporate Governance Code for Listed Companies 2017 of the Securities and Exchange Commission (known as CG Code), Thailand, aligning with the Principles of Good Corporate Governance for Listed Companies 2012 of the Stock Exchange of Thailand (known as CG Principles), also in line with the assessment guideline for the Corporate Governance Report of Thai Listed Companies (known as CGR) of the Thai Institute of Directors (known as IOD). The Board of Directors has reviewed the CG Policy on a yearly basis in order to ensure that the Policy is suitable with current business circumstances. The Company published a manual to facilitate good communication with management and employees and to ensure continuing compliance. The Company monitors compliance of the Code of Conduct through channels for whistleblowing and complaint and reports the result to the Audit Committee on a quarterly basis.

### 6.1.1 Policies and Practices Relating to Board of Directors

The Company has the Board of Directors and 4 Sub-committees which are Audit Committee, Executive Committee, Risk Management Committee and Good Corporate Governance and Social Responsibility Committee. They are to scrutinize and recommend guidelines on corporate governance and on management of the Company. All directors have freedom to express their opinions on the Company's operations to ensure that business is efficiently, accurately and transparently administered by the management.

#### Director Selection and Succession Plan

For the director selection, the Board of Directors defines the qualification of director candidates to harmonize with the Company's strategy in business operation by considering the Board Skill Matrix together with the composition based on the Board diversity, including knowledge, skills, experiences, ages, and genders of directors. Additionally, the Company shall adopt the director pool database prepared by the Thai Institute of Directors Association in the director selection process to

ensure that a candidate for a director or an executive is qualified and independent as well as has proper experience before proposing the Board of Directors or shareholders to consider to appoint. Anyhow, the Board of Directors shall consider the appointment of a director in replacement of the resigned director with the remaining term in office. For a new director and/or a director who completes his/her term in office shall be appointed by shareholders.

Besides, the Company has the succession plan under the selection and evaluation on skills and qualifications in the Company's key positions to ensure that the Company will have qualified executives to carry on the Company's achievement onwards.

## Remuneration

The Board of directors and sub-committee's remuneration is considered and approved by from the shareholders meeting annually (excepting for the Executive Committee). The remuneration considered based on the Company's performance and the director's responsibility, and compared with the other listed companies in SET that have similar market capitalization as well as other listed companies in the same industry. This shall support the remuneration structure to be appropriate for the perseverance, responsibilities, and experiences of directors that shall lead the Company to be achieve in both short-term and long-term goals. In addition, the remuneration will be disclosed in the Company's annual report.

## Board and Management Training

The Company regularly and continuously encourages and supports directors, executives and Company Secretary to get training and enhance knowledge in order to gain more information in performing duty in different courses and seminars such as of Thai Institute of Directors Association, The Stock Exchange of Thailand. Besides, there have the evaluation of directors and sub-committee annually.

## Investment and Management in Subsidiaries Policy

The Company has the Investment and Management in Subsidiaries policy that shall invest in the businesses that make benefits and encourage the Company's operation in order to strengthen the stability and performance of the Company. Moreover, in the case that the Company invests in other companies for more than 50% of such company's shareholding, the Board of Directors shall assign the Executive Committee to appoint the representatives who are the Company's directors or executives to be directors or controlling persons of such subsidiaries, to have the transparent and effective governance and internal control.

## 6.1.2 Policies and Practices Relating to Shareholders

### Section 1 Right of Shareholders

The Company emphasizes the rights of shareholders as the owners of the Company; therefore, this policy was announced to be the practice guideline. All groups of shareholders, either retail investors or institutional investors are encouraged to exercise their fundamental rights, e.g. receipt of adequate and in a timely manner information either via the SET's or the Company's website or other channels, attendance at shareholders' meetings to acknowledge the Company's annual business performance and voting rights at the shareholders' meetings to approve important issues as determined by law such as directors' remuneration e.g. the appointment of the auditor and determination of the auditor's fee, dividend payment or suspension of dividend payment and making enquires or comments on the issues that the Board of Directors presents or requests for approval at the shareholders' meeting, etc

## Shareholders' Meetings

The Company will conduct an annual general meeting of shareholders within 4 months since the last day of the Company's fiscal year. The Company might hold more meetings if it is necessary and appropriate. The Company Secretary performs its duty of policy compliance of which shareholders' meetings are called and conducted as required by law and in accordance with the guidelines for shareholders' meetings as specified by the SET. The Company's auditor and a legal consultant who act as independent parties are allowed to attend the shareholders' meeting to count and inspect the vote. To encourage the rights of shareholders, the Company opens the channel for qualified shareholders to propose an agenda/agendas, director candidates, and questions in advance for inclusion in the annual general meeting of shareholders during 1-31 October of each year so that the Company shall gathered and proposed to the Board of Directors for consideration through the Company's website and email: [ir@ircthailand.com](mailto:ir@ircthailand.com).

## Sending Invitation Letters and Shareholders Facilitation

The Company assigns Thailand Securities Depository Company Limited which acts as a securities registrar to deliver the invitation letter at least 21 days prior to the meeting date, including publish on the Company's website at least 30 days in advance. Therefore, the invitation letter will need to state the place, date, time, and agenda of the meeting with enough supporting information for each agenda to shareholders in order to allow shareholders enough time to study the information. The information includes objectives and reasons for each proposed agenda with comments of the Board of Directors on each agenda. There shall be no hidden agenda or other agendas not stated in the invitation letter to the shareholders' meeting for

the consideration and approval of the shareholders, except for urgent matters that are known after the invitation letter is sent. The Company will send an English version of the invitation letter and supporting documents to foreign shareholders. The Company also publishes the invitation letter together with supporting documents on the website prior to the meeting date. The invitation letter shall be announced via a Thai newspaper for 3 consecutive days before the meeting date.

To preserve the rights of shareholders who are inconvenient to attend the meeting in person, the Company sends the proxy form together with the invitation letter and clearly specifies the list of documents and evidences required for the appointment of a proxy. The shareholders can assign representatives or independent directors to attend the meeting and cast the vote on their behalves. The Company will state in the invitation letter the name of at least 1 independent director, whom a shareholder can give proxy to.

In addition, the Company uses the barcode system for registration and vote counting in order to increase shareholders' transparency and facilitation. The Company allows shareholders to register 2 hours before the meeting and extends registration time before final agenda consideration. There are the Company's staff to welcome and facilitate shareholders and prepare revenue stamps for those who appoint their proxies.

## During and After Shareholders' Meeting

Before open the meeting, the Chairman of the meeting will introduce the Board of Directors, the Company Secretary, the external auditor and the legal consultant who act as the moderator to the meeting. The Company Secretary will inform the meeting about the voting procedures and vote counting in the

meeting. After the information has been provided for each agenda, the Chairman of the meeting will give floor to all attendants to express opinions or enquiries relevant to the agenda equally. The enquiries will be answered clearly and precisely and given adequate time for debate. For the agenda on the appointment of directors, the shareholders will vote for each director individually and separately.

The Company arranges for use of ballots to support the barcode system on every agenda item which requires vote casting for transparency and inspection can be made.

The minute of the shareholders' meeting will be completely recorded and can be reviewed by shareholders. The resolutions of the meeting are also to be clearly recorded with details of approved, non-approved, and abstention votes for all agenda items which require a vote, as well as recording opinions, questions and answers to the material questions relating to each agenda item. The Company will summarize the resolutions and disclose on the SET's website within 9.00 a.m. of the following business day. The minutes of the shareholders' meeting will be submitted to the SET within 14 days, as well as published on the Company's website.

## Section 2 Equitable Treatment of Shareholders

### The Use of Inside Information

The Company realizes the importance of the protection of inside information usage for their own or the other's benefits of directors, executives, and employees. Therefore, the Company has provided the guideline of the use of insider information and monitored feedback regularly which includes in a handbook of business morality and employee's code of conduct. The Board of Directors, executives and employees shall practice rules and regulations of the Office of the

Securities and Exchange Commission and principles of good corporate governance. Important issues are summarized as follows:

1. Directors executives and related person as stated in Section 89-1, the Securities and Exchange Act B.E. 2535, must report changes in securities holding of the Company to the SEC according to Section 59 of the Securities and Exchange Act B.E. 2535 within 3 business days from the first day that securities holding changes. They must also provide a copy of such report to the Company Secretary in order to gather, submit a summary and propose to the Board of Directors' meeting quarterly.

2. Directors, executives and employees cannot use inside information in securities trading of the Company and cannot disclose inside information to outsiders or people who are not related before thoroughly reveal to the public via the SET. The Company has the prevention of the improper use of inside information policy as follows:

- Periodically Financial Statement Disclosure: Insiders are not permitted to sell/ buy/ transfer the Company's securities one month before releasing the financial statement and 24 hours after released.

- Confidentiality and impact information concerning securities price such as capital Increasing-decreasing, business merging, joint-investment: Abstain from selling/ buying/ transferring the Company's securities during, before, and after the information disclosure to the public at least 24 hours so that shareholders shall have proper time to analyze such disclosed information.

### Protection of Minor Shareholders' Rights

The Company will deliver the invitation letter and define agendas of the meeting approved by the Board of Directors in advance. The Company will not include additional agendas of the meeting which are

unnecessary, particularly important agendas that the shareholders need time to study information before making a decision. In election of director agenda, shareholders can exercise right to appoint directors individually.

### **Conflict of Interest**

The Board of Directors sets the written policy and guidance of conflict of interest and include in the handbook of business morality and employee's code of conduct. The Company has the policy to follow the guideline of the SET and Securities and Exchange Act for the highest benefit. Employees at all levels have duty to consider and resolve conflict of interest cautiously and follow the principle of honesty, integrity and rationality. Employees are also independent within good morality and disclose complete information for the Company's benefit as a whole mainly.

### **Report on Interests of Directors and Executives**

The Company requires that directors and executives shall report to the Company their own interests or those of their related parties following the criteria, conditions and procedures regulated by the Capital Market Supervisory Board as follows;

1) In case the directors and management are appointed to be new directors, submit the report of interest of such director and executive to the Company Secretary within 15 working days from the date of his / her appointment.

2) If there is any change in the information in the report of interest related to the management of the Company or subsidiaries of directors and management, the directors and executives shall inform and submit the report on their interest or related party changes to the Company Secretary within 15 working days from the date of the change of information on such interest.

3) The Company Secretary must send a copy

of the Report of Interests to the Chairman and the Chairman of the Audit Committee within 7 working days from the date of receipt of the report

### **Meeting attendance of interests' directors**

Directors and executives who are connected persons or having interest in matters to be considered shall not attend the meeting or voting for the consideration of the agenda

### **Section 3 Role of Stakeholders**

The Company is aware of the role of stakeholders and emphasizes the rights of all groups of stakeholders, i.e. shareholders, employees, customers, suppliers and/or creditors, competitors, social/community/environment, and Government sector, by ensuring that they are treated properly, equitably and fairly. The Company believes that the good relationship with all groups of stakeholders is significant for long-term achievement and sustainable growth of the Company's group. Therefore, the Company has set the written policy in the Handbook of Business Conduct and Code of Conduct for Directors and Employees.

In addition, the Company has provided a communication channel for stakeholders and related groups to express opinion and complaint on issues that cause damage to the Company and are related to external environment. The Company will improve, fix and find the solution for the complaint in order to incite stakeholders and all related parties to get along sustainably. The Company's Environment Management System Steering Committee will propose opinions and complaints of stakeholders to the Risk Management Committee's meeting before further proposed the Board of Directors.

### **Corporate Social Responsibilities: CSR**

The Company defines vision and appoints Good Corporate Governance and Social Responsibility

Committee to concentrate on being responsible for society which affects development and publicity of quality products, sustainable maintenance of standard system, and continuous and systematic conservation of energy for suitable benefit to society.

## Complaint Report

The Company has provided a special or confidential channel (Whistle Blowing Channel) has been arranged for all groups of stakeholders to send the information or clues about offense, embezzlement, corruptions/ fraud, or violation of rights has been informed, as well as a protocol for complainers to choose whether they want or do not want to reveal themselves as stated in the Whistleblowing Policy

## Section 4 Disclosure and Transparency

The Management has to report the Board of Directors immediately, if there is doubt or if there is serious corruption/ fraud, illegal actions or other unusual practices which may affect the Company's reputation or financial position significantly. The Management also presents significant deficiencies with solutions and problem solving progress to the Board of Directors/ Audit Committee for consideration within proper period.

The Company has duty to fully, sufficiently, reliably and on a timely basis disclose financial and non-financial information to all shareholders and stakeholders to ensure equal treatment as stated in the Market-Sensitive Information Handling and Disclosure Policy.

The Company has the policy to disclose significant both financial and non-financial information to the public, namely financial status and business performance and major shareholders. The Company also reveals information in the annual report such as the number of the Board of Directors' meeting, profiles of

the Board of Directors and executives, and the criteria for determining the remuneration of the directors as well as the Company's operation in social and environment together with related activities. Therefore, investors and stakeholders can acknowledge and consider information via the SET's publicity channels and the Company's website.

Additionally, there are channels for shareholders, institutional investors, retail investors, analysts and related sectors to contact Investor Relations Department as follows: Tel: 02-996-0890, and email: [ir@irc Thailand.com](mailto:ir@irc Thailand.com)

## Section 5 Responsibilities of the Board

The Company has the Board of Directors, Audit Committee, Executive Committee, Good Corporate Governance and Social Responsibility Committee, and Risk Management Committee to scrutinize and study guidelines on supervision and management of the Company. All directors have independence to express opinions on the Company's operations to ensure that business is efficiently, accurately and transparently administered by the management

## 6.2 Business conduct

The Board of Directors has established a business conduct that focuses on treating the company's stakeholders in a balanced way which the company's directors, executives and employees at all levels are required to follow. Its details include:

- 1) Shareholder Responsibility Policy
- 2) Customer Practice and Product Quality Policy
- 3) Suppliers/ Creditors Policy
- 4) Employee Policy
- 5) Employee Practice Policy
- 6) Rivals Policy
- 7) Social Responsibility and Environment Policy
- 8) Anti-Corruption Policy



9) Market-Sensitive Information Handling and Disclosure Policy

10) Investment and Management in Subsidiaries Policy

The company is determined to operate its business with honesty, integrity, transparency, and corporate governance and to encourage personnel at all levels to have awareness of anti-corruption in all forms. The board of directors has therefore included an anti-corruption and anti-bribery policy in the corporate governance guideline. Additionally, the company has been certified as a member of the Thai Private Sector Collective Action Against Corruption (CAC), which shows that the company adheres to that principle in operating its business and its directors, executives, and employees must comply with the policy.

If a whistleblower finds any doubtful act to violate the law, the regulations, business morality, directors and employees' code of conduct of the Company, a whistleblower shall directly report via the following channels;

By Filing your report to the Chairman

By Post mail to the Chairman and/or Company Secretary

258 Soi Rangsit - Nakornnayok 49, Prachathipat, Thunyaburi, Pathumthani 12130

Through email: [listen@irc Thailand.com](mailto:listen@irc Thailand.com)

Through website: [www.irc Thailand.com/en/investor/corporate/whistleblowing](http://www.irc Thailand.com/en/investor/corporate/whistleblowing)

The company will keep the informant's information confidential and will use the information strictly for the company's management and internal operations. The whistleblower or complainer will receive a response under the whistleblowing procedure and be protected without fear of abuse of command or unfair treatment in response to the action of the whistleblower or complainer.

**Penalty** Directors, Executives, and Employees, who does not comply with Good Corporate Governance and Code of Conduct for Directors and Employees, they will be penalized in line with the Company's regulation. It also affects the annual performance assessment of directors, executives and employees.

In addition, code of conduct for directors and employees is a fundamental principle for performing the duties of directors and employees. The company believes that for good business practices and sustainably successful business, all directors and employees must maintain their duties and responsibilities which will lead to self-esteem. The topics stated in the code of conduct for directors and employees include:

- 1) Self-conduct and Reaction to Colleagues
- 2) Conflict of Interest
- 3) Maintenance and Use of Properties of the Company
- 4) Acceptance or Giveaway of Gift or Entertainment
- 5) Corruption

Remark: The full version of Corporate Governance Handbook can be downloaded here.



[CG Handbook](#)

## 6.3 Milestone

# Development on the CG Policy, Guidelines and System During the Year

In 2021, the company continuously adhered to corporate governance by creating awareness through various channels and documents and by organizing a training on how to use the corporate governance manual for employees at all levels to move towards in the same direction. Additionally, the company received good co-operation from directors and employees at all levels in reporting conflict of interest annually although there was no reporting on the issue. To implement social distancing and prevent the spread of Covid-19, the company has provided an online corporate governance guide for all employees to learn about corporate governance and good practices which have received good feedback from directors, executives, and employees. The company is committed to upholding the ethical value.

The unapplied topics are as follows;

1. The establishment of a Nomination and Remuneration Committee: However, the Board has applied practice guideline of the Nomination and Remuneration Committee recommended by the Stock Exchange of Thailand (SET) as the Company's practices where every director have fully required qualifications and performed the best following the committees' charters. Additionally, the remuneration of the directors was considered using the other companies' in the similar industry and market capitalization remuneration's information.

2. The meeting attendance shall not be less than 75% of all of the Board of Directors' Meeting per years since some of the director has their residence located abroad, their attendance was less than 75% as mentioned. Anyhow, such directors had performed through concerned reporting channels effectively and supported the Company in many ways. This is considered that those directors' performance was excellent.

The investors can obtain more details on corporate governance information from its Annual Statement or Form 56-1, or in the Company's website [www.irthailand.com](http://www.irthailand.com) in the page Investor Relations, which covers information on corporate governance and sustain.



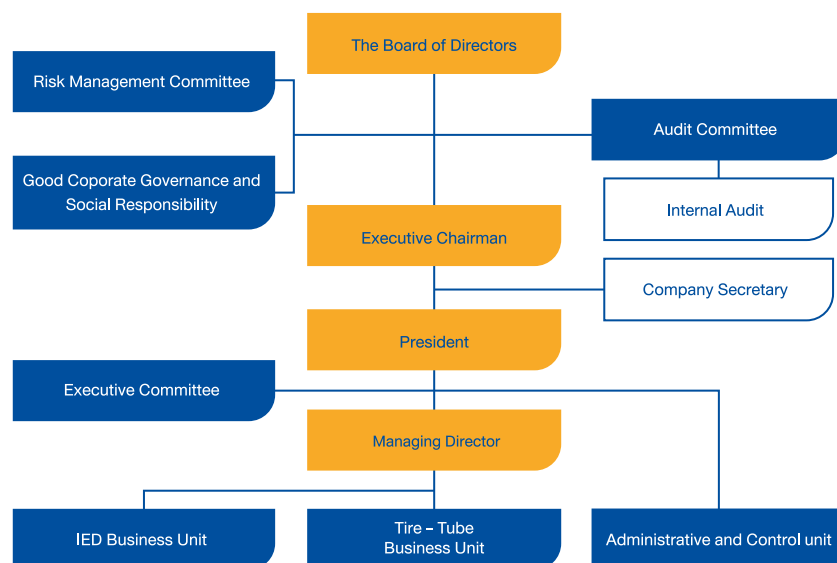
[CG Handbook](#)

# 7. Corporate Governance

## Structure of the Board of Directors and the Sub-committees

### 7.1 Corporate Governance Structure

Organization structure of the Company includes the Board of Directors and 4 Sub-committees which are Audit Committee, Executive Committee, Risk Management Committee and Good Corporate Governance and Social Responsibility Committee. They are to scrutinize and recommend guidelines on corporate governance and on management of the Company. All directors have freedom to express their opinions on the Company's operations to ensure that business is efficiently, accurately and transparently administered by the management. The Company's organization is shown below:



Date as at September 30, 2021

### 7.2 About Director

#### Board of Directors

Board of Directors includes at least 5 individual members; at least half of them must reside in Thailand and at least 1/3 and no fewer than three persons must be independent directors. Director

nomination applies diversity policy for board structure, for example, skills, experiences, expertise, and in line with the Company's strategy. The nomination process includes information from the Director Pool from IOD as part of consideration.

As of September 30, 2021, the Boards of Directors consisted of 11 members, including 9 non-executive directors, representing more than 4/5 of all members, and 2 executive directors. The Board has 4 independent directors, representing 1/3 of all members, and two of them are female. Independent directors are independent from management and major shareholders.

Name – Surname		Position
1. Mrs. Pimjai	Leeissaranukul	Chairman
2. Mr. Katsunori	Ito	Director/ President/ Vice-Chairman of Risk Management Committee
3. Mr. Soichi	Inoue	Director
4. Mr. Thanong	Leeissaranukul	Director
5. Mr. Apichart	Leeissaranukul	Director
6. Mrs. Porntip	Sethiwan	Director
7. Mr. Kazuo	Sato	Director
8. Mrs. Anchalee	Chavanich	Independent Director / Chairman of Audit Committee
9. Mr. Surong	Bulakul	Independent Director / Chairman of Risk Management Committee
10. Assoc.Prof. Jaruporn Viyanant		Independent Director / Chairman of Good Corporate Governance and Social Responsibility Committee
11. Mr. Kittichai	Raktakanit	Independent Director

**หมายเหตุ:**

1. Mr. Shigeki Yamada was appointed on Oct 23, 2021 to replace the resigned person, Mr. Katsunori Ito.

2. Number of times to attend the meeting: shown in Section 8.1.2 Meeting attendance and remuneration of individual committees and the non-executive directors in the third to seventh position who have extensive experience working in the automotive industry and will help formulate strategies, move the company forward, and provide reasonable recommendations on the company's operations - as shown in Attachment 1: Director's Profile.

In 2021, the company held one shareholder meeting, nine board of directors' meetings, four Audit Committee meetings, four Corporate Governance and Social Responsibility Committee meetings, four Risk Management Committee meetings, and two non-executive directors' meetings to discuss various issues on sustainable growth and matters that were of interest. In 2021, the issues discussed included the economic situation after Covid-19 and technological applications to meet the new normal such as online shareholder meetings (E-AGM) and measures to deal with the impact of climate change (Details of the number of meetings are shown in the table under Section 8.1.2).

## Authorized Directors

Authorized Directors are “Mrs. Pimjai Leeissaranukul or Mr. Thanong Leeissaranukul cosigns with Mr. Katsunori Ito or Mr. Masayuki Inoue together with the Company’s seal.”

## Responsibilities of the Chairman of the Board of Directors

1. The Chairman of the Board acts as the Chairman of the Board of Directors’ meeting and the Shareholders’ meeting;

2. To have a casting vote in case the Board of Directors’ meeting has a tie vote;

3. To be responsible as the Chairman of the Board of Directors to monitor the operations of the President and other sub-committees to make them achieve the objectives pursuant to the specified plan.

## Term in Office

According to the Company’s Articles of Association, at every annual general meeting, one-third of the directors shall retire. If the number of directors is not a multiple of three, the number of directors closest to one-third shall retire.

The directors retiring from office in the first and second year after the registration of the Company shall be selected by drawing lots. In subsequent years, the director who has held his position for the longest time shall retire.

The resolution of the Board of Directors shall be consisted of a vote of not less than three quarters of the number of directors remaining on the board.

## Board Structure

1. The Company forms at least 5 members of the Board of Directors and not less than a half of

whom must reside in Thailand;

2. Of the total number of Board members, at least one-third and no fewer than three persons must be independent directors;

3. The Board of Directors consists of members that have various kinds of skills, experiences and specific capability which benefit to the Company. The Board of Directors also composes of non-executive directors who have great experiences in the Company’s business and industry.

## Board of Directors’ Meeting

The Company will conduct the Board’s meeting in order to follow-up the business operation and approve issues related to vision, mission, strategy, risk, plan of action, budget and other matters that affect the Company. The Company will also hold the Board meeting not less than 6 times a year and hold the Non-Executive Directors meeting (NED meeting) at least once a year. The Company Secretary is assigned to set up the annual meeting plan in advance and propose to the Board of Directors’ meeting on November of every year.

As for stipulation of meeting agendas, the Company Secretary is assigned to propose the draft of meeting agendas to Chairman of the Board, President, and representatives of independent directors to consider and make a decision on the agendas proposed in the Board of Directors’ meeting. They also have to ensure that important issues are included and give an opportunity to each director to independently present subjects which are beneficial to the Company to be the agendas proposed in the meeting. After the meeting agendas are scrutinized by Chairman of the Board, President and Independent Director

representative, the Company Secretary has to deliver the Board of Directors’ meeting invitation letter not less than 14 days and supporting documents not

less than 7 days before the meeting day.

The Chairman of the Board has to allocate enough time for directors to discuss important issues, encourage directors to use discretion carefully and pay attention to all subjects proposed in the meeting as well as the good corporate governance. The Executive Committee is invited to attend the Board of Directors' meeting in order to provide supporting information for the directors' consideration.

In the Board of Directors' meeting, there shall be at least one half of the total number of directors to effect a quorum. In the case where the Chairman is absent at the meeting or unavailable to act, if there is a Vice Chairman, he/ she must act as the Chairman of the Meeting. If there is no Vice Chairman or he/ she is unavailable, the Board of Directors at the meeting shall select one of the Directors as the Substitute Chairman the meeting. Anyhow, the definite decisions of a meeting shall be made by majority votes. Each director shall have one vote except that the director who has any interest on the voting issue cannot give his/ her vote. If the voting results in equal, the Chairman of the Meeting shall cast his/ her vote as a final vote

## **Roles, Duties and Responsibilities of the Board of Directors**

1. To undertake the duties in accordance with laws, objectives and Articles of Association of the Company, Good Corporate Governance, and resolutions of the Board of Directors' meeting as well as the shareholders' meeting with due care and integrity and to look after the interest of the Company; furthermore, clearly define the scope of duties and responsibilities for the management;

2. To set the goal, strategy, policy and direction of the Company's business operation together with allocate important resources and supervise the

management to ensure efficiency, effectiveness and compliance with the prescribed policies and to achieve sustainable value creation by competitiveness and performance, ethical and responsible business, respect rights and responsibilities of shareholders, stakeholders, social and environment;

3. Provide review of strategy, vision and missions, and corporate values (IRC DNA) which consider changing of environment by encouraging innovation and technology usage that suitable with the Business Ecosystem and consider the needs of customers and stakeholders. It also considers the competitiveness of the business on an annual basis;

4. To arrange a reliable accounting system, financial reports and auditing by settle internal control procedures and suitable internal audit system with consistent follow-up;

5. To approve the quarterly financial statement and propose the shareholders' meeting to consider to approve the annual financial statement, as well as to approve the annual investment budget and to monitor the operating results of the Company, including the major progress in various aspects;

6. To provide advices/suggestions and make a decision with due care on the agenda proposed in the Board of Directors' meeting;

7. To appoint/remove the sub-committee on specific matters as deemed suitable;

8. An independent director is able to provide their independent discretion on the issues and to oppose any act of other directors or the management, if there is any conflict significant to the Company and the shareholders;

9. To arrange a good corporate governance, anti-corruption policy, business conduct and

code of conduct for directors and employees as a guideline and to annually review these policies;

10. To approve the importance transactions of the Company such as acquisition or disposal of assets, expansion of the investment projects, determination of the authority to be assigned and any action required by laws and to look after the conflict of interest among stakeholders of the Company;

11. To approve and/or consent on the connected transactions between the Company and its subsidiaries in accordance with related notifications, requirements and guidelines of the Stock Exchange of Thailand;

12. To suspend buying/ selling/ transferring of the Company's securities one month prior to public disclosure of the financial statement and during or before the period that the Company reveals is undertaking the confidential transaction

e.g. increasing in capital, merger and acquisition, or negotiation of new significant projects;

13. To report any securities holding by himself/herself and his/ her spouses and children in the Board of Directors meeting quarterly and to inform the Company Secretary within 3 business days from the first day that securities holding changes, if there is any buying/selling/ transferring of securities of the Company;

14. To report of directors interests annually as well as informed the Company secretary within 15 working days if there are any changes;

15. To arrange a self-assessment of the director annually;

16. To manage and supervise the Company's intellectual property



## 7.3 Sub-Committees

### Audit Committee Charter

Audit Committee consists of 3 independent directors which possess qualifications aligned with the Securities and Exchange Commission's definition. The three Audit Committee members have adequate knowledge and experience to perform the duty in verifying the reliability of the financial statements. One member has education background in accounting.

As of 30 September 2021, Audit Committee composed of 3 members, namely;

Name – Surname	Position
1. Mrs. Anchalee Chavanich	Chairman of Audit Committee/ Independent Director
2.* Assoc.Prof. Jaruporn Viyanant	Audit Committee Member / Independent Director
3. Mr.Kittichai Raktakanit	Audit Committee Member / Independent Director

Notice:\*Audit Committee member who has education background in accounting. And Ms. Kittunya Naruepracha acts as a Secretary of Audit Committee.

### Roles, Duties and Responsibilities of Audit Committee

1. To verify and assure that the Company's financial report is accurate and sufficiently disclosed;

2. To verify and assure that the Company and its subsidiaries has the internal control system and the internal audit system that is suitable and efficient, incorporate with auditors and internal auditors to consider the independence of the internal audit unit. Throughout giving approval the appointment, transfer and dismissal of the chief of an internal audit unit or any other agency responsible for internal audits. Also approved the annual internal audit plan;

3. To verify and assure that the Company has acted in compliance with the law on Securities and Exchange, requirements of the Stock Exchange of Thailand, and other laws in relation to the Company's business;

4. To consider, select, propose to appoint, and unemployed an independent person(s) to perform the duty as the Company's auditor. To propose remuneration for that person(s) and to participate in a meeting with the auditors without the management involvement at least once a year;

5. To consider connected transactions and any transaction that may have a conflict of interests by referring to the requirements of laws and the Stock Exchange of Thailand, to assure that such transactions are reasonable and resulted in maximum benefits to the Company;



6. To review that the Company has a whistleblowing procedure to report fraud as well as inappropriate financial report or other issues. This is to assure that all the complaints will be investigated independently and will acquire the appropriate monitoring;

7. To prepare a report of the Committee as disclosed in the Company's Annual Report which must be signed by the Chairman of the Audit Committee and must consist of the information as follows (at least);

7.1) An opinion(s) about an accuracy, completion and reliability of the Company's financial report.

7.2) An opinion(s) about the adequacy of the Company's internal control systems including the corruption/ fraud prevention.

7.3) An opinion(s) about an action in compliance with law of Securities and Stock Exchange, provisions of the Stock Exchange of Thailand or any related laws regarding the Company's business.

7.4) An opinion(s) about an appropriateness of the auditors.

7.5) An opinion(s) about any financial transaction that may have a conflict of interests.

7.6) A total number of the Committee's meetings and each member's meeting participation.

7.7) An overall opinion(s) or an observation (s) obtained by the Committee from the operation as required in this charter.

7.8) Other essential information or transactions as deemed to be acknowledged by shareholders and investors under the scope and responsibilities assigned to them by the Board of Directors.

8. Any other operation as assigned by the Board of Directors with an approval by the Committee;

9. The Committee is able to consult with independent consultant(s) as appropriated with the Company budget.

10. To do the self-assessment of the Committee as a whole and the member as an individual annually;

11. Any provision or practice regulation or refrainment of practices that are not mentioned in this charter shall be held in accordance with the Company's memorandum of associations, and other laws, as well as the provisions of the Stock Exchange of Thailand and the Securities and Exchange Commission;

12. To review the Audit Committee Charter annually to comply with changing conditions and circumstances and propose to the Board of Directors for the approval.

## Good Corporate Governance and Social Responsibility Committee

As of 30 September 2021, the Good Corporate Governance and Social Responsibility Committee consists of 5 members as follows:

Name – Surname	Position
1. Assoc.Prof. Jaruporn Sriwongchan	Chairman of the Committee
2. Mr. Bunthorn Sriwongchan	Member
3. Mr. Sunan Lachareon	Member
4. Mr. Therdsak Emsem	Member
5. Ms. Anchana Thongmon	Member

## Roles, Duties and Responsibilities of Corporate Governance and Social Responsibility Committee

1. Propose policies and guidelines that concern the good corporate governance and social responsibility to the Board;

2. Consider and review the good corporate governance and social responsibility policies and guidelines to keep them comply with the related laws and regulations, other international guidelines, as well as recommendations from related institutes e.g. the Securities and Exchange Commission (SEC) and the Stock Exchange of Thailand (SET);

3. Review the Company's performance of good corporate governance and social responsibility. The Chairman of good corporate governance and social responsibility committee, or a person who is assigned by the Chairman shall report the resolutions and performance of the Committee to the Board;

4. Follow and report any issues or possibilities that may affect the Company on the subject of good corporate governance and social responsibility to the Board;

5. The Chairman of Good Corporate Governance and Social Responsibility Committee or a person who is assigned by the Chairman shall review and agree to disclose the annual good corporate governance and social responsibility report;

6. The Committee may invite the Company's directors, executives, employees, or third parties to attend the meeting on related issues;

7. Review and amend the charter of the good corporate governance and social responsibility committee to keep it accord with present circumstances and environment by propose to the Board for approval;

8. Propose the Management to appoint a working team to support, monitor and report the performance of the Management that related to the policies and important strategies of the good corporate governance and social responsibility as appropriate;

9. The Committee shall responsible for any good corporate governance and social responsibility

mission as assigned by the Board.

## Risk Management Committee

As of 30 September 2021, the Risk Management Committee consists of 7 members namely;

Name - Surname		Position
1. Mr. Surong	Bulakul	Chairman of the Committee
2. Mr. Katsunori	Ito	Vice Chairman of the Committee
3. Mr. Narongchai	Rattanaekkawin	Member
4. Mr. Suchart	Kootiratrakarn	Member
5. Mr. Buncha	Yutthaworakool	Member
6. Ms. Praewphan	Songhong	Member
7. Mr. Surachai	Chaichalermpong	Member

## Roles, Duties and Responsibilities of Risk Management Committee

1. Propose and scrutinize the Company's risk appetite and risk management policies that are consistent with the Company's mission, strategy, good governance, as well as risk appetite to the Board of Directors for approval; moreover, scrutinize the review of the risk management policies annually to ensure that it conform to and is suitable for the current business circumstances;

2. Propose and scrutinize the Company's risk appetite and risk management policies that are consistent with the Company's mission, strategy, good governance, as well as risk appetite to the Board of Directors for approval; moreover, scrutinize the review of the risk management policies annually to ensure that it conform to and is suitable for the current business circumstances;

3. Oversight, control, and monitor the assessment of impact and likelihood of identified risks in order to be prioritized, as well as have appropriate risk response covering all types of risks and provide recommendations for the Company regarding risk prevention and risk reduction to be at the appetite level;

4. To monitor the Subsidiaries to have the risk management that is suitable and efficient.

5. Formulate strategies aligning with the policies, evaluate and monitor the Company's risks to be at the appropriate level for the business operation;

6. Report the Company's significant risks, risk status, risk response procedures, risk management progress, and risk management results to the Board of Directors regularly;

7. Give opinions and recommendations to the Company if it requires external risk management consultant in order to provide independent recommendations regarding the risk management framework, scope, and operation;

8. Communicate to exchange information and coordinate with the Company's internal control unit;

9. Encourage and support the communication about risk and innovation in every aspect to all employees;

10. Report the Committee's progress and performance to the Board of Directors to acknowledge and/or consider on quarterly basis;

11. Review and amend the charter of the Risk Management Committee to keep it conforms to the current circumstances and environment, and propose to the Board of Directors to approve;

12. Consider the appropriated acquirement of suggestion from independent professionals with the Company's financial support;

13. Be responsible for other missions related

to risk management assigned by the Board.

The Company separated the responsibility of the Executive Committee whose is the Management clearly from the Board of Director as follows;

### Executive Committee

As of 30 September 2021, the Executive Committee consists of 10 members as follows:

Name – Surname	Position
1. Mr. Katsunori Ito	Chairman of Executive Committee*
2. Mrs. Pimjai Leeissaranukul	Vice-Chairman of Executive Committee
3. Mr. Takeshi Arakawa	Member
4. Mr. Mitsuhiro Ito	Member
5. Ms. Witchuda Kupongsak	Member
6. Mr. Suchart Kootiratrakarn	Member
7. Mr. Narongchai Rattanaekkawin	Member
8. Mr. Kazuaki Yamada	Member
9. Mr. Hiroyuki Hibi	Member
10. Ms. Praewphan Songhong	Member

*Remark: 1. Mr. Shigeki Yamada was appointed on Oct 23, 2021 to replace the resigned person, Mr. Katsunori Ito.*

### Roles, Duties and Responsibilities of Executive Committee

1. To conduct and/or manage the daily business operation in accordance with laws and standards, including policies, action plan, targets, requirements and regulations of the Company prescribed by the Board of Directors;

2. To strictly, honestly and carefully conduct

and manage the operation in accordance with the resolutions of the Board of Directors altogether with the approved budget by consideration on the interest of the Company and the shareholders;

3. To report the operating performance of the Company to the Board of Directors' meeting quarterly and to review the operating results periodically for a quick resolution to achieve the business targets;

4. To assess and screen the major investment projects and the annual budget prior to the submission to Board's consideration;

5. To undertake the work in accordance with the good corporate governance principles prescribed as a guideline by the Board of Directors;

6. To approve that appointment of persons of directors, executives or controlling persons to the subsidiaries, to have transparency and effective good governance and internal control, aligned with the company's benefit and the Investment and Management in Subsidiaries policy;

7. To suspend buying/ selling/ transferring of the Company's securities one month prior to public disclosure of the financial statement and during the period that the Company is undertaking the confidential transaction e.g. increasing in capital, merger and acquisition, or negotiation of new significant projects, etc.;

8. To report any securities holding by himself/ herself and his/ her spouses and children in the Board of Directors meeting quarterly and to inform the Company Secretary within 3 business days from the first day that securities holding changes, if there is any buying/ selling/ transferring of securities of the Company;

9. To prepare a report on the conflict of interest of the management annually, as well as to

report the results of the anti-corruption investigation to the Audit Committee (follow the guidelines for joining the Thailand's Private Sector Collective Action Coalition Against Corruption: CAC project);

10. To manage the information system and intellectual property including the Company's important commercial information;

11. To refrain from any reveal of Company's business transaction and/or intellectual property to third party without consent and/or oppose to Code of Conduct for Director and Employee and which affect the Company's business.

## 7.4 About the executives

As of Sep 30, 2021 the Company has the executives following the SEC definition as follows;

Name - Last name	Position
1. Mrs. Pimjai Leeissaranukul	Executive Chairman
2. Mr. Katsunori Ito	President
3. Mr. Takeshi Arakawa	Managing Director
4. Ms. Witchuda Kupongsak	Executive Director of Administrative and Control Unit
5. Mr. Suchart Kootiratrakarn	Deputy Executive Director of Tire & Tube Business Unit
6. Mr. Mitsuhiro Ito	Executive Director of Tire & Tube Business Unit
7. Mr. Narongchai Rattanaekkawin	Deputy Executive Director of IED Business Unit
8. Ms. Praewphan Songhong	Finance Division Manager

**Remark:** 1. Mr. Shigeki Yamada was appointed on Oct 23, 2021 to replace the resigned person, Mr. Katsunori Ito.

## Remuneration for Executives

During the fiscal year 2021, the Company paid remuneration to the executives under definition of the Securities and Exchange Commission for Baht 68.29 million, comprised of salary, bonus, provident fund, social security fund and other welfares.

## Other Remunerarion (Ex. ESOP EJIP)

-None-

## 7.5 Employees

As of 30 September 2021, numbers of employees of the Company and its subsidiaries which were classified by business units, are following;

Business Unit	Number of Employees (person)
Administrative and Control	116
Motorcycle Tire -Tube	588
Industrial Elastomer Parts	498
Industrial Elastomer Parts	120
Kinno Hoshi Engineering Co., Ltd.	21
<b>Total</b>	<b>1,343</b>

Remark: During last 3 years, the Company and its subsidiaries do not have labor dispute nor significant change of number of employees.

During the fiscal year 2021, the Company and its subsidiaries paid employees totaling Baht 777.99 million in term of salary, bonus, provident fund, social security fund and other welfares.

## Employee Remuneration Policy

The Company defines the employee remuneration regarding to the employees' privilege and welfare under the principles of fairness and

non-discrimination and in line with the employees' performance evaluation, labor market situation, and the Company's performance.

## Employee development policy

The company organizes training to review knowledge and work standard twice a year to ensure that employees at all levels have the knowledge and competence to work to meet the standard. Additionally, there are individual development plan that analyses the strengths and weaknesses of employees and a functional competency assessment from the employees and their supervisors to find areas for improvements from the process, allowing employees to improve and see their changes after the training more clearly.

Part of the information received from the analysis will be used to select training courses for the areas that need to be developed for each employee. In-house and off-house trainings are provided. In-house trainings are basic courses on work and promotion while off-house trainings focus on development for each position.

## 7.6 Others

### Company Secretary

The board of directors appointed Ms. Kittunya Naruepracha as Company Secretary on 9 November 2018. Ms. Naruepracha graduated in Economics and has been a good Assistant Secretary. She has continuously developed herself as a corporate secretary and attended a course on corporate secretary in 2017. Her responsibilities include advising on and reviewing the preparation of important legal documents of the company and directors as well as keeping those documents in compliance with Section 89/15 - 89/17 of the Securities and Exchange Act. Furthermore, the company has appointed Ms. Praewphan Songhong to be the CFO and Ms. Pim Arun Santiroj to control and supervise

the company's accounting according to the accounting standards and related rules.

Note: The biographies of the company's Secretary and Chief Financial Officer are shown in Attachment 1.

### Investor Relations

The company has assigned Ms. Kittunya Naruepracha as the contact person for investors and those who have enquiries. Please call: (66) 2 996 0890 ext. 243 or send an email to ir@ircrthailand.com

### Head of Internal Control

The Audit Committee has approved the appointment of Ms Wannapa Yusabai as the company's Chief Internal Auditor to perform audits and evaluate the organization's operations. The Chief Internal Auditor is independent and reports directly to the Audit Committee. The qualifications of the position are shown in Attachment 3.

### Remuneration for Auditor

The Annual General Meeting of Shareholders is to appoint external auditors and fix audit fees for the Company's and its subsidiaries. The Audit Committee selects and proposes the external auditor together with the audit fee to the Board of Directors before the Board proposes the same to the Annual General Meeting of Shareholders for consideration and approval.

Selection criteria includes the review of auditing firms and external auditors, which are independent with no conflict of interest with the Company, the management, major shareholders or related persons. In addition, the auditing firm shall rotate the external auditor in order to align with the notification of the Capital Market Supervisory Board if the former auditor has reviewed, audited and expressed an opinion on the financial statements of the Company for 7 consecutive years.

### Audit fee

The Company's and its' subsidiaries' financial statements of the fiscal year 2021 were reviewed and expressed an opinion by Ms. Noppanch Apichartsatien, Certified Public Accountant No.5266 of PricewaterhouseCoopers ABAS Limited (PwC). The Company and its subsidiaries paid audit fee for the fiscal year 2021 as follows:

Company	Audit Fee (Baht)
Inoue Rubber (Thailand) Public Company Limited	1,375,580
IRC (Asia) Research Co., Ltd.	252,840
Kinno Hoshi Engineering Co., Ltd.	252,840
(3 businesses at 64,800 baht/ business)	64,800
Out of pocket expenses	16,700
Non-audit fees	-None-
<b>Total</b>	<b>1,962,760</b>



## 8. Report of Key Corporate Governance Activities

### 8.1 Performance of the Board of Directors in 2021

#### 8.1.1 Nomination, Development and Performance Assessment of the Board

##### Qualification of Independent Directors

1. Not holding shares exceeding 1% of the total shares with voting rights of the Company, which shall be inclusive of the shares held by those related persons;

2. Not being nor having been a director participating in the management, employee, officer, consultant who receives regular salary, or a controlling person over the Company, except that he/she has no such characteristic for at least two years;

3. Not being a person related by blood or by registration under laws, such as father, mother, spouses, siblings, and child, including spouses of the child, of executives, major shareholders, controlling persons, or persons who will be nominated as executives or controlling persons of the Company or its subsidiary;

4. Not having nor having had any business relationship with the Company, might interface with

his/her use of independent discretion, including not being nor having been a major shareholder, or a dependent director, of a person who has a business relationship with the Company, except that he/she has no such characteristics for at least two years;

5. Not being nor having been an auditor of the Company, and not being a major shareholder, a dependent director, and executive, or partner of the auditing firm employing and auditor of the Company, except that he/she has no characteristic for at least two years;

6. Not being nor having been any professional services providers including a legal advisor or a financial advisor, obtaining service fees of more than Baht 2 million per annum from the Company, and not being a significant shareholder, authorized person, or partner of such professional services provider except he/she has no such characteristic for at least two years;

7. Not being a director appointed to represent any director of the Company, a major shareholder, or a shareholder who is a related person of the Company's major shareholders;

8. Not currently be operating under similar business nature and significant competition to the company or subsidiary; or not a significant partner of the partnership, executive director, salaried worker, employee, or consultant; or holding more than 1%

of voting shares of any other companies operating under similar business nature and significant competition to the company and subsidiary.

9. Not having any other characteristics which make it incapable of expressing an independent opinion with regard to the Company's operation.

10. The term in office should continue not more than 9 years from the date of being appointed to the position of independent director.

*\*Including the parent company, subsidiary, affiliate, major shareholder(s), or controlling parties of the company*

### **Required qualifications of the directors, managing director (CEO), and the next four executives following the definition of the notification of the Capital Market Supervisory Board**

1. Qualifications mentioned under the notification of the Capital Market Supervisory Board;

2. Have a solid knowledge, expertise and experience considered beneficial to the Company;

3. Be determined and have an ethical mind in running business;

4. Must not be a director or a co-executive of a related company and/or organization, which is the rival business to the company;

5. Take a position of a director in not more than 5 listed companies and not more than 6 affiliated companies of any listed companies;

### **Nomination criteria and process**

1) Consider the suitability of knowledge, experience, and expertise that is beneficial to companies with experience in the core business or industry of the Company. The Board of Directors has the required composition as a Board Skill Matrix, which makes the nomination process consistent with the Company's business direction;

2) Considering the dedication of the directors.

If the former director resigns for another term, may be considered by the performance during the term in office. It should also consider the number of companies in which each director will be appointed to suit the profile or condition of the company which should not exceed 5 listed companies to ensure that performance is not compromised;

3) Consider the term in office of the independent director. If the former independent director will return for another term, the term in office should continue from the date of being appointed to the position of independent director not more than 9 years.

### **Right of Shareholders to appoint the directors**

The Company opened an opportunity for Shareholders to propose director candidate since 1 - 30 October 2021. However, no Shareholders proposed any director candidate.

### **The Assessment and Process in the performance evaluation of the Boards and sub-committees**

1) The Board of Directors determines to have evaluating knowledge, skills, and specific experiences of the directors (Board Skill Matrix) which benefit to the Company's business. The Board self-assessment is conducted annually for the Board as a whole and an individual basis, including all sub-committees, in order to be a framework for evaluating performance of the Board of Directors and all sub-committees;

2) The Board of Directors and sub-committees have their agenda to consider the performance assessment form (both as a whole and individually) and self-assessment for the Boards and sub-committees annually. The assessment criteria are based on the regulation of SET. For the Audit Committee, the assessment criteria are based on the regulation of SEC;

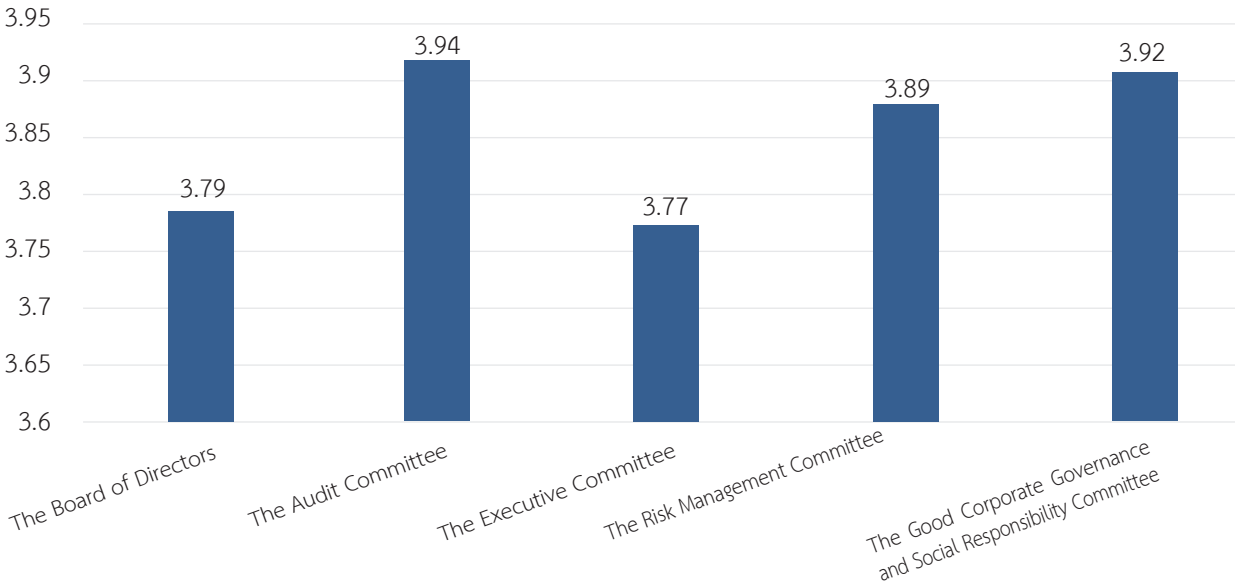


3) The Board of Directors and sub-committees evaluates their on-the-job performance and when the secretary finished concluding the evaluation report, the Board of Directors and sub-committees shall consider, review, and assess the comments in the aspect of the Board of Directors and sub-committees' performance in the past year to improve and enhance their performance efficiency continuously.

**The Self-Assessment of the Board and other sub committees covered topics as follows:**

Board Skill Matrix	Self-Assessment as a whole	Self-Assessment as an individual
1. Business Management	1. Committee Structure and Qualifications	1. Committee Structure and Qualifications
2. Industry	2. Roles, Duties and Responsibilities of the Committee	2. The Committee Meeting
3. Profession Knowledge	3. The Committee Meeting	3. Roles, Duties and Responsibilities of the Committee
4. International Business	4. The Committee Duties	
5. Strategic Management	5. Relations with the Management	
6. Laws and Regulations	6. Self-Development of the Directors and the Executive	
7. Accounting		
8. Finance		
9. Information Technology		
10. Economy		

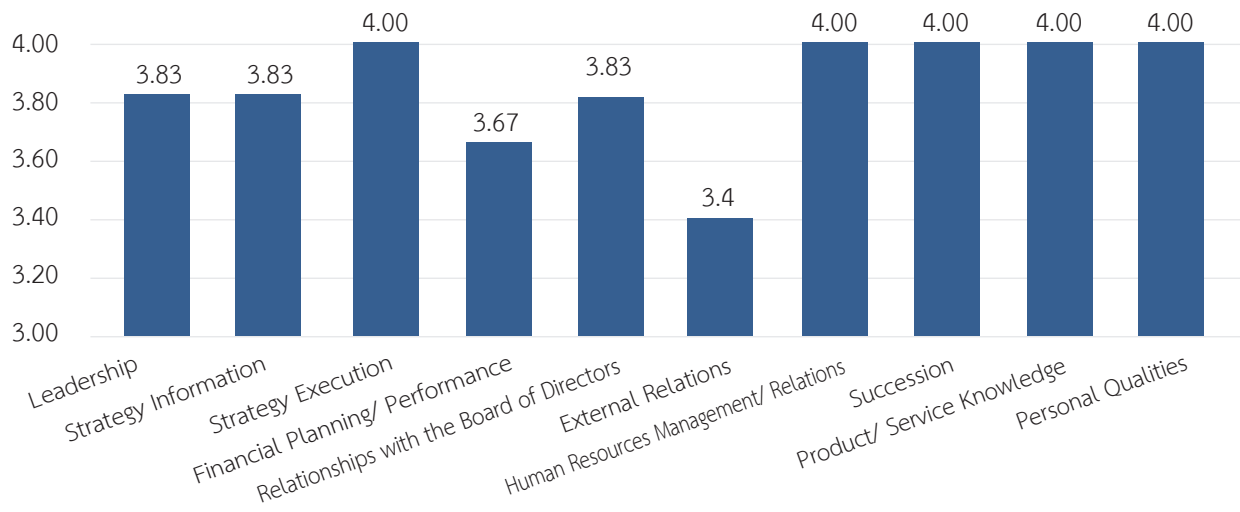
**The Board of Directors and the Sub-Committees' Self-Assessment Results for year 2021**



**Note:** From a total of 4 points, the conditions are as follows;

- 0 = Strongly disagree or never conducted
- 1 = Disagree or seldom conducted
- 2 = Fair or moderately conducted
- 3 = Agree or well conducted
- 4 = Strongly agree or excellently conducted

## CEO Self-Assessment Result in 2021



## Development of the Board of Directors and Executives

The Company has a policy to promote and support all Directors, Executives and the Company Secretary to train for knowledge development in various fields both in terms of courses and seminar activities; for instance, the Thai Institute of Directors Association. This policy is aimed to improve and expand the knowledge of the Directors, Executives and the Company Secretary to perform and fulfil their duties regularly and continuously.

The Board of Directors has assigned the Company Secretary to coordinate with the Board of Directors and Executives on the information of training courses. The Company Secretary is responsible for delivering new Directors the Public Company Handbook, the Board of Directors Handbook, scope of duties and responsibilities of the Board of Directors, the Company's Articles of Association, Public Law, Securities and Exchange Act B.E. 2535, Good Corporate Governance Policy, and Code of Conduct.

The new Directors will be introduced to the overview of the Company, operations of the Stock Exchange of Thailand Group, regular strategic plans, laws, regulations, and Code of Conduct related to the Directors. Top-level Management and the Board of Directors' secretary will present such information prior to the first meeting of the new Directors. The Company also has personnel management and development plans to keep Directors and Employees continuously knowledgeable in their field of work.

Furthermore, there were Directors, Executives and the Company Secretary who received training to perform their duties from relevant agencies in 2021. The details can be summarized as follows:

Name-Last	Position	Training in 2021
Mrs. Pimjai Leeissaranukul	Chairman/Executive Chairman/ Executive Director/ Authorized Director/Vice Chairman of the Executive Committee	<ul style="list-style-type: none"> <li>- Personal Data Protection Act B.E. 2562 (2019) (PDPA) (Internal training)</li> <li>- Join the PEFC Supporting Sustainable Rubber: official campaign launch seminar, PEFC International</li> <li>- Join the against Covid-19 in factories seminar as lecturer, Department of the Disease Control</li> </ul>
Assoc.Prof.Jaruporn Viyanant	: Independent Director / Audit Committee /Chairman of Good Corporate Governance and Social Responsibility Committee	<ul style="list-style-type: none"> <li>- The Key of Financial Statement Enhancement for Audit Committee and Auditor, S.E.C. and IOD</li> <li>- National Director Conference 2021 – Leadership Behind closed Door, IOD</li> <li>- ESG Reporting, EY</li> <li>- Financial Reporting Trends 2021, EY</li> <li>- What's trending in the capital market? By EY</li> <li>- Drive the Innovative to Market and Social, TU and NAN-OTEC/NSTDA</li> <li>- Thai's Energy Direction to the Goal of CO2 Reduction, Ministry of Energy and Thansettakij Printing</li> </ul>

Name-Last	Position	Training in 2021
Ms. Praewphan Songhong	Finance Division Manager (CFO)	<ul style="list-style-type: none"> <li>- TFRS 9 and Accounting relief measures from covid 19 from NYC MANAGEMENT Co.LTD.</li> <li>- TLCA CFO CPD No. 4/2021 “How finance leaders are adapting within the new normal” by IOD</li> <li>- TLCA CFO CPD No. 3/2021 “How to Manage the Company’s Finance &amp; Accounting and Communicate with Stakeholders during COVID-19 Crisis” by IOD</li> <li>- TLCA CFO CPD No. 2/2021, “COVID 19 Implications for Financial Reporting and Audit”, by IOD</li> </ul>

## 8.1.2 Meeting Attendance and Individual Directors’ Remuneration

### Remuneration of Directors and Executives

#### Monetary Remuneration for the Board and Sub-committees

At the AGM 2021, held on 29 January 2021, the shareholders approved director remuneration according to position which consists of yearly retention fee plus meeting allowance at Baht 10,000/ person/ meeting and noother kind of remuneration with the following details;

• Chairman of Audit Committee	450,000	Baht/ person/ year
• Chairman of Risk Management Committee	200,000	Baht/ person/ year
• Chairman of Good Corporate Social and Responsibility Committee	200,000	Baht/ person/ year
• Independent Directors	500,000	Baht/ person/ year
• Director	300,000	Baht/ person/ year

**Remark:** 1. No remuneration for the executives who are not directors

2. The Company Directors do not receive remuneration from the Company’s subsidiary because he/ she is not a director in the subsidiary.

**The Board’s Opinion:** The remunerations of the Company’s directors have been thoroughly considered at the Board of Director’s meeting, taking into account of the assigned responsibilities of each committee. The remunerations were aligned with the market and the same industry.

The Company adheres to the principle of fair and transparent remuneration, and in doing so, the Company compares its income ranges as well as sizes of other companies at the same level in the industry to maintain the appropriate benefits and motivate qualified Directors to lead and contribute to the Company to their fullest potential.

## Other kinds of remuneration for Directors

- None -

**Table: Remuneration and Meeting Attendance of Directors and Sub-Committee Members**

Name of Director	Position	Number of Meeting Attendance in FY 2020						Remuneration <sup>1</sup> (Baht)
		AGM	BOD	AC	EXCOM	CGSR	RMC	
Mrs. Pimjai Leeissaranukul	Chairman	1/1	7/7	-	7/7	-	-	376,500.00
Mr. Katsunori Ito	President/ Vice Chairman of RMC	1/1	7/7	-	7/7	-	-	409,020.55
Mrs. Anchalee Chavanich	Chairman of AC/ Independent Director	1/1	8/9	4/4	-	-	-	981,000.00
Mr. Kittichai Raktakanit	Member of AC/ Independent Director	1/1	9/9	4/4	-	-	-	614,500.00
Assoc.Prof. Jaruporn Viyanant	Member of AC/ Independent Director/ Chairman of CGSR Committee	1/1	9/9	4/4	-	4/4	-	819,500.00
Mr. Surong Bulakul	Independent Director/ Chairman of RMC	1/1	9/9	-	-	-	4/4	785,500.00
Mr. Soichi Inoue	Director	-	-	-	-	-	-	255,000.00
Mr. Masayuki Inoue <sup>2</sup>	Director	-	-	-	-	-	-	222,863.20
Mr. Thanong Leeissaranukul	Director	1/1	9/9	-	-	-	-	395,500.00
Mr. Apichart Leeissaranukul	Director	1/1	9/9	-	-	-	-	395,500.00
Mrs. Porntip Sethiwan	Director	1/1	9/9	-	-	-	-	395,500.00
Mr. Kazuo Sato	Director	1/1	7/9	-	-	-	-	370,020.55
Total (Baht)								<b>6,020,404.30</b>

## 8.1.3 Governance of Subsidiaries and Associates

(Detail as shown in 6.1.1)

## 8.1.4 Monitoring to ensure compliance with Corporate Governance Policy and Guideline

The Company communicates to all its Directors, Management and Employees including Employees in the Company's group to uphold and follow the Good Corporate Governance Policy. The Company's Good Governance Corporate Policy is reviewed annually which has been set out as an annual course as well as an orientation for new Employees in order to ensure that all Employees and personnel understand the policy.

The Company has followed up with all personnel to act in compliance with the Good Corporate Governance Policy in 4 topics as follows;

### 1. Prevention of Conflicts of Interest

The Company has written policies and guidelines on the Conflicts of Interest specified in the "Code of Conduct for Directors and Employees". The Company also has a policy to follow the guidelines of the Stock Exchange of Thailand as well as Securities and Exchange Act B.E. 2535 for the best interest of the Company. It is the duty of personnel at all levels to carefully consider and resolve any Conflicts of Interest, uphold the principles of honesty, be reasonable and independent within the framework of a good ethical code, and disclose information in its entirety concerning the importance of the Company's overall benefits. All Employees and Management are required to prepare an annual Conflict of Interest report. For 2021, there were no issues found that could cause any Conflicts of Interest.

### 2. Exploitation of Inside Information

The Company has established policies and guidelines regarding the use of inside information to prevent the use of insider trading of the Company's securities. All Directors and Management including those involved are permitted to buy/sell/transfer the Company's securities at least 1 month before the disclosure of the financial statements and 24 hours after the financial statements have been disclosed. They need to refrain from buying/selling/transferring the Company's securities when there are cases related to confidential information and information that may affect the price of securities such as capital increase/decrease, mergers and acquisitions, joint ventures, etc., for at least 24 hours. Directors, Management, and related persons must report the change in securities holding to the Office of the Securities and Exchange Commission within 3 business days from the date of the change in the Company's securities holding as well as submitting a copy to the Company Secretary Unit for gathering, summarizing, and presenting to the Board of Directors' meeting on a quarterly basis.

In 2021, there were no securities trading found during the period the Company ordered every Director and Management to refrain from trading.

### 3. Anti-Corruption

Every Directors, Management and Employees of the Company is prohibited from engaging in any form of corruption, either directly or indirectly (family, friends, and acquaintances) whether for the benefits of the business, exchanges for work or the Company's purchasing orders under one's authority. All kinds of corrupt activities are considered serious offenses with a severe punishment of dismissal without compensation (as specified in the Employee Handbook). The Company has issued measures for Employees in the support and operations departments such as Purchasing Department, Marketing Department, and Human Resources Department to prepare an annual Conflicts of Interest report alongside an annual monitoring and review of anti-corruption measures. In addition, the company has also joined the Thai Private Sector Collective Action Coalition Against Corruption or CAC since 2020 and adheres to the anti-corruption policy as a clear practice in business operations in which all Directors, Management and Employees need to follow.

The Company has disclosed details of policies and actions to prevent any involvement in corruption on the Company's website (<http://www.ircthailand.com/uploads/Document/CAC.%202019%20TH.pdf>).

### 4. Whistleblowing

The Company has always placed importance on Good Corporate Governance by conducting business with commitment to acting professionally as well as fairly to all groups of stakeholders. The Company also attaches importance to transparency and accountability. Therefore, the Company has created filing channels to enable all Employees and stakeholders both inside and outside the Company to disclose information of any wrongdoing against the law, company rules and regulations, business ethics, and Code of Conduct for Directors and Employees as well as inaccurate financial reports and the Company's defective internal control systems. A whistleblower should ensure the accuracy of the information disclosed before filing a complaint and should not accuse others without sufficient evidence. Complaints are reported to the Audit Committee quarterly. Additionally, there were no allegations or complaints reported in the fiscal year 2021 from any of the following four channels.

1. By Filing your report to the Chairman
2. By Post mail to the Chairman and/or Company Secretary

258 Soi Rangsit - Nakornnayok 49, Prachathipat, Thunyaburi, Pathumthani 12130

3. Through Email: [listen@ircthailand.com](mailto:listen@ircthailand.com)
4. Through Website: [www.ircthailand.com/th/investor/corporate/whistleblowing](http://www.ircthailand.com/th/investor/corporate/whistleblowing)

## 8.2 Report of the Audit Committee for 2021

### Report of the Audit Committee for 2021

Dear **Shareholders,**

The Audit Committee consists of three independent directors who are fully qualified with related requirements and possess with experience, knowledge and capability that are beneficial to the Company's business. They include Mrs. Anchalee Chavanich as the chairman of the Audit Committee, Associate Professor Jaruporn Viyanant and Mr. Kittichai Raktakanit as members. Mrs. Anchalee Chavanich, Associate Professor Jaruporn Viyanant and Mr. Kittichai Raktakanit are the members with adequate expertise and experience in reviewing the credibility of the Company's financial statements. Associate Professor Jaruporn Viyanant graduated in accounting.

During the fiscal year 2021, the Audit Committee fully performed its duty according to the roles, duties and responsibilities as stated in the Charter of the Audit Committee, which was approved by the Board of Directors. A total of 4 meetings were held with the Company's management, internal auditors and external auditors, with opinions and offers being



expressed freely and independently. Participation in these meetings by each Audit Committee member is as follows;

Name	Position	No. of participation / No. of the total meeting
Mrs. Anchalee Chavanich	Chairman of the Audit Committee	4/4
Assoc. Prof. Jaruporn Viyanant	Member of the Audit Committee	4/4
Mr. Kittichai Raktakanit	Member of the Audit Committee	4/4



Summary of the Audit Committee's performance and opinions to the Board of Director meetings in 2021 is as follows:

### **Review of Financial Statement**

The Audit Committee reviewed the accuracy and reliability of all quarterly and annual financial statements, reviewed and audited by the external auditor. The external auditor found no essential issue or drawback in the financial statements and reviewed the report from the internal auditor on the essential operating process. The Committee also invited the external auditor to the meetings to discuss on topics covering the area, process and plan for annual audit, including to review the accuracy and completeness of the changes made to the statements, accounting standards, as well as the adequacy of the disclosure information on efficiency of internal control system that is necessary for the preparation of the financial statements and suitability on the accounting in order to ensure that the Company's financial statements comply with generally accepted accounting standards. The Committee held 1 meeting with the Company's external auditors without management participation for an independence of the auditors to report on concerned matters and the obstacle, or irregularity faced in the performance of their duty for the benefit of those who utilize or read the financial statements.

### **Assessment and Review of Internal Control System and Internal Audit**

The Audit Committee reviewed the reports from the external auditor and internal auditor relating to the Company's internal control system and reviewed the internal control assessment which were conducted in accordance with the guideline of the Securities and Exchange Commission and the Stock Exchange of Thailand. In addition, the Audit Committee also reviewed the internal audit plan and report from the internal auditor to be in accordance with the Company's risk based audit plan.

The Audit Committee gave the useful sugges-

tions in relation to reports from external auditor, internal auditor and internal control system on the assessment of performance, fraud and reliability of the financial report. The Company applied the suggestions of the Audit Committee, external auditor and internal auditor to increase the efficiency of its performance to ensure that the operation process is continuously and efficiency controlled.

### **Review of the Connected Party Transactions**

The Audit Committee reviewed the connected party transactions or transaction with potential conflicts of interest based on the reasonableness and best interest for the Company, to ensure that they comply with laws and regulations relating to the Securities and Exchange Commission and the Stock Exchange of Thailand. The Committee also gave useful suggestions in relation to setting of policy for general trading conditions, with focus on the compliance with related regulations, so that the Company's management can manage the transactions with fairness and no undue transfer of benefit, at the same time, comply with the principle approved by the Board of Directors.

### **Reviewed of Whistleblowing Procedure for Fraud Complaint as well as Information on the Inappropriateness of Financial Report**

The Audit Committee quarterly reviewed the whistleblowing report in order to open the opportunity and increase the efficiency on complaint procedure, as well as to obtain information on the inappropriateness of financial report or other issues. In the past fiscal year, the Audit Committee did not receive any report on complaint on fraud or inappropriateness of financial report or other issues.

### **Review of the Compliance with Rules, Regulations and Policies**

The Audit Committee reviewed the Company's

compliance with the securities and exchange law and other laws related to the Company's business and found no violation in this area.

In addition, the Committee was quarterly reported on changes in significant regulations and policies related to business of Company, and that the Company is preparing its operations as well as hiring the advisers in several areas to review and provide suggestions to the Company in the essential issues in order to be ready for the continuing changes.

### **Selection of the External Auditor**

The Audit Committee had considered the external auditors' independence and knowledge as well as their understanding of the Company's business, work quality, auditor qualifications, and the audit fee, the Audit Committee proposed PricewaterhouseCoopers ABAS Limited as the Company's and subsidiaries' external auditor for 2019, consisting of Ms. Napanuch Apichatsatien CPA Number 5266, Ms. Sanicha Akarakittilap CPA Number 8470, and/or Ms. Nantika Limwiriyaalert CPA Number 7358.

The external auditor who places his/her signature on the financial report of the Company is qualified with the above regulations and approved by the Security and Exchange Commission of Thailand. In addition, no external auditor has continuously audited the financial report of the Company for more than 7 consecutive years.

### **Performance Assessment on Group and Individual Basis as well as the Review of Compliance with its Charter**

The Audit Committee reviewed and conducted self-assessment on the entire committee and each individual member based on the guideline of the Audit Committee prepared by the Security and Exchange Commission of Thailand and the Stock Exchange of Thailand, as well as the Charter

of the Audit Committee of Company. According to the self-assessment result in 2021, it is found that the performance of the Audit Committee complies with its responsibilities. The score result of each individual member and entire committee is very good.

The Audit Committee reviewed the roles, duties and responsibilities as stated in the Charter of the Audit Committee annually by comparing with the guideline of the Audit Committee, recommended by the Security and Exchange Commission of Thailand and the charters of audit committee of other listed companies and proposing the amendment to the Board of Directors for approval. The Company had disclosed information related to the change of responsibility of the Audit Committee.

### **Overall Opinion of the Audit Committee**

The Audit Committee is confident that it has discharged its duties according to the Charter of the Audit Committee as approved by the Board of Directors through the exercise of its knowledge, expertise, concern, circumspection and independence as well as provided constructive opinions and suggestions for the best interest of all stakeholders, with good cooperation and support provided by the relevant units and personnel in the Company.

The Committee is confident that financial statements were prepared in accordance with generally accepted accounting principles and are accurate, complete, reliable and in line with accounting standards; connected party transactions are reasonable and for the best interest of the Company; information is disclosed adequately and reliably; internal control is adequate and effective; and good corporate governance and related laws and regulations are fully complied with.



Mrs. Anchalee Chavanich  
Chairman of the Audit Committee

## 8.3 Report of the Sub-Committees for 2021

### Report of the Risk Management Committee for 2021

Dear All Shareholders,

Inoue Rubber (Thailand) Public Company Limited has effectively realized and prioritized risk management across the organization to build the trust with stakeholders. The Company has conducted risk management employing with the changes of economic, industrial and surrounding situations through the supervision of the Company's Risk Management Committee, which consists of 8 knowledgeable luminaries who are skilled in risk management: Mr. Surong Bulakul as a Chairman, Mr. Katsunori Ito as a Vice Chairman, Mr. Narongchai Rattanaekkawin, Mr. Suchart Kootiratrakarn, Mr. Bancha Yuthaworakool, Mr. Surachai Chaichaluempong and Ms. Praewphan Songhong as a committee member. The Risk Management Committee has been performed duties under the mission and roles as assigned by the Board of Directors to become a part of Good Corporate Governance and to stably support the business operation. In 2021, 4 Risk Management Committee's meetings were held. The significant issues are summarized as follows;



1. Scrutinized and review the Company's risk management policy to ensure that it is consistent and appropriate with the current business circumstance
2. Supervise and consider the risk management of the Company, which include the risk identification, analysis and assessment based on both internal and external factors which may affected the Company's achievement, as well as establish the risk management measures and follow up the risk management

result in order to manage the risk at the appetite level and to achieve the Company's goals

3. Provide guidance on Company's risk management to the risk management working team for effective operation onwards

4. Review the roles and duties of the Risk Management Committee for systematic and effective risk reporting

5. Review the Risk Management Committee Charter in accordance with the CG Code 2017 and regulations of the Stock Exchange of Thailand, the Securities and Exchange Commission and related agencies as well as suitable for the current business conditions

6. Promote and support risk and innovation education and activities to whole employees thoroughly

7. Push forward the innovation and provide suggestion toward new technology changes and product development. In 2021, the Company invents new innovations around 47 projects, which

brought about the productivity up around 40.61 million baht

8. Report the progress and performance of the Risk Committee to the Board of Directors on a quarterly basis

Lastly, the Risk Management Committee and the working team have cautiously intentionally, completely and fully performed the duties to ensure all shareholders and stakeholders that the Company has closely supervised and managed each type of risk in order to drive the organization towards goals and objectives sustainably.



(Mr. Surong Bulakul)

Chairman of Risk Management Committee

## Report of the Good Corporate Governance and Social Responsibility Committee for 2021

Dear All Shareholders,

The Board of Directors has appointed the Good Corporate Governance and Social Responsibility Committee by having Assoc. Prof. Jaruporn Viyanant, an independent director, as the Chairman, together with the specialist from various departments, which are Mr. Bunthorn Sriwongchan, Mr. Sunan Lacharoen, Mr. Therdsak Emsem and Ms. Anchana Thongmon as the directors, in order to perform duties in corporate governance and social responsibility as assigned by the Board of Directors complying with the Corporate Governance Code for listed companies 2017 by Securities and Exchange Commission Thailand. This paves the way for the sustainability of business operation and confidence of all groups of stakeholders.

In 2021, the Committee held 4 meetings. Below are the essences of the meetings;

### Good Corporate Governance

- Encouraged the Shareholders to propose agenda, directors' candidates, and questions in advance for the Annual General Meeting for 2022 in the period of October 1-30, 2021, through the Company's website and the Stock Exchange of Thailand's website then proposed to the Board of Directors to consider in November 2021's meeting. Thus, no shareholders proposed any agenda.
- Revised the Handbook of Good Corporate Governance altogether with the Charter to comply with the Securities and Exchange Act (No. 6) B.E. 2019, Corporate Governance Code for Listed Company of 2017 (CG Code



2017) of the Securities and Exchange Commission, and Corporate Governance Report Thai Listed Companies (CGR) of the Thai Institute of Directors in order to enhance the regulation and good corporate governance policy of the Company, and to be the guideline for the Directors, Executives and Employees to perform accordingly.

- Prepared the 56-1 One Report Form that improved the disclosure of ESG information such as greenhouse gas emission and human rights following the guideline of the Securities and Exchange Commission's Committee, and used the Sustainable Development Goals (SDGs) as the compass to drive the operation with the Company's stakeholders to align with the global sustainably development model.
- Anti - Corruption: The Committee took part in driving the Company to be certified as a member of the Private Sector Collective Action Coalition Against Corruption or CAC, as well as encouraged the Executives and

Employees of all levels to receive training and to comprehend the Anti-Corruption Policy. The Company has put such policy into one of its Annual Training Plan in order to imbue it as the Company's culture, altogether with defined the complaint channel (Whistle Blowing Channel) for the general person to report the whistleblowing of corruption.

## Corporate Social Responsibility

Activities for Society and Social Development: The Committee has defined the scope of works for driven CSR activities of the Company, aligned with the Strategy Map, focusing in responsibility for Environment and Ecosystem, and the value-added between the organization and society altogether. Moreover, developed better livelihood of the employee and society through 8 major projects as follows;

1. Activities in **“Global”** level: The Company aims to reduce carbon dioxide emission and promote the sustainably use of energy by reducing the use of energy which are the factors for the Climate Change and the destruction of the earth's atmosphere; e.g. Carbon Footprint for Organization or “CFO”, in order to manage a carbon dioxide reduction systematically and to response to Paris Agreement or COP 21.

2. Activities in **“Community/ National”** level: According to the National Economic and Social Development Plan that promote BCG model, the Company adopts the model by develop the upcycling material to be versatile rubber flooring (Vi-pafe), then gives to 50 public areas nationwide. Vi-pafe is safe and environmental friendly product. Moreover, there are creating shared value projects such as Klongpang Cooperative Model, Hai Archeep - Hai Cheevit Project and the projects to promote road safety

for communities such as Safe Ride Campaign: IRC Care and Safe Drive Campaign during Long Holiday.

3. Activities with the **“Surrounding Communities”** which strengthen the Company's relationship with the nearby communities both in Rangsit and Wangnoi. For example, during the Covid-19 epidemic, the Company took part in preventing the epidemic by donated 75% of alcohol gel company-made products to the hospitals, the communities, the temples, and other organizations nearby IRC, in order to prevent and go through the Covid-19 epidemic crisis together.

4. Internal activities of **“IRC”** such as Creating Green Culture Activities inside the Organization, Creating Energy Conservation and Environmental Awareness Activities, Plastic Bag Usage Reduction, Food Waste Reduction, Encouraging Employee to use personal cups to create awareness of reducing general waste inside the Company, as well as other activities that focus on creating consciousness both in innovation and continuous sustainability. Moreover, there are other activities concerning knowledge and competency development, as well as health care, living and safety of the employees. In addition, the Company determined the Covid-19 preventive measure during the emerging Covid-19 epidemic and encouraged the employees to get vaccinated against Covid-19 by provided Sinopharm vaccination to all employees in order to generate an immunity and keep them safe and healthy.

All of stated activities are disclosed in the 56-1 One Report.

## Pride Awards in 2021

- List in Thailand Sustainability Investment

(THSI) 2021 by the Stock Exchange of Thailand. The Company is one of the 146 selected listed Companies that operates the business sustainably with consideration to Environment, Social and Governance for 5 consecutive years.

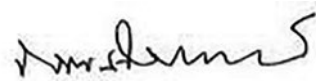
- Received SET Awards 2021 in the category of **‘Sustainability Excellence’** from the Stock Exchange of Thailand. This award honors the Company that conducts the business by concerns about the financial performance and the accountability to the stakeholders, as well as brings the Environmental, Social and Governance (ESG) issues as the main mechanism to efficiently develop the business towards the sustainability.

- Received Sustainability Disclosure Acknowledgment award 2020 in the category of honorary award (Sustainability Disclosure Recognition) for 2 consecutive years organized by the Securities and Exchange Commission and Thaipat Institute. This award considered and evaluated the status of sustainability information disclosure to the public and related stakeholders through the sustainable development report according to 3 criteria; integrity, reliability and communication and presentation of the report. This performance reflects the Company’s operations which is committed to development in economic, social and environmental for the organization to grow sustainably

- Received 2 waste management awards e.g. 3R’s Award and 3Rs+ Award from the Waste Utilization Development Project that organized by the Department of Industrial Works, Ministry of Industry. The project aims to promote waste utilization and reduce the amount of waste that has to be disposed by landfill method according to 3Rs principle (Reduce, Reuse and Recycle).

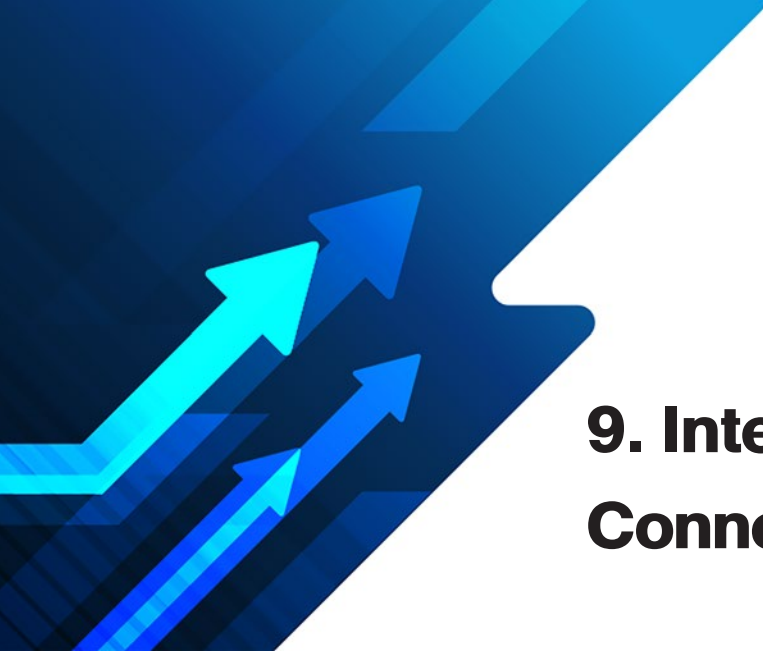
- Certified as Green Industry Level 4: Green Culture from the Ministry of Industry. This is a result from the cooperation of the employees in the organization that have environmentally friendly operated the business until becoming the organizational culture.

- Received awards from the Company’s customers; e.g, General Motors Thailand Ltd., Inoac Corporation Ltd. and and others such as Product’s Cost and Quality, Process Development by Robot, Safety in Organization



(Assoc. Prof. Jaruporn Viyanant)

Chairman of Good Corporate Governance  
and Social Responsibility



## 9. Internal Control and Connected Transactions

### 9.1 Internal Control

The capability of a good internal control system is very important to ensuring that the Company's operation can prevent and manage risks or reduce the possible losses / damages caused by incidents for both the Company and stakeholders. Therefore, the Company has established the Audit Committee that can effectively and independently review the internal control system to achieve the best efficiency. The Company's internal control system covers 5 main topics to correspond with the Committee of Sponsoring Organization of the Treadway Commission - Enterprise Risk Management (COSO-ERM) with the following details;

#### 1. Control Environment

The Board of Directors and the Executive jointly determine the Company's managerial structure, roles, and duties of related persons, as well as the authority of approval in each issue to ensure that the Company has effective and appropriate internal control systems that are aligned with the Company's objectives, goals and strategies, and comply with applicable law standards, under the good corporate governance principle.

The Company had determined the Handbook of Good Corporate Governance, including Directors

and employees Code of Conduct, investor relations Code of Conduct, violation and penalties reporting, Complaint and Whistle Blowing Policy in 2005, and it has been developed to align with changing in laws, rules and regulations, as well as circumstances. The latest revision was done on May 10th, 2021 as approved by the Board to ensure that the roles and duties of the Board of Directors and sub-committees in the charter comply with the Corporate Governance code for listed companies 2017 or CG Code 2017, which was implemented by the Securities and Exchange Commission in 2017.

In order to inculcate the integrity and Code of Conduct, the Company has provided the internal communication of good corporate governance, business morality, and code of conduct for executives and employees at all levels including training session, orientation to new employees, and presentation to enhance understanding in the canteen. This activity was held to pinpoint all IRCT's employees to pay attention to the integrity towards themselves and public as a whole by together giving their written commitment and stating their words.

For the determination to persuade, develop and preserve talented employees, the Company has a promotion procedure to manage; moreover, for the performance evaluation, the Company



considered the evaluation result together with the proportion of salary increase. Additionally, the employee development and training plans have been tailored for employees at all levels, especially the talented groups as a part of the Company's succession plan.

## 2. Risk Assessment

In 2021 the Risk Management Committee constructed the risk assessment matrix, which shows impact and likelihood of each kind of risks, and keep monitoring strategic risk, operational risk, financial risk, and compliance risk as the quarterly basis. Moreover, the Committee has communicated to risk owners and line managers to raise risk awareness in the organization.

Moreover, the Committee have proposed risk monitoring in term of Risk Dashboard to create effective and up-to-date risk management among changing circumstances. The Committee also evaluated the corruption risk in order to create proper anti-corruption measure. For all the fiscal year 2021, all risk issues were managed in the positive way.

## 3. Control Activities

The Company determined the policies and procedures in written document which cover the business operation appropriately. They encompass the financial transaction, procurement and general administration processes; and specify the approval scopes, authorities and hierarchy clearly in accordance with the Company organization and managerial authority. The approval authority responsibility is isolated from the responsibility in accounting transactions and IT records as well as the responsibility in properties keeping in order to check and balance each other.

Additionally, the Company provided the effective internal control system through policies and work procedures for the imposed policies to be practical and able to manage risks to meet the Company's objective. The control activities are followed by every business unit in the Company.

## 4. Information and Communication System

The Company prepares the operational information which are relevant and qualified selected from both internal and external to support the business operation and internal control to proceed as specified. Furthermore, employees at all levels need to communicate information accurately, appropriately, and sufficiently for the operation.

For the shareholders, Board of Directors, and sub-committees' meetings, the Company provides shareholders, directors, and executives, and all stakeholders to have the correct and sufficient information for decision making within a reasonable, in order to monitor conflicts of interest that might occur between the company, management, directors, and shareholders. The Company also prevented the inappropriate use of corporate assets, information, and opportunities, including preventing inappropriate transactions with related parties. The Company has consistently undertaken and defined them in the Good Corporate Governance and Business Morality Handbook as well.

In addition, the Company has provided 4 special channels for internal and external persons to report information or complaints related to fraud and corruption directly to the Company via "Whistle-Blowing Channel" which any reporters can choose to make an anonymous report if fear of danger or threat.

## 5. Monitoring Activities

The Company conducts the internal control follow-up and evaluation to ensure it is carried on completely and appropriately. Following-ups and evaluations are continuously conducted executives at each line to ensure the internal control components still exist and function appropriately and effectively. Moreover, there is monitoring system to manage and monitor conflicts of interest that might occur between the company, management, directors, and shareholders, and prevention of the inappropriate use of corporate assets, information, and opportunities, including inappropriate transaction with related parties.

Weekly and monthly executives' meetings are convened to follow-up targets and oversee the plans action mentioned in the annual budget plan approved by the Board of Directors. Progresses and unexpected changes against plans are reported to the Board of Directors. If the inspection found substantial internal control shortcoming, the Executive Committee shall report to the Board of Directors or Audit Committee or other sub-committees to make an explanation and spontaneous corrective measures.

### Comments from the related persons of the Company's Internal Control System

The management has conducted the internal control assessment form following the Securities and Exchange Commission (SEC)'s guideline, covering 5 topics as mentioned above. The evaluation is reviewed by the Audit Committee and present to the Board of Directors annually.

Furthermore, the external auditors found no significant issues on internal control or the ability to protect the Company's property and its subsidiaries

from illegally or without authorization used by the executives or the employees. Besides, they agreed that the financial reporting is accurate and reliable in accordance with generally accepted accounting standards and financial reporting standards.

## 9.2 Connected Transactions

During fiscal year 2021, the Company and its subsidiaries entered into connected transactions with businesses and parties with potential conflict of interest. Most of the mentioned transactions were related to sales and purchases of business supporting, short-term property rent, services rendered/received and long-term machinery lease. The terms and basis of such transactions were negotiated between the parties in the ordinary course of business and according to normal trade conditions. The external auditor presented connected transactions in the Note no. 31 of financial statements

### Necessity and Appropriateness of Transactions

Most of connected transactions were entered into between the Company and the related parties involving the Company's business operations. Such transactions give more flexibility of routine operations of the Company, which will lead to sustainable development. Consideration of such transactions is based upon the long-term interest of the Company's and all shareholders, without misappropriation of benefit from a publicly held company to the related people.

### Measures and Procedures for Connected Transaction Approval (Connected Transactions Policy)

In order to ensure that the connected transactions or transactions with potential conflict of interest

are transparent and based on stakeholders' benefits, the Company had clearly stated the procedures for connected transaction approval in the delegation of authority table. Such delegation of authority is aligned with regulations of the Security and Exchange Commission.

In addition, in 2017 the Board of Directors approved the Connected Transactions Policy (or called Related Party Transaction Policy) upon reviewing principles for general trading conditions, which are under the decision authority of the management, if the criterion meet the principle approved by the Board of Directors. The Policy are to create clear framework for personnel involved, setting prices and conditions that are reasonable and within arm's length or market price, and based upon the Company's interest as if the Company enters into a transaction with outsider, which considered as an act of transparency and complied with concerned law and regulation.

The connected transactions of fiscal year 2021 as shown in the table next page have already presented to the Audit Committee for review and to the Board of Director for acknowledgement.

## Potential Connected Transactions in the Future

The potential connected transactions in the future will be done for normal business operations of the Company and its subsidiaries. The Company will enter into each transaction transparently and will comply with related regulations earnestly.

Connected transaction of the Company with related parties for the fiscal year 2019-2021  
As of September 30, the details as follows;

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval
		FY2019	FY2020	FY2021	
1 Thai Inoac Component Co., Ltd. "TIC"/  - Have indirect shareholders namely; Sopa-Kanok International Co., Ltd. and directors in common	Assembly expense	6.30	6.30	11.53	<b>Normal business transaction</b> with the aim to determine TIC to assembly finish good supplying to the Company under the same practice as the price charged to other third parties which is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
	Rental income	1.24	1.33	1.33	<b>Short-term property rental contract Period 1 year.</b> (Rental rate is not less than the fair price from 2 independent appraisers' estimation.) The Board of Directors (without interests diectors), by concurrence

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval	
		FY2019	FY2020	FY2021		
					of the Audit Committee, considered that the transaction is reasonable and truly aims for the highest benefit of the Company	
	Service and Utility income	0.18	0.12	0.06	<p><b>Service price from external payment collection</b></p> <p>The transaction is reasonable and truly aims for the highest benefit of the Company. The value of the transaction is subject to approval by the Management according to relevant regulations.</p>	
	Sales of finish goods	-	-	0.02	<p><b>Normal business transaction</b></p> <p>under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties which is the terms of general trading condition.</p> <p>Management has the authority to proceed under the principles which were approved by the Board of Directors.</p>	
2	Thai Stanley Public Co., Ltd. "STANLY"  - Have major shareholders namely; Leeissaranukul Group and directors in common	Sales of finish goods	11.81	6.57	6.97	<p><b>Normal business transaction</b></p> <p>under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties which is the terms of general trading condition.</p> <p>Management has the authority to proceed under the principles which were approved by the Board of Directors.</p>
3	Sirivit-Stanley Co., Ltd.  - Have indirect shareholders namely;	Sales of finish goods	6.45	2.70	3.71	<p><b>Normal business transaction</b></p> <p>under the market price or cost-plus margin determination by product type which is the same</p>

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval
		FY2019	FY2020	FY2021	
Sopa-Kanok International Co., Ltd. and directors in common					practice as the price charged to other third parties which is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
4 Inoue Rubber Co., Ltd. "IRCJ"  - IRCJ is a major shareholder of IRC and has directors in common	Technical assistance fee expenses	11.96	10.26	11.41	<b>Supporting normal business transaction:</b> Charged are on cost basis, calculated from number of working hours or day spent and other expenses. The remuneration and conditions of the transaction are comparable to general trading terms. Management has the authority to proceed under the principles which were approved by the Board of Directors.
	Sales of motorcycle tire and tube products	78.65	95.95	124.77	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
	Finish goods expenses	2.61	3.08	4.46	<b>Normal business transaction by adopting the same practice as other third parties</b> which is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval
		FY2019	FY2020	FY2021	
5 Inoac Corporation Co., Ltd. “Inoac Corp”  - Have a major shareholder namely; Inoue Rubber (Japan) Co. Ltd., and directors in common	Technical assistance fee expenses	19.82	15.81	19.05	<b>Supporting normal business transaction:</b> Charged are on cost basis, calculated from number of working hours or day spent and other expenses. The remuneration and conditions of the transaction are comparable to general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
6 Inoue Rubber (Vietnam) Co., Ltd. “IRV”  - IRCT’s joint-venture by holding 8% of total shares with the major shareholder-IRCJ-and directors in common	Sales of finish goods	14.54	4.87	4.50	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
7 Inoac Thailand Co., Ltd. “ITH”  - Have a indirect shareholder namely; Inoue Rubber (Japan) Co. Ltd., and directors in common	Professional service fee expenses	36.36	37.28	37.29	<b>Supporting normal business transaction:</b> Professional service fee 1 year contract ITH provides the professional service fee in marketing and product quality control which the remuneration rule was set in accordance with the IRCT’s group. The transaction is reasonable and truly aims for the highest benefit of the Company. Management has the authority to proceed under the principles which were approved by the Board of Directors.

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval	
		FY2019	FY2020	FY2021		
	Sales of finish goods	1.03	1.15	0.81	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.	
	Rental and service incomes	0.45	0.11	-	<b>Short-term property rental contract</b> , period 1 year. The contract price is not less than the fair price from the 2 independent appraisers estimation.) Charges calculated from cost-plus margin determination which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.	
8	Inoac Vietnam Co., Ltd. "IVC"  - Have a indirect shareholder namely; Inoue Rubber (Japan) Co. Ltd., and directors in common	Sales of finish goods	1.04	9.58	11.05	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval	
		FY2019	FY2020	FY2021		
9	The Sittipol (1919) Co., Ltd. "STP"  - Have major shareholders namely; Sopa-Kanok International Co., Ltd. and directors in common	Sales of finish goods	550.14	503.40	595.92	<b>Normal business transaction</b> which STP was appointed as the only distributor in domestic sales of motorcycle tires and tubes in Thailand. The prices are determined by the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
		Advertising expenses	7.00	10.30	8.59	<b>Normal business transaction</b> with the aim to support and promote the selling activities of STP which is the only distributor in domestic sales of motorcycle tires and tubes in Thailand. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.



Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval
		FY2019	FY2020	FY2021	
10 Smart Sport Promotion Co., Ltd.  - Have indirect shareholders namely; Sopa-Kanok International Co., Ltd. and directors in common	Advertising expenses	0.23	0.23	0.11	<b>Normal business transaction</b> in advertising activities to increase agility in operation. The rate fee is in the price range of general entrepreneur to process with general people which is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
11 Total Oil (Thailand) Co., Ltd. "TOTAL"  - Have major shareholders namely; Sopa-Kanok International Co., Ltd. and directors in common	Material and spare part expenses	0.68	1.83	2.64	<b>Normal business transaction</b> by adopting the same practice as other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
12 Pacific Industries (Thailand) Co., Ltd. "PACIFIC"  - Have a major shareholder- Sopa-Kanok International Co., Ltd. -and directors in common	Raw material expenses	70.05	68.25	73.44	<b>Normal business transaction</b> by adopting the same practice as other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
	Sales of finish goods	-	-	0.02	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval
		FY2019	FY2020	FY2021	
13 Wang Chula Co., Ltd. "Wang Chula"	Work in Process incomes	95.17	84.00	132.88	<p><b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.</p> <p><b>Normal business transaction</b> by adopting the same practice as other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.</p> <p><b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.</p>
- Have a major shareholder- Sopa-Kanok International Co., Ltd. -and directors in common	Purchase of goods	141.75	136.11	208.95	
	Sales of finish goods	-	-	0.05	
14 Inoac International Co., Ltd. "IIC"	Sales of finish goods	152.73	138.89	178.64	<p><b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.</p>
Have a major shareholder-IRCJ-and directors in common					

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval	
		FY2019	FY2020	FY2021		
	Material expenses	159.58	116.55	198.56	<b>Normal business transaction</b> by adopting the same practice as other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.	
	Equipment expenses	-	37.23	1.96	<b>Normal business</b> This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.	
	Equipment expenses	-	37.23	1.96	<b>Normal business</b> This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.	
15	Techno Foam Co., Ltd.  Have an indirect shareholder- IRCJ -in common	Sales of finish goods	0.14	0.08	0.14	Sales of finish goods
16	Inoac Automotive (Thailand) Co., Ltd.  Have an indirect shareholder- IRCJ -in common	Sales of finish goods	4.81	3.74	6.13	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval
		FY2019	FY2020	FY2021	
17 BIMC Co., Ltd.  Have an indirect shareholder-IRCJ -in common	Sales of finish goods	145.79	127.45	141.59	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
18 Inoac Tokai (Thailand) Co., Ltd. (“ITTC”)  Have an indirect shareholder– Sopa-Kanok International Co., Ltd. and IRCJ –in common	Purchase of finish goods	382.11	335.75	419.84	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties, This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
	Work in Process incomes	807.16	585.54	739.18	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
	Service and professional service incomes  *This transaction have to propose to the Board of Directors for approval	11.68	13.61	14.65	<b>Professional service fee 1 year contract</b> IRCT provides the professional service in accounting, finance, human resource, computer system, and other services under the average fixed cost of existing system and this service providing is able to maximize the capacity of the system.

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval	
		FY2019	FY2020	FY2021		
					<i>The Board of Directors (without interests diectors), by concurrence of the Audit Committee, after having considered that the transaction is reasonable and truly aims for the highest benefit of the Company</i>	
	Utility expenses	0.41	0.40	0.37	<b>Normal business</b> under the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.	
	Purchase of equipment	-	-	0.04	<b>Normal business</b> under the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.	
19	IRC TIRE ASIA PACIFIC PTE. LTD.  - Have a major shareholder - IRCJ - in common - Have directors in common	Sales of finish goods	485.60	63.88	-	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
20	INOAC HONG KONG LTD.  - Have a major shareholder- IRCJ – in common - Have directors in common	Purchase of metal mold	16.14	1.86	-	<b>Normal business transaction</b> by adopting the same practice as other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval
		FY2019	FY2020	FY2021	
21 ASIAN INOUE RUBBER PTE LTD.  - Have a major shareholder- IRCJ – in common - Have directors in common	Sales of finish goods	-	321.58	443.42	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition.  Management has the authority to proceed under the principles which were approved by the Board of Directors.
	Purchase of finish goods	-	0.84	0.89	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties, This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
	Advertising expenses	-	-	0.16	<b>Supporting normal business transaction</b> in advertising activities to increase agility in operation. The rate fee is in accordance with the contract and the price range of general entrepreneur to process with general people which is the terms of general trading condition.  Management has the authority to proceed under the principles which were approved by the Board of Directors.

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval
		FY2019	FY2020	FY2021	
22 ASIAN STANLEY INTERNATIONAL  - Have a major shareholder- Leeissaranukul Family- - Have directors in common	Sales of finish goods	-	-	0.01	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
23 Bangkok Foam Co.,Ltd.  - Have a major shareholder - IRCJ - in common - Have directors in common	Sales of finish goods	-	-	0.01	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
24 WANGCHULA HI-TECH CO.,LTD.  - Have a major shareholder- Leeissaranukul Family- - Have directors in common	Utility expenses	-	-	0.01	<b>Service transaction</b> under the external payment collection. The transaction can be comparable with other third partiesThis is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
	Rental expense	-	-	0.36	<b>Short-term property rental contract Period 1 year.</b> (Rental rate is not less than the fair price from 2 independent appraisers' estimation.)  The Board of Directors (without interests diectors), by concurrence of the Audit Committee, considered that the transaction is reasonable and truly aims for the highest benefit of the Company

Connected Parties/ Type of Relationship	Type of Transaction	Amount (Mill. Baht)			Type of Connected Transaction/ Approval
		FY2019	FY2020	FY2021	
	Service expenses	-	-	0.17	<b>Service transaction</b> under the market price or cost-plus margin. The transaction is reasonable and the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.
25 PT IRC GAJAH TUNGGAL LTD.MANUFACTURING LTD.  - Have a major share-holder- IRCJ – in common - Have directors in common	Sales of finish goods	-	1.20	0.06	<b>Normal business transaction</b> under the market price or cost-plus margin determination by product type which is the same practice as the price charged to other third parties. This is the terms of general trading condition. Management has the authority to proceed under the principles which were approved by the Board of Directors.





*Part 3*

# **Financial Statements**

**INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED**

**CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS**

**30 SEPTEMBER 2021**

## Independent Auditor's Report

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

### My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Inoue Rubber (Thailand) Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 30 September 2021, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 30 September 2021;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p><b>Allowance for obsolete and slow-moving inventories</b></p> <p>Refer to Note 6.5 (accounting policies) and Note 14 (inventories), allowance is made for obsolete and slow-moving inventories.</p> <p>As at 30 September 2021, the gross amounts of inventories in the consolidated and separate statements of financial position were Baht 794.41 million and Baht 791.48 million, respectively. The allowance for inventories obsolescence was equally Baht 4.59 million.</p> <p>The valuation of inventories was an area of focus because inventories were a significant part of total assets and the allowances for obsolete and slow-moving inventories were subject to management's judgement and experience and market situation.</p> <p>The Group recorded allowance for obsolete and slow-moving inventories, where necessary. The assessment for the allowances for obsolete and slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to 100% allowance. The level of the allowances was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected obsolete and slow-moving inventories.</p>	<p>I performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Updated my understanding of the Group's assumptions used to develop the allowances for obsolete and slow-moving inventories and determined that the accounting policies were consistent with prior years.</li> <li>• Assessed the reasonableness of management's assumptions used in developing the allowances for obsolete and slow-moving inventories by considering historical data and prior years' experience including key inventory ratios. I also challenged management's assumption of specific periods as to whether they were appropriately used in determining the valuation of inventories.</li> <li>• Tested the reliability of the inventory aging report that was used by the management to assess the valuation of the allowance by tracing the last movement date of the inventory aging report to the supporting documents in order to confirm that inventories were assigned to the correct aging category by the system.</li> <li>• Tested the mathematical accuracy of the allowances of the inventories obsolescence derived from management's assumptions. No material variances arose from performing this work.</li> </ul> <p>Using the above procedures, I determined that management's assumption was properly applied. In addition, the estimation of the allowances for obsolete and slow-moving inventories were applied appropriately.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>Measurement of investment in equity instrument at fair value through other comprehensive income</b></p> <p>Refer to Note 6.6 (accounting policies), Note 8 (fair value) and Note 13 (financial assets and financial liabilities), the Group has chosen to measure the investment in unlisted equity instrument at fair value through other comprehensive income.</p> <p>As at 30 September 2021, the fair value of investment in equity instrument measured at fair value through other comprehensive income in the consolidated and separate statements of financial position was equally Baht 174.60 million.</p> <p>Measurement of the investment in equity instrument at fair value through other comprehensive income was an area of focus because the equity investment was a significant part of total assets. Also, management's judgement was used to determine the valuation technique and the assumptions were based on unobservable market data.</p> <p>The Group applied net cash inflow from dividends as the valuation technique to determine the fair value of equity instruments, which classified as financial assets measured at fair value through other comprehensive income. Significant unobservable inputs are risk-adjusted discount rate, which estimated based on public companies' weighted average cost of capital, in the Group's opinion, they are in a comparable financial position with the contractual counterparty, and future revenue growth rate, which were based on management's judgement and experience, historical data, current conditions and forecasts.</p>	<p>I performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Updated my understanding of the Group's valuation technique and assumptions used to measure the investment in unlisted equity instrument measured at fair value through other comprehensive income.</li> <li>• Assessed the appropriateness of management's valuation technique and the reasonableness of assumptions used in determining the fair value by considering historical data or observable external data of companies in the same industry of the contractual counterparty.</li> <li>• Engaged an internal valuation expert to evaluate the appropriateness of the risk-adjusted discount rate by comparing to public companies' weighted average cost of capital that are in the same industry. They were determined to be within an acceptable range.</li> <li>• Tested the mathematical accuracy of the measurement of the investment in equity instrument at fair value through other comprehensive income derived from management's assumptions. No material variances arose from performing this work.</li> </ul> <p>Using the above procedures, I determined that management's valuation technique to measure the investment in equity instrument at fair value through other comprehensive income and their key assumptions were acceptable.</p>

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

### **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group and the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

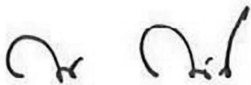
- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.



**Nopanuch Apichatsatien**

Certified Public Accountant (Thailand) No. 5266

Bangkok

24 November 2021

Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position

As at 30 September 2021

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

Director \_\_\_\_\_ Director \_\_\_\_\_

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

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

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

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



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

	Note	Consolidated financial statements		Separate financial statements	
		2021 Baht	2020 Baht	2021 Baht	2020 Baht
<b>Liabilities and equity (Cont'd)</b>					
<b>Equity</b>					
Share capital	23				
Authorised share capital					
Ordinary shares, 200 million shares at par value of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid-up share capital					
Ordinary shares, 200 million shares paid-up of Baht 1 each		200,000,000	200,000,000	200,000,000	200,000,000
Share premium	23	298,000,000	298,000,000	298,000,000	298,000,000
Retained earnings					
Appropriated - legal reserve	24	20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		3,441,455,020	3,211,750,355	3,372,472,300	3,137,760,268
<u>Less</u> Treasury shares	25	(114,011,638)	(114,011,638)	(114,011,638)	(114,011,638)
Other components of equity		49,020,980	(66,745,627)	58,528,920	(57,237,687)
<b>Equity attributable to:</b>					
Owners of the parent		3,894,464,362	3,548,993,090	3,834,989,582	3,484,510,943
Non-controlling interests		4,641	4,777	-	-
<b>Total equity</b>		<b>3,894,469,003</b>	<b>3,548,997,867</b>	<b>3,834,989,582</b>	<b>3,484,510,943</b>
<b>Total liabilities and equity</b>		<b>5,295,374,955</b>	<b>4,588,566,990</b>	<b>5,209,602,224</b>	<b>4,491,496,807</b>

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

Inoue Rubber (Thailand) Public Company Limited  
 Statements of Comprehensive Income  
 For the year ended 30 September 2021

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

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

**Inoue Rubber (Thailand) Public Company Limited**  
**Statements of Comprehensive Income (Cont'd)**  
**For the year ended 30 September 2021**

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

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

Inoue Rubber (Thailand) Public Company Limited  
 Statements of Comprehensive Income (Cont'd)  
 For the year ended 30 September 2021

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

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

Consolidated financial statements

	Atributable to owners of the parent														Total equity Baht				
	Capital contributed				Retained earnings				Other components of equity										
	Issued and fully paid-up share capital		Treasury shares		Appropriated - legal reserve		Unappropriated retained earnings		Change in value of available-for-sale investments		Measurement of debt instruments at fair value through other comprehensive income		Measurement of equity instrument at fair value through other comprehensive income			Remeasurements of employee benefit obligations		Total owners of the parent	
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht		Baht	Baht	Baht	Baht
<b>Opening balance as at 1 October 2019</b>	200,000,000	298,000,000	-	20,000,000	3,075,882,823	1,462,651	-	-	-	-	-	-	-	-	(14,270,704)	3,581,074,770	5,244	3,581,080,014	
<b>Changes in equity for 2020</b>																			
Total comprehensive income (expense) for the year	-	-	-	-	219,062,878	(3,886,216)	-	-	-	-	-	-	-	-	(50,351,358)	165,125,304	(157)	165,125,147	
Dividends paid	-	-	-	-	(83,195,346)	-	-	-	-	-	-	-	-	-	-	(83,195,346)	(310)	(83,195,656)	
Treasury shares	-	-	(114,011,638)	-	-	-	-	-	-	-	-	-	-	-	-	(114,011,638)	-	(114,011,638)	
<b>Closing balance as at 30 September 2020</b>	200,000,000	298,000,000	(114,011,638)	20,000,000	3,211,750,355	(2,123,565)	-	-	-	(64,622,062)	3,548,993,090	4,777	3,548,997,867						
<b>Opening balance as at 1 October 2020</b>	200,000,000	298,000,000	(114,011,638)	20,000,000	3,211,750,355	(2,123,565)	-	-	-	(64,622,062)	3,548,993,090	4,777	3,548,997,867						
Retrospective adjustments from changes in accounting policies	-	-	-	-	(786,491)	2,123,565	(1,776,885)	102,492,652	-	-	102,839,332	-	102,052,841						
<b>Opening balance as at 1 October 2020 - restated</b>	200,000,000	298,000,000	(114,011,638)	20,000,000	3,210,963,864	-	(1,776,885)	102,492,652	-	(64,622,062)	3,651,045,931	4,777	3,651,050,708						
<b>Changes in equity for 2021</b>																			
Total comprehensive income for the year	-	-	-	-	340,030,324	-	366,792	12,560,463	-	-	12,927,275	256	352,957,855						
Dividends paid	-	-	-	-	(109,539,168)	-	-	-	-	-	(109,539,168)	(392)	(109,639,560)						
<b>Closing balance as at 30 September 2021</b>	200,000,000	298,000,000	(114,011,638)	20,000,000	3,441,455,020	-	(1,410,093)	115,053,135	-	(64,622,062)	3,894,464,362	4,641	3,894,469,003						

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

Inoue Rubber (Thailand) Public Company Limited  
 Statements of Changes in Equity (Cont'd)  
 For the year ended 30 September 2021

## Separate financial statements

	Separate financial statements											
	Capital contributed				Retained earnings				Other components of equity			
	Issued and fully paid-up share capital	Share premium	Treasury shares	Appropriated - legal reserve	Unappropriated retained earnings	Change in value of available-for-sale investments	Measurement of debt instruments at fair value through other comprehensive income	Measurement of equity instrument at fair value through other comprehensive income	Remeasurements of post-employment benefit obligations	Total other components of equity	Total equity	
Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 October 2019	200,000,000	298,000,000	-	20,000,000	2,996,746,495	1,462,651	-	-	(9,296,824)	(7,834,173)	3,506,912,322	
Changes in equity for 2020												
Total comprehensive income (expense) for the year	-	-	-	-	224,209,119	(3,686,216)	-	-	(45,817,298)	(49,403,514)	174,805,605	
Dividends paid	-	-	-	-	(83,195,346)	-	-	-	-	-	(83,195,346)	
Treasury shares	-	-	(114,011,638)	-	-	-	-	-	-	-	(114,011,638)	
Closing balance as at 30 September 2020	200,000,000	298,000,000	(114,011,638)	20,000,000	3,137,760,268	(2,123,565)	-	-	(55,114,122)	(57,237,687)	3,484,510,943	
Opening balance as at 1 October 2020	200,000,000	298,000,000	(114,011,638)	20,000,000	3,137,760,268	(2,123,565)	-	-	(55,114,122)	(57,237,687)	3,484,510,943	
Retrospective adjustments from changes in accounting policies	-	-	-	-	(786,491)	2,123,565	(1,776,885)	102,492,652	-	102,839,332	102,052,841	
Opening balance as at 1 October 2020 - restated	200,000,000	298,000,000	(114,011,638)	20,000,000	3,136,973,777	-	(1,776,885)	102,492,652	(55,114,122)	45,601,645	3,586,563,784	
Changes in equity for 2021												
Total comprehensive income for the year	-	-	-	-	345,037,691	-	366,792	12,560,483	-	12,927,275	357,964,966	
Dividends paid	-	-	-	-	(109,539,168)	-	-	-	-	-	(109,539,168)	
Closing balance as at 30 September 2021	200,000,000	298,000,000	(114,011,638)	20,000,000	3,372,472,300	-	(1,410,093)	115,053,135	(55,114,122)	58,528,920	3,834,989,582	

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Cash Flows

For the year ended 30 September 2021

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

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Cash Flows (Cont'd)

For the year ended 30 September 2021

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

Non-cash transactions

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

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

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



## 1 General information

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

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

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

For reporting purpose, the Company and its subsidiaries are referred to as “the Group”. The details of the Company’s subsidiaries are disclosed in Note 15.

The principal business operations of the Group are summarised below:

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

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

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

These consolidated and separate financial statements were authorised for issue by the Board of Directors on 24 November 2021.

## 2 Significant events during the current year

### Coronavirus Disease 2019 outbreak

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

## 3 Basis of preparation

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed otherwise in relevant accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

#### 4 New and amended financial reporting standards

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

###### a) Financial instruments

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

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

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

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

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

###### b) TFRS 16, Leases

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

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

##### 4.2 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021 which are relevant to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group.

###### a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:

- Measurement basis, including factors in considering difference measurement basis
- Presentation and disclosure, including classification of income and expenses in other comprehensive income
- Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
- Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in the objective of financial reporting.

###### b) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: Disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBORs. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

- c) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

**4.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and are relevant to the Group**

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group.

- a) **Amendment to TFRS 16, Leases** amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

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

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

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

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

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

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

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

**5.1 Financial instruments**

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

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

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

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

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

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

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

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

Notes

The above adjustments and reclassifications are summarised below:

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

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

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

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

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

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

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

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

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



d) **Reclassifications of financial instruments on adoption of TFRS 9**

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

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

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

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

e) Impairment of financial assets

The Group has the following financial assets that are subjected to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Investments in debt instruments measured at fair value through other comprehensive income (FVOCI)
- Investments in equity instruments measured at fair value through other comprehensive income (FVOCI)

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

## 5.2 Leases

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

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

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

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

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

### Practical expedients applied

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

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

## **6.5 Inventories**

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

## **6.6 Financial assets**

### **For the year ended 30 September 2021**

#### **a) Classification**

From 1 October 2020, the Group classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

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

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

For investments in equity instruments, the Group has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

#### **b) Recognition and derecognition**

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

#### **c) Measurement**

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

#### **d) Debt instruments**

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item the statement of comprehensive income.

- FVOCI: Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- FVPL: Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises,

**e) Equity instruments**

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

**f) Impairment**

The Group has 3 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Trade and other receivables
- Investments in debt instruments measured at fair value through other comprehensive income (FVOCI)
- Investments in equity instruments measured at fair value through other comprehensive income (FVOCI)

**Cash and cash equivalents**

While cash and cash equivalents are also subject to the impairment requirements of TFRS 9, the Group's management considered that the identified impairment loss on cash and cash equivalent was immaterial.

**Trade receivables**

From 1 October 2020, the Group applies the TFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 1 October 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information, considering the most relevant factors.

Impairment losses (and reversal of impairment) on trade receivables are recognised in profit or loss included in administrative expenses.

**Other financial assets carried at amortised cost and FVOCI**

For other financial assets carried at amortised cost and FVOCI, the Group applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing expected risk of default as at the reporting date and estimated risk of default on the date of initial recognition.

The Group assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Group and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Group reflects the following factors:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as at the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss as a separate line item included in administrative expenses.

### **For the year ended 30 September 2020**

#### **Investments in debt and equity securities**

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

#### **Trading and available-for-sale investments**

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

#### **Held-to-maturity investments**

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

#### **General investments**

General investments are carried at cost less impairment.

#### **Disposal of investments**

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

### **6.7 Investment properties**

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

Investment property is measured initially at cost, including directly attributable costs and borrowing costs.

Subsequently, they are carried at cost less accumulated depreciation and impairment.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

Land is not depreciated. Depreciation on other investment properties is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Land improvements	10 years
Building and building improvements	5 - 20 years

### **6.8 Property, plant and equipment**

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Land improvements	10 years
Building and building improvements	5 - 20 years
Machinery	2 - 20 years
Tools and factory equipment	5 years
Furniture, fixtures and office equipment	3 - 5 years
Motor vehicles	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains or losses on disposals of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

### **6.9 Computer software**

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives of 3 - 10 years.

Costs associated with maintaining computer software programmes are recognised as an expense as incurred.

### **6.10 Impairment of assets**

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

## **6.11 Leases**

### **For the year ended 30 September 2021**

#### **Leases - where the Group is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

#### **Leases - where the Group is the lessor**

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

### **For the year ended 30 September 2020**

#### **Leases - where the Group is a lessee**

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

#### **Leases - where the Group is the lessor**

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.



## **6.12 Current and deferred income taxes**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

### **Current tax**

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### **Deferred income tax**

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## **6.13 Employee benefits**

### **a) Short-term employee benefits**

Liabilities for short-term employee benefits such as wages, salaries, paid annual leave and paid sick leave, bonuses, and medical care that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

### **b) Defined contribution plan**

The Group pays contributions to a separate fund on a mandatory basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

### **c) Defined benefit plans**

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

**d) Other long-term benefits**

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

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

**e) Termination benefits**

The Group recognises termination benefits at the earlier of 1) when the Group can no longer withdraw the offer of those benefits; and 2) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

**6.14 Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

**6.15 Share capital**

Ordinary are classified as equity.

**Treasury share**

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

**6.16 Revenue recognition**

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Group's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectability of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfilment of the obligation to the customer.

**Sale of goods**

The Group manufactures and sells motorcycle tires, tubes, and industrial elastomer rubber parts. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

The products are often sold with retrospective volume discounts based on aggregate sales over a specified period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in trade and other payables) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 - 60 days, which is consistent with market practice.

The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### Services

The Group recognised service contracts with a continuous service provision as revenue on a straight line basis over the contract term, regardless of the payment pattern.

#### Contract assets and contract liabilities

A contract asset is recognised where the Group recorded revenue for fulfilment of a contractual performance obligation before the customer paid consideration or before the requirements for billing.

A contract liability is recognised when the customer paid consideration or a receivable from the customer that is due before the Group fulfilled a contractual performance obligation.

For each customer contract, contract liabilities is set off against contract assets.

#### Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

### 6.17 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors' meeting, and when the annual dividends are approved by the shareholders' meeting.

### 6.18 Derivatives and hedging activities

#### For the year ended 30 September 2021

The Group is a counterparty in derivatives which are financial instruments, i.e. forward exchange contracts. Derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains or losses.

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

#### For the year ended 30 September 2020

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

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

### 6.19 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group which includes Chairman, President and Executive Director.

Segment information is presented by business segment of the Group's operations in Note 10.

## 7 Financial risk management

### 7.1 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain exposures.

The Group's risk management is controlled by a central treasury department under policies approved by the board of directors. Group treasury identifies, evaluates and manages financial risks in close co-operation with the Group's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity.

#### 7.1.1 Market risk

##### a) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risks, primarily the US dollar and Japanese Yen from trading transactions, and purchase of raw materials and machineries that are denominated in foreign currencies. The risk is managed by entering into forward exchange contracts as appropriate. The Group entered into forward exchange contracts with financial institutions of approximately 94.09% of foreign currency transactions to manage the foreign exchange risk.

##### Exposure

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

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

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

### Sensitivity

As shown in the table above, the Group is primarily exposed to changes in Baht to US Dollar and Baht to Japanese Yen exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in US Dollar and Japanese Yen were as follows:

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

\* Holding all other variables constant

### b) Cash flow and interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group is exposed to interest rate risk relates primarily to its deposits at financial institutions and investments in debt instruments. Most of the Group's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate. However, the Group will use interest rate swap to management the risk when necessary.

Significant financial assets and liabilities classified by type of interest rates and maturity date are summarised in the table below.

	Consolidated financial statements											
	Maturity date					Floating interest rates					Interest rate (% p.a.)	
	Fixed interest rates		Over 5 years		Within 1 year	1 - 5 years		Over 5 years		Non-interest bearing		
Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	Over 5 years Baht	Within 1 year Baht	1 - 5 years Baht	1 - 5 years Baht	Over 5 years Baht	Over 5 years Baht	Baht	Total Baht		
<b>As at 30 September 2021</b>												
<b>Financial assets</b>												
Cash and cash equivalents	972,700,000	-	-	27,656,794	-	-	-	-	-	2,963,932	1,003,320,726	0.05 - 0.40
Financial assets measured at fair value through other comprehensive income (FVOCI)												
- Debt instruments	217,089,944	374,957,953	-	-	-	-	-	-	-	-	592,047,897	0.51 - 6.58
	1,189,789,944	374,957,953	-	27,656,794	-	-	-	-	-	2,963,932	1,595,368,623	
<b>Financial liabilities</b>												
Lease liabilities	216,614	747,560	-	-	-	-	-	-	-	-	964,174	6.22
	216,614	747,560	-	-	-	-	-	-	-	-	964,174	
<b>As at 30 September 2020</b>												
<b>Financial assets</b>												
Cash and cash equivalents	627,450,685	-	-	271,509,667	-	-	-	-	-	6,140,100	905,100,452	0.05 - 0.80
Available-for-sale investments	124,538,922	79,542,967	-	-	-	-	-	-	-	-	204,081,889	1.62 - 4.60
Held to maturity investments	188,655,406	-	-	-	-	-	-	-	-	-	188,655,406	0.67 - 5.03
	940,645,013	79,542,967	-	271,509,667	-	-	-	-	-	6,140,100	1,297,837,747	

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	Separate financial statements								Interest rate (% p.a.)	
	Maturity date				Floating interest rates					
	Fixed interest rates	Over 5 years		Within 1 year	1 - 5 years	Over 5 years		Non-interest bearing		
Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht	1 year Baht	1 - 5 years Baht	Over 5 years Baht	Over 5 years Baht	Baht	Total Baht		
<b>As at 30 September 2021</b>										
<b>Financial assets</b>										
Cash and cash equivalents	950,000,000	-	-	21,075,128	-	-	-	135,849	971,210,977	0.05 - 0.38
Financial assets measured at fair value through other comprehensive income (FVOCI)										
- Debt instruments	217,089,944	374,957,953	-	-	-	-	-	-	592,047,897	0.51 - 6.58
	1,167,089,944	374,957,953	-	21,075,128	-	-	-	135,849	1,563,258,874	
<b>Financial liabilities</b>										
Lease liabilities	216,614	747,560	-	-	-	-	-	-	964,174	6.22
	216,614	747,560	-	-	-	-	-	-	964,174	
<b>As at 30 September 2020</b>										
<b>Financial assets</b>										
Cash and cash equivalents	605,450,685	-	-	262,223,964	-	-	-	1,821,364	869,496,013	0.05 - 0.80
Available-for-sale investments	124,538,922	79,542,967	-	-	-	-	-	-	204,081,889	1.62 - 4.60
Held to maturity investments	188,655,406	-	-	-	-	-	-	-	188,655,406	0.67 - 5.03
	918,645,013	79,542,967	-	262,223,964	-	-	-	1,821,364	1,262,233,308	

**C) Price risk**

The Group is exposed to market risks as an investor in financial instruments and risks from the financial position of the issuer of the investment instrument. However, the Group has diversified its investments to manage such risks. This is in accordance with the investment policy according to the resolution of the Board of Directors.

The Group's investments in financial instruments are investment units through a private fund managed by an asset management company, focusing on investment in domestic debt securities, both public and private. This entails of investing in government bonds and debentures and incorporating mutual fund investment units domestic debt. The ideal investment period is 2 - 3 years.

Investment policies and frameworks regarding types and proportions of investments through private funds are as follows:

Type of investment	Proportions
Government securities, debentures or bonds	A maximum of 70 percent of the fund's net asset value
Collective Investment Scheme (CIS)	Money Market Fund

**7.1.2 Credit risk**

Credit risk arises from cash and cash equivalents, contractual cash flows of debt instruments carried at fair value through other comprehensive income (FVOCI) and derivatives assets as well as credit exposures to customers, including outstanding receivables.

**a) Risk management**

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A-' are accepted.

The Group assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual credit limits are set based on the assessment in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

Sales to retail customers are required to be settled in cash to mitigate credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

**b) Impairment of financial assets**

Details of the impairment assessment of financial assets are disclosed in Note 6.6 f).

**7.1.3 Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities to meet obligations when due. As at 30 September 2021, the Group and the Company had deposits at call with banks of Baht 1,003.18 million and Baht 971.11 million, respectively (2020: Baht 904.98 million and Baht 869.40 million) that are expected to readily generate cash inflows.

Management monitors the Group's cash flows projections by considering cash and cash equivalent. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against regulatory requirements.



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**Maturity of financial liabilities**

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Consolidated financial statements					Total Baht	Book value Baht
	Current due Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
<b>As at 30 September 2021</b>							
Trade and other payables	9,699,086	1,016,136,317	-	-	1,025,835,403	1,025,835,403	
Lease liabilities	-	220,000	880,000	-	1,100,000	964,174	
<b>Total non-derivatives</b>	<b>9,699,086</b>	<b>1,016,356,317</b>	<b>880,000</b>	<b>-</b>	<b>1,026,935,403</b>	<b>1,026,799,577</b>	
Derivatives liabilities	-	2,810,438	-	-	2,810,438	2,810,438	
<b>Total derivatives</b>	<b>-</b>	<b>2,810,438</b>	<b>-</b>	<b>-</b>	<b>2,810,438</b>	<b>2,810,438</b>	
<b>Total</b>	<b>9,699,086</b>	<b>1,019,166,755</b>	<b>880,000</b>	<b>-</b>	<b>1,029,745,841</b>	<b>1,029,610,015</b>	
<b>As at 30 September 2020</b>							
Trade and other payables	6,014,752	695,510,829	-	-	701,525,581	701,525,581	
<b>Total non-derivatives</b>	<b>6,014,752</b>	<b>695,510,829</b>	<b>-</b>	<b>-</b>	<b>701,525,581</b>	<b>701,525,581</b>	
Contractual maturities of financial liabilities	Separate financial statements					Total Baht	Book value Baht
	Current due Baht	Within 1 year Baht	1 - 5 years Baht	Over 5 years Baht			
<b>As at 30 September 2021</b>							
Trade and other payables	9,478,597	1,025,861,242	-	-	1,035,339,839	1,035,339,839	
Lease liabilities	-	220,000	880,000	-	1,100,000	964,174	
<b>Total non-derivatives</b>	<b>9,478,597</b>	<b>1,026,081,242</b>	<b>880,000</b>	<b>-</b>	<b>1,036,439,839</b>	<b>1,036,304,013</b>	
Derivatives liabilities	-	2,810,438	-	-	2,810,438	2,810,438	
<b>Total derivatives</b>	<b>-</b>	<b>2,810,438</b>	<b>-</b>	<b>-</b>	<b>2,810,438</b>	<b>2,810,438</b>	
<b>Total</b>	<b>9,478,597</b>	<b>1,028,891,680</b>	<b>880,000</b>	<b>-</b>	<b>1,039,250,277</b>	<b>1,039,114,451</b>	
<b>As at 30 September 2020</b>							
Trade and other payables	5,234,844	695,594,005	-	-	700,828,849	700,828,849	
<b>Total non-derivatives</b>	<b>5,234,844</b>	<b>695,594,005</b>	<b>-</b>	<b>-</b>	<b>700,828,849</b>	<b>700,828,849</b>	

## 7.2 Capital management

### 7.2.1 Risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amounts of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital based on the debt to equity ratio, which calculated by dividing net debt by equity. The Group's strategy was to maintain an appropriate level of debt to equity. As at 30 September 2021 and 2020, the Group's debt to equity ratios were as follows:

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

## 8 Fair value

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

Consolidated financial statements	Separate financial statements
<b>Financial assets</b> <ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>Trade and other receivables</li> </ul>	<b>Financial assets</b> <ul style="list-style-type: none"> <li>Cash and cash equivalents</li> <li>Trade and other receivables</li> </ul>
<b>Financial liabilities</b> <ul style="list-style-type: none"> <li>Trade and other payables</li> <li>Lease liabilities</li> </ul>	<b>Financial liabilities</b> <ul style="list-style-type: none"> <li>Trade and other payables</li> <li>Lease liabilities</li> </ul>

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

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

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

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

	Consolidated and Separate financial statements							
	Level 1		Level 2		Level 3		Total	
	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht	2021 Million Baht	2020 Million Baht
<b>As at 30 September</b>								
<b>Assets</b>								
Derivatives assets	-	-	3.06	-	-	-	3.06	-
Financial assets measured at fair value through other comprehensive income (FVOCI)								
- Debt instruments	592.05	-	-	-	-	-	592.05	-
- Equity instrument	-	-	-	-	174.60	-	174.60	-
Available-for-sale investments	-	204.08	-	-	-	-	-	204.08
<b>Total assets</b>	<b>592.05</b>	<b>204.08</b>	<b>3.06</b>	<b>-</b>	<b>174.60</b>	<b>-</b>	<b>769.71</b>	<b>204.08</b>
<b>Liabilities</b>								
Derivatives liabilities	-	-	2.81	-	-	-	2.81	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>2.81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2.81</b>	<b>-</b>

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

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

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

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the current bid price / closing price by reference to the Stock Exchange of Thailand / the Thai Bond Dealing Centre.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

The fair value measurement of financial assets and financial liabilities is in accordance with the accounting policies disclosed in Note 6.6.

**Valuation techniques used to measure fair value level 1**

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

**Valuation techniques used to measure fair value level 2**

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

### Valuation techniques used to measure fair value level 3

Changes in fair value in level 3 of unlisted equity instruments which is financial assets measured at fair value through other comprehensive income (FVOCI) for the years ended 30 September 2021 and 2020 were as follows:

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

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

As at 30 September	Fair value		Unobservable inputs	Range of inputs	
	Consolidated and Separate financial statements			Consolidated and Separate financial statements	
	2021	2020		2021	2020
	Million Baht	Million Baht		%	%
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	174.60	-	Future revenue growth rate	1.0	-
			Risk-adjusted discount rate	17.5	-

As at 30 September 2021, relationships of unobservable inputs to fair values are shown as follows:

	Unobservable inputs	Movement	Change in fair value	
			Increase in assumptions	Decrease in assumptions
Financial assets measured at fair value through other comprehensive income (FVOCI) - equity instruments	Future revenue growth rate	1.0%	Increased by 1.08%	Decreased by 1.07%
	Risk-adjusted discount rate	1.0%	Decreased by 0.94%	Increased by 0.98%

### Valuation processes

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

The Group applies net cash inflow from dividend as valuation technique to determine fair value of unlisted equity instruments. Significant unobservable input of fair value hierarchy level 3 are risk adjusted discount rate, which is estimated based on public companies' weighted average cost of capital that, are in opinion of the Group, in a comparable financial position with the counterparty in the contract and future revenue growth rate, which is estimated based on historical data or observable external data of companies in the same industry.

## 9 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

### a) Fair value of certain financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 8.

### b) Defined retirement benefit obligations

The present value of the retirement benefit obligations depends on a number of assumptions. Key assumptions used and impacts from possible changes in key assumptions are disclosed in Note 22.

### c) Determination of lease terms

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of properties, the most relevant factors are historical lease durations, the costs and conditions of leased assets.

Extension options on billboard space leases have not been included in the lease liability, because the Group considers 1) the underlying asset condition and/or 2) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

### d) Determination of discount rate applied to lease liabilities

The Group determines the lessee's incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

### e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

Details of the impairment assessment of financial assets are disclosed in Note 6.6 f).

### f) Inventories

Allowance is made, where necessary, for obsolete, slow-moving and defective inventories. The assessment for the allowances for obsolete and slow-moving inventories required a degree of estimation from judgement. Management has applied their assessment on their experience and historical data. Each category of inventory with no movement longer than the ordinary course of business was subject to 100% allowance. The level of the allowances was assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affected obsolete and slow-moving inventories. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable costs of completion and variable selling expenses.

### g) Investment properties, plant and equipment and intangible assets

Management determines the estimated useful lives and residual values for the Group's investment properties, plant and equipment and intangible assets. Management will revise the depreciation and amortisation charges where useful lives and residual values are different to previously estimated, or it will write off or write down technically obsolete or assets that have been abandoned or sold.

**10 Segment information**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group which includes Chairman, President and Director.

The Group's operations principally involve the manufacture and distribution of motorcycle tires and tubes and elastomer products mainly for automobile industry with manufacturing facilities in Thailand and operations in both domestic and overseas markets.

The factor used to identify the Group's reportable segments includes geographical areas. There are two reportable segments i.e. (1) Local and (2) Export.

Financial information of the Group for the years ended 30 September 2021 and 2020 classified by market were presented as follows:

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



**11 Cash and cash equivalents**

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

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

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

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

**12 Trade and other receivables, net**

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

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

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

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

### 13 Financial assets and financial liabilities

The classification of the Group's financial assets and financial liabilities as at 30 September 2021 is as follows:

	Consolidated financial statements			
	Fair value through profit or loss (FVPL) Baht	Fair value through other comprehensive income (FVOCI) Baht	Amortised cost Baht	Total Baht
<b>Financial assets</b>				
Cash and cash equivalents	-	-	1,003,320,726	1,003,320,726
Trade and other receivables, net	-	-	884,202,783	884,202,783
Derivative assets	3,055,306	-	-	3,055,306
Financial assets measured at fair value through other comprehensive income (FVOCI)				
- Debt instruments	-	592,047,897	-	592,047,897
- Equity instrument	-	174,598,217	-	174,598,217
	3,055,306	766,646,114	1,887,523,509	2,657,224,929

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

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

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

### 13.1 Financial assets at amortised cost

#### a) Classification of financial assets at amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

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Financial assets at amortised cost include cash and cash equivalents and trade and other receivables. As at 30 September 2021 and 2020, the Group's financial assets at amortised cost were presented in current and non-current as follows:

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

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

**b) Fair value of financial assets at amortised cost**

Due to the nature of cash and cash equivalents and trade and other receivables is current assets, their carrying amount is considered to be the same as their fair value.

**c) Allowance for expected losses**

Details of the impairment assessment of financial assets are disclosed in Note 6.6 f).

**13.2 Financial assets measured at fair value to other comprehensive income (FVOCI)**

**a) Classification of financial assets measured at fair value to other comprehensive income (FVOCI) (2020: fair value / amortised cost / at cost under TAS105)**

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

- Investments in debt instruments with contractual cash flows that qualify for principal and interest, and has a business model for the purpose of holding such investments in order to receive contractual cash flows and to sell.
- Investment in equity instrument, which are not held for trading and the Group has irrevocably elected at initial recognition to recognise and the Group measure at fair value through other comprehensive income at the date of initial recognition.

As at 30 September 2021 and 2020, the Group has financial assets measured at fair value through other comprehensive income (FVOCI) as follows;

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

### Investments in debt instruments

The Group's investments in debt instruments are investment units through a private fund managed by an asset management company, focusing on investment in domestic debt securities, both public and private. This entails of investing in government bonds and debentures and incorporating mutual fund investment units domestic debt. The ideal investment period is 2- 3 years. Details of the investment policies and frameworks and the Group's price risk management are disclosed in 7.1.1 c).

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

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

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

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

The fair value of debt instruments is based on close market price published by the Thai Bond Market Association as at period-end. The fair value is within level 1 of the fair value hierarchy (Note 8).

### Investment in equity instrument

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

Company	Nature of business	Country of incorporation	Registered capital	% Ownership interest	Consolidated and Separated financial statements	
					2021 Fair value Baht	2020 At cost Baht
Inoue Rubber Vietnam Company Limited	Manufacture of tires and tubes of motorcycles and industrial elastomer rubber parts	Vietnam	US Dollars 12.5 million	8	174,598,217	30,781,799
Investment in equity instrument					174,598,217	30,781,799

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

### Investments in debt instruments

The Group's investments in debt instruments are investment units through a private fund managed by an asset management company, focusing on investment in domestic debt securities, both public and private. This entails of investing in government bonds and debentures and incorporating mutual fund investment units domestic debt. The ideal investment period is 2- 3 years. Details of the investment policies and frameworks and the Group's price risk management are disclosed in 7.1.1 c).

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

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

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

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

The fair value of debt instruments is based on close market price published by the Thai Bond Market Association as at period-end. The fair value is within level 1 of the fair value hierarchy (Note 8).

### Investment in equity instrument

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

Company	Nature of business	Country of incorporation	Registered capital	% Ownership interest	Consolidated and Separated financial statements	
					2021 Fair value Baht	2020 At cost Baht
Inoue Rubber Vietnam Company Limited	Manufacture of tires and tubes of motorcycles and industrial elastomer rubber parts	Vietnam	US Dollars 12.5 million	8	174,598,217	30,781,799
Investment in equity instrument					174,598,217	30,781,799

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

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

The following gains/(losses) related to financial assets measured at fair value through other comprehensive income (FVOCI) were recognised in profit or loss and other comprehensive income during the year as follows:

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

**13.3 Offsetting financial assets and liabilities**

The following table presents the recognised financial assets that are offset and presented at net amount in the statement of financial position:

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

**Offsetting arrangements - Trade receivables and payables**

The Group gives volume-based rebates to selected customers. Under the terms of the supply agreements, the amounts payable by the Group are offset against receivables from the customers and only the net amounts are settled. The relevant amounts have therefore been presented net in the statement of financial position.

#### 14 Inventories, net

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

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

During 2021, the Group reversed a previously recognised allowance for inventories obsolescence of Baht 969,192. The Group has destroyed and written-down those inventories.

The Group recognised loss on allowance for diminution in value of inventories and obsolete inventories of Baht 55,034 (2020: Baht 5,611,883) to the consolidated and separate statements of comprehensive income, equally.

#### 15 Investments in subsidiaries

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

Company	Nature of business	Country of incorporation	Separate financial statements As at 30 September 2021 and 2020		
			Registered capital Baht	% Ownership interest	Investments at cost Baht
IRC (Asia) Research Limited	Research and development of products	Thailand	10,050,000	99.99	10,049,930
Kin No Hoshi Engineering Company Limited	Manufacture, repair, and modification of metal molds	Thailand	10,000,000	99.99	9,999,300
Investments in subsidiaries					20,049,230



16 Investment properties, net

	Consolidated financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
<b>As at 1 October 2019</b>			
Cost	9,020,819	6,493,523	15,514,342
<u>Less</u> Accumulated depreciation	-	(6,326,028)	(6,326,028)
Net book amount	9,020,819	167,495	9,188,314
<b>For the year ended 30 September 2020</b>			
Opening net book amount	9,020,819	167,495	9,188,314
Transferred to property, plant and equipment, net (Note 17)	-	(162,894)	(162,894)
Depreciation charges	-	(4,599)	(4,599)
Closing net book amount	9,020,819	2	9,020,821
<b>As at 30 September 2020</b>			
Cost	9,020,819	6,179,498	15,200,317
<u>Less</u> Accumulated depreciation	-	(6,179,496)	(6,179,496)
Net book amount	9,020,819	2	9,020,821
<b>For the year ended 30 September 2021</b>			
Opening net book amount	9,020,819	2	9,020,821
Depreciation charges	-	-	-
Closing net book amount	9,020,819	2	9,020,821
<b>As at 30 September 2021</b>			
Cost	9,020,819	6,179,498	15,200,317
<u>Less</u> Accumulated depreciation	-	(6,179,496)	(6,179,496)
Net book amount	9,020,819	2	9,020,821

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	Separate financial statements		
	Land Baht	Building and building improvements Baht	Total Baht
<b>As at 1 October 2019</b>			
Cost	9,564,949	16,245,243	25,810,192
Less Accumulated depreciation	-	(15,908,347)	(15,908,347)
Net book amount	9,564,949	336,896	9,901,845
<b>For the year ended 30 September 2020</b>			
Opening net book amount	9,564,949	336,896	9,901,845
Transferred to property, plant and equipment, net (Note 17)	-	(162,894)	(162,894)
Depreciation charges	-	(33,856)	(33,856)
Closing net book amount	9,564,949	140,146	9,705,095
<b>As at 30 September 2020</b>			
Cost	9,564,949	15,931,220	25,496,169
Less Accumulated depreciation	-	(15,791,074)	(15,791,074)
Net book amount	9,564,949	140,146	9,705,095
<b>For the year ended 30 September 2021</b>			
Opening net book amount	9,564,949	140,146	9,705,095
Depreciation charges	-	(29,258)	(29,258)
Closing net book amount	9,564,949	110,888	9,675,837
<b>As at 30 September 2021</b>			
Cost	9,564,949	15,931,220	25,496,169
Less Accumulated depreciation	-	(15,820,332)	(15,820,332)
Net book amount	9,564,949	110,888	9,675,837

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

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

The fair values of investment properties are within level 3 of the fair value hierarchy which used significant unobservable inputs in the valuation technique (Note 8). The fair values of investment properties were appraised by professional independent valuers, who qualified as expert and hold a recognised relevant professional qualification and have recent experience in the locations and categories of such investment properties.

Amounts relating to investment properties recognised in profit or loss were as follows:

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

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17 Property, plant and equipment, net

	Consolidated financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht	
<b>As at 1 October 2019</b>								
Cost	210,137,447	925,536,691	2,834,660,307	1,915,640,138	142,804,709	68,397,520	142,856,309	6,240,033,121
Less: Accumulated depreciation	(60,310,878)	(675,233,096)	(1,880,576,498)	(1,660,170,670)	(110,693,680)	(49,386,213)	-	(4,436,371,035)
Net book amount	149,826,569	250,303,595	954,083,809	255,469,468	32,111,029	19,011,307	142,856,309	1,803,662,086
<b>For the year ended 30 September 2020</b>								
Opening net book amount	149,826,569	250,303,595	954,083,809	255,469,468	32,111,029	19,011,307	142,856,309	1,803,662,086
Additions	3,141,140	12,149,385	158,964,035	62,170,762	11,573,490	2,700,929	112,671,349	363,371,090
Disposals, net	-	(138,998)	(4,555,572)	(519,464)	(58,836)	(38)	-	(5,272,908)
Write-offs, net	(1)	(1)	(189,863)	(1,146,436)	(62,010)	-	-	(1,398,311)
Transferred from investment property, net (Note16)	-	162,894	-	-	-	-	-	162,894
Transfers in (out)	108,000	42,272,783	109,896,065	14,181,592	1,708,950	-	(168,167,390)	-
Depreciation charges	(7,763,134)	(41,061,526)	(177,818,073)	(93,528,700)	(15,610,764)	(7,098,837)	-	(342,881,034)
Closing net book amount	145,312,574	263,688,132	1,040,380,401	236,627,222	29,661,859	14,613,361	87,360,268	1,817,643,817
<b>As at 30 September 2020</b>								
Cost	212,828,630	979,942,330	3,059,557,760	1,977,552,463	153,391,520	58,425,089	87,360,268	6,529,058,060
Less: Accumulated depreciation	(67,516,056)	(716,254,198)	(2,019,177,359)	(1,740,925,241)	(123,729,661)	(43,811,728)	-	(4,711,414,243)
Net book amount	145,312,574	263,688,132	1,040,380,401	236,627,222	29,661,859	14,613,361	87,360,268	1,817,643,817

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	Consolidated financial statements								Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht		
<b>For the year ended 30 September 2021</b>									
Opening net book amount	145,312,574	263,688,132	1,040,380,401	236,627,222	29,661,859	14,613,361	87,360,268	1,817,643,817	
Additions	1,008,269	9,836,017	54,709,817	60,175,940	5,992,706	5,120,259	95,554,608	232,397,616	
Disposals, net	-	(21,079)	(3,143,799)	(853,527)	(39,003)	(9)	-	(4,057,417)	
Write-offs, net	-	(182,661)	(95,600)	(155,125)	(49)	-	-	(433,435)	
Transfers in (out)	-	915,020	88,929,171	8,799,786	35,000	-	(98,678,977)	-	
Depreciation charges	(7,795,911)	(41,780,385)	(190,118,580)	(91,418,214)	(14,582,544)	(6,978,566)	-	(352,674,200)	
Closing net book amount	138,524,932	232,455,044	990,661,410	213,176,082	21,067,969	12,755,045	84,235,899	1,692,876,381	
<b>As at 30 September 2021</b>									
Cost	213,836,899	989,713,950	3,164,061,625	2,036,586,217	156,896,733	62,022,832	84,235,899	6,707,354,155	
Less: Accumulated depreciation	(75,311,967)	(757,258,906)	(2,173,400,215)	(1,823,410,135)	(135,828,764)	(49,267,787)	-	(5,014,477,774)	
Net book amount	138,524,932	232,455,044	990,661,410	213,176,082	21,067,969	12,755,045	84,235,899	1,692,876,381	

Depreciation charges of Baht 331,437,222 (2020: Baht 320,650,113) were included in the costs of sales and services, Baht 21,236,978 (2020: Baht 22,230,921) in administrative expenses in the consolidated statements of comprehensive income.

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	Separate financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht	
<b>As at 1 October 2019</b>								
Cost	209,593,316	902,690,651	2,637,622,349	1,878,350,546	118,856,536	64,995,501	141,798,109	5,953,907,008
Less Accumulated depreciation	(60,310,878)	(653,993,825)	(1,735,629,575)	(1,626,825,453)	(88,450,488)	(47,440,763)	-	(4,212,650,982)
Net book amount	149,282,438	248,696,826	901,992,774	251,525,093	30,406,048	17,554,738	141,798,109	1,741,256,026
<b>For the year ended 30 September 2020</b>								
Opening net book amount	149,282,438	248,696,826	901,992,774	251,525,093	30,406,048	17,554,738	141,798,109	1,741,256,026
Additions	3,141,140	11,437,387	143,166,550	60,613,253	10,908,693	2,558,499	112,255,299	344,080,821
Disposals, net	-	(138,998)	(4,433,938)	(517,455)	(58,835)	(38)	-	(5,149,264)
Writes-off, net	(1)	(1)	(189,863)	(1,146,436)	(62,006)	-	-	(1,398,307)
Transferred from investment property, net (Note 16)	-	162,894	-	-	-	-	-	162,894
Transfers in (out)	108,000	42,272,783	109,099,565	14,181,592	1,708,950	-	(167,370,890)	-
Depreciation charges	(7,763,134)	(40,402,270)	(167,930,762)	(91,721,444)	(14,747,986)	(6,668,219)	-	(329,233,815)
Closing net book amount	144,768,443	262,028,621	981,704,326	232,934,603	28,154,864	13,444,980	86,682,518	1,749,718,355
<b>As at 30 September 2020</b>								
Cost	212,284,499	956,384,292	2,846,959,316	1,938,720,362	128,910,928	54,880,640	86,682,518	6,224,822,555
Less Accumulated depreciation	(67,516,056)	(694,355,671)	(1,865,254,990)	(1,705,785,759)	(100,756,064)	(41,435,660)	-	(4,475,104,200)
Net book amount	144,768,443	262,028,621	981,704,326	232,934,603	28,154,864	13,444,980	86,682,518	1,749,718,355

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	Separate financial statements							Total Baht
	Land and land improvements Baht	Building and building improvements Baht	Machinery Baht	Tools and factory equipment Baht	Furniture, fixtures, and office equipment Baht	Motor vehicles Baht	Asset under construction and installation Baht	
<b>For the year ended 30 September 2021</b>								
Opening net book amount	144,768,443	262,028,621	981,704,326	232,934,603	28,154,864	13,444,980	86,682,518	1,749,718,355
Additions	1,008,269	9,836,017	52,375,296	57,272,006	5,190,585	5,120,259	95,511,888	226,314,320
Disposals, net	-	(21,079)	(3,143,796)	(853,523)	(38,981)	(8)	-	(4,057,387)
Writes-off, net	-	(182,661)	(95,600)	(155,125)	(43)	-	-	(433,429)
Transfers in (out)	-	915,020	88,496,921	8,799,786	35,000	-	(98,246,727)	-
Depreciation charges	(7,795,910)	(41,208,790)	(180,312,415)	(89,670,488)	(13,817,308)	(6,557,416)	-	(339,362,327)
Closing net book amount	137,980,802	231,367,128	939,024,732	208,327,259	19,524,117	12,007,815	83,947,679	1,632,179,532
<b>As at 30 September 2021</b>								
Cost	213,292,768	966,155,910	2,949,143,630	1,995,353,835	133,225,729	58,516,799	83,947,679	6,399,636,350
Less: Accumulated depreciation	(75,311,966)	(734,788,782)	(2,010,118,898)	(1,787,026,576)	(113,701,612)	(46,508,984)	-	(4,767,456,818)
Net book amount	137,980,802	231,367,128	939,024,732	208,327,259	19,524,117	12,007,815	83,947,679	1,632,179,532

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

18 Right-of-use assets, net

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Billboard space	943,910	-	943,910	-
<b>Total</b>	<b>943,910</b>	<b>-</b>	<b>943,910</b>	<b>-</b>

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

	Consolidated financial statements		Separate financial statements	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Amortisation of right-of-use assets	179,816	-	179,816	-
Payment for principal elements of lease payments	220,000	-	220,000	-
Expenses related to leases that not included in the measurement of lease liabilities and right-of-use assets:				
- Expense relating to short-term leases	793,311	-	743,655	-
- Expense relating to leases of low-value assets	455,951	-	455,951	-
- Expense relating to operating leases	-	1,584,540	-	1,559,712
<b>Total cash outflow for leases</b>	<b>1,249,262</b>	<b>1,584,540</b>	<b>1,199,606</b>	<b>1,559,712</b>

19 Computer software, net

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

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

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



20 Deferred income taxes

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

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

Deferred tax assets and liabilities in the statements of financial position are presented at net position of deferred tax assets or liabilities incurred by each entity of the Group. Deferred tax assets and liabilities are offset where the income taxes relate to the same tax authority, being the Revenue Department.

The movements of deferred income taxes during the years were as follows:

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

20 Deferred income taxes

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

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

Deferred tax assets and liabilities in the statements of financial position are presented at net position of deferred tax assets or liabilities incurred by each entity of the Group. Deferred tax assets and liabilities are offset where the income taxes relate to the same tax authority, being the Revenue Department.

The movements of deferred income taxes during the years were as follows:

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

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The deferred taxation relates to the temporary differences between the book values and the tax bases of significant assets and liabilities of the Group, which were summarised below:

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

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

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

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

As at 30 September 2021, the Group only recognised those deferred tax assets that in the management's judgement were likely to be realised, due to the historical operating profits generated by the operations of the entities within the Group. This is disclosed in the note regarding the gross deferred and income taxes to enable users of the financial statements to understand the nature of the movements in this balance.

As at 30 September 2021, the Group has no tax loss carried forward.

Under the Thai Revenue Code, all entities are taxed as separate entities with no relief available for the Group.

## 21 Trade and other payables

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

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

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

## 22 Employee benefit obligations

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

The plans are final salary retirement plans. The level of benefits provided depends on members' length of service and their salaries in the final years leading up to retirement.

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The movements in the obligations over the years were as follows:

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

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

	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rate	1.75%	1.75%	1.75%	1.75%
Future salary increase rates	6.00% - 6.50%	6.00% - 6.50%	6.00% - 6.50%	6.00% - 6.50%
Other fixed allowance rate	1.75%	1.75%	1.75%	1.75%
1 Baht Gold price	Baht 21,500	Baht 21,500	Baht 21,500	Baht 21,500
Gold Inflation rate	3.00%	3.00%	3.00%	3.00%
Retirement age	58 years old	58 years old	58 years old	58 years old

The sensitivity analysis for each significant assumption disclosed in 2021 was as follows:

	Consolidated financial statement		
	Change in assumptions	Impact on employee benefit obligations	
		Change in the obligations (%)	Change in the obligations (Baht)
Discount rate	Increased by 0.5%	Decreased by 6%	Decreased by Baht 21,646,992
	Decreased by 0.5%	Increased by 7%	Increased by Baht 23,663,830
Future salary increase rate	Increased by 1%	Increased by 13%	Increased by Baht 44,387,329
	Decreased by 1%	Decreased by 11%	Decreased by Baht 37,798,778
1 Baht Gold price	Increased by Baht 1,000	Increased by 0.3%	Increased by Baht 1,223,428
	Decreased by Baht 1,000	Decreased by 0.3%	Decreased by Baht 1,223,452
	Separate financial statement		
	Change in assumptions	Impact on employee benefit obligations	
		Change in the obligations (%)	Change in the obligations (Baht)
Discount rate	Increased by 0.5%	Decreased by 6%	Decreased by Baht 18,859,733
	Decreased by 0.5%	Increased by 7%	Increased by Baht 20,606,899
Future salary increase rate	Increased by 1%	Increased by 12%	Increased by Baht 38,467,358
	Decreased by 1%	Decreased by 10%	Decreased by Baht 32,778,323
1 Baht Gold Price	Increased by Baht 1,000	Increased by 0.4%	Increased by Baht 1,132,063
	Decreased by Baht 1,000	Decreased by 0.4%	Decreased by Baht 1,132,096

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The above sensitivity analysis were based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method of calculating the retirement benefit obligation recognised within the statements of financial position at the end of the reporting period (present value of the defined benefit obligation calculated with the projected unit credit method).

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the retirement benefit obligation was 12.52 years.

Expected maturity analysis of undiscounted retirement benefits:

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

### 23 Share capital and premium on share capital

	Consolidated and Separate financial statements			
	Number of shares	Ordinary shares Baht	Share premium Baht	Total Baht
As at 1 October 2019	200,000,000	200,000,000	298,000,000	498,000,000
Issue of shares	-	-	-	-
<u>Less</u> Treasury shares (Note 25)	(7,792,300)	(114,011,638)	-	(114,011,638)
As at 30 September 2020	192,207,700	85,988,362	298,000,000	383,988,362
Issue of shares	-	-	-	-
As at 30 September 2021	192,207,700	85,988,362	298,000,000	383,988,362

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

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

### 24 Legal reserve

Under the Public Companies Act, B.E. 2535, the Company is required to set aside as a legal reserve at least 5% of profit derived from the business of the Company after accumulated deficit brought forward (if any) until the reserve reaches 10% of the registered share capital. This reserve is non-distributable.

In consolidated financial statements, legal reserve of subsidiaries included in unappropriated retained earnings.

## 25 Treasury shares

Where any companies within the Group repurchases its shares, the consideration paid, including any directly attributable incremental costs (net of taxes) is deducted from equity until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity.

At the Board of Directors Meeting no. 8/2019 of the Company held on 22 November 2019, the meeting passed a resolution approving the share repurchase project for financial management purpose with amount not exceeding Baht 118 million, approximately represents 8 million shares or 4% of the total issued shares. The Company repurchases the ordinary shares via main board of the Stock Exchange of Thailand within 6 months, during the period from 9 December 2019 to 5 June 2020. Treasury share has to be resold after 6 months but no later than 3 years from the completion date of share repurchases. The payment for treasury shares presented as reduction in equity in the statement of financial position.

On 5 June 2020, the share repurchase project for financial management purpose had been completed. The Company repurchased 7,792,300 shares for total treasury shares of Baht 114,011,638, represents 3.9% of the Company's total issued shares.

## 26 Dividend income

### Dividend income from subsidiaries

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

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

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

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

### Dividend income from investment in equity instrument

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

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



## 27 Expenses by nature

The following expenditure items, classified by nature, have been charged in arriving at the operating profit:

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

## 28 Income tax expenses

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

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

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Reconciliation of income tax expenses and the results of accounting profit using the basic tax rate of the year was presented as below:

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

The average income tax rate was 19.23% (2020: 17.12%) for the consolidated financial statements and 18.30% (2020: 15.79%) for the separate financial statements. The increase in the average income tax rate is due to a decrease in the profit from promoted activities with tax-exempt for the current year.

The tax relating to component of other comprehensive income was as follows:

	Consolidated financial statements					
	2021			2020		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Measurement of debt instruments at fair value through other comprehensive income (2020: Change in value of available-for-sale investments)	458,490	(91,698)	366,792	(4,482,770)	896,554	(3,586,216)
Measurement of equity instruments at fair value through other comprehensive income	15,700,603	(3,140,120)	12,560,483	-	-	-
Remeasurements of employee benefit obligations	-	-	-	(62,939,359)	12,587,872	(50,351,487)
	16,159,093	(3,231,818)	12,927,275	(67,422,129)	13,484,426	(53,937,703)
	Separate financial statements					
	2021			2020		
	Before tax Baht	Tax Baht	After tax Baht	Before tax Baht	Tax Baht	After tax Baht
Measurement of debt instruments at fair value through other comprehensive income (2020: Change in value of available-for-sale investments)	458,490	(91,698)	366,792	(4,482,770)	896,554	(3,586,216)
Measurement of equity instruments at fair value through other comprehensive income	15,700,603	(3,140,120)	12,560,483	-	-	-
Remeasurements of employee benefit obligations	-	-	-	(57,271,622)	11,454,324	(45,817,298)
	16,159,093	(3,231,818)	12,927,275	(61,751,829)	12,350,878	(49,403,514)

**29 Earnings per share**

Basic earnings per share are calculated by dividing the net profit attributable to the owner of the parent company by the weighted average number of ordinary shares in issue during the year.

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

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

**30 Changes in liabilities arising from financing activities**

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

**31 Related party transactions**

Individuals and entities that directly, or indirectly control or are controlled by or are under common control with the Company, including investment entities, associates, joint venture and individuals or entities having significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and entities associated with these individuals also constitute related parties.

The Company's major shareholders are the Leeissaranukuls group in proportion of 39.51% and Inoue Rubber Company Limited, which is incorporated and domiciled in Japan, in proportion of 35.69%. The remaining 24.80% of the shares are widely held.

In considering each possible related-party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

During the year, the Group and the Company entered into several transactions with its subsidiaries and related parties. The terms and basis of such transactions were negotiated between the parties in the ordinary course of business and according to normal trade conditions.

	<b>Terms and basis</b>
Sales of goods	Market price or cost plus margin according to type of products
Service income	Cost plus margin
Rental income	Contract price which is in line with market
Purchases of raw materials, machinery and metal molds	Prices which approximate to the price charged to a third party
Research and development expenses	Prices as agreed in the contract which is near to the market price
Technical assistance fees	Prices as agreed in the contract based on percentage of sales
Advertising expenses	Prices which approximate to the price charged nearly to the market price
Utility expenses	Price as agreed to the price charged by a third party
Employee service sharing expenses	Prices which approximate to the price charged to a third party

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

The significant related party transactions for the years ended 30 September 2021 and 2020 were summarised as follows:

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

**Inoue Rubber (Thailand) Public Company Limited**  
**Notes to the Consolidated and Separate Financial Statements**  
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The Company entered into rental agreements of land, building, and machinery and equipment with two subsidiaries and related company with total annual rental income of approximately Baht 4.58 million. The lease terms are 1 year.

The Company charged certain utility expenses to certain related companies at which approximate to the price charged to a third party.

The Company entered into marketing and sales cooperation and product quality assurance and quality control service agreements with a local related company. Under these agreements the Company has obliged to pay service fees to such company at the rate as stipulated in the agreements. The agreements have been in effect since May 2009 until cancelled by either party.

The Company entered into research and development services agreement with a subsidiary. Under this agreement, the Company has obliged to pay service fee to the subsidiary at the rate stipulated in the agreement. The agreement is effective for a period of 1 year which commenced from May 2021.

The Company entered into professional service agreements with a local related company to provide the professional services at total annual services income of approximately Baht 12.90 million. The service fees will be reviewed mutually by both parties in June of a year. The agreement is effective for a period of 1 year which commenced from June 2021.

The Company entered into a space rental and security service agreement with a local related company. Under this agreement, the Company has obliged to pay rental and service fee to the related party approximately Baht 0.54 million. The term of the agreement are 6 months which commenced from August 2021.

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

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

**Directors' and key management's remunerations**

The Company and its subsidiaries had the compensation paid or payable to their key directors and management for the years ended 30 September 2021 and 2020 as follows:

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

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

**32 Promotional privileges**

The Company and its subsidiary have been granted promotional privileges under the Investment Promotion Act B.E. 2520 as approved by the Board of Investment. Under certain significant conditions, significant privileges are as follows:

Details	Inoue Rubber (Thailand) Public Company Limited		Kin No Hoshi Engineering Company Limited	
	Certificate No. Dated	Promotional privileges for	Certificate No. Dated	Promotional privileges for
1. Certificate No. Dated	64-0737-1-07-1-0 17 March 2021	Manufacturing of motorcycle tires and tubes	63-0570-1-00-1-0 15 April 2020	1302(1)/2555 13 February 2012 Manufacturing of molds and repairing of its own manufactured molds
2. Promotional privileges for	3 years	Granted	3 years	5 years
3. The significant privileges are				
3.1 Exemption of corporate income tax for net income from promotional operations and exemption of income tax on dividends paid from the profit of the operations throughout the period in which the corporate income tax is exempted.		Granted		Granted
3.2 Allowance for carry-forward of annual loss from operations incurred during the exemption of corporate income tax on net income to offset with net income for a period of 5 years, after exemption period in 3.1.		Granted		Granted
3.3 Exemption/Reduction of import duty on machinery as approved by the Board.		Granted		Granted
3.4 Exemption of import duty on raw materials and significant supplies used in export production from the first import date.		None		None
3.5 50% reduction of corporate income tax rate for net income from promotional operations for a period of 5 years, after exemption period in 3.1.		None		Granted
4. Date of first earning operating income	24 July 2021		24 July 2021	31 October 2012

**Inoue Rubber (Thailand) Public Company Limited**  
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Sales of the Group are both export and local sales which could be separated between promoted and non-promoted operations as follows:

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

### 33 Dividends paid

At the Annual General Meeting of shareholders for 2021 of the Company held on 29 January 2021, the shareholders passed a resolution approving dividends payment from its operating results for 2020 at Baht 0.5699 per share (Baht 0.0739 per share from BOI-promoted operations and Baht 0.4960 per share from non-BOI promoted operations), amounting to a total dividend of Baht 109.54 million. The dividends were distributed to shareholders on 25 February 2021.

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

### 34 Commitments

#### 34.1 Lease commitments

The Group has entered into several lease agreements with low-value assets, lease term of 12 months or less in respect of building area, accommodation for employees, motor vehicles and office equipment.

As at 30 September 2021 and 2020, the Group had future minimum lease payments required under these non-cancellable low-value assets and lease term of 12 months or less leases (2020: operating leases) as follows:

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

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



### **34.2 Letters of guarantee**

As at 30 September 2021, the Company had outstanding letters of guarantee issued by financial institutions of approximately Baht 20.62 million (2020: Baht 20.62 million) to the Provincial Electricity Authority for electricity consumption on behalf of the Company and Baht 0.34 million (2020: Baht 0.32 million) for the due fulfillment by the Company of the terms and conditions in respect of grant of Certification Mark License by the licensor and Baht 1.06 million (2020: Baht 1.33 million) for the contractual performance.

The guarantees are issued in the ordinary course of business. No liabilities are expected to arise from the above guarantees.

### **34.3 Operating commitments**

The Company entered into agreements for technical assistance in production with foreign related companies. Under the agreements, the Company has obliged to pay technical assistance fees at the rates as stipulated in the agreements, which are percentage of sales.

## **35 Events occurring after the statement of financial position date**

On 24 November 2021, the Board of Directors' Meeting of the Company No.8/2021 had a resolution for the proposed dividend payment from its operating results for 2021 at Baht 0.8845 per share from non-BOI promoted operations to shareholders who are on the register as at 9 February 2022, amounting to a total dividend of Baht 170.01 million. The dividend will be distributed on 28 February 2022. The dividend has not been recognized as liability in the financial statements. The dividend payment will later be proposed for approval in the Annual General Meeting of the Company's shareholders.



## Part 4

# Information Certification

The Company cautiously reviews this report and certifies that such contents are correct, complete, not false, not mislead others or lack significant information. Moreover, the Company certifies that;

(1) Financial statement and financial data that are summarized in this report are correctly disclosed about the Company's and the Subsidiaries's financial position, performance and cash flow;

(2) The Company arranges the good information disclosure system to assure that the Company correctly and completely discloses the significant information of the Company and the Subsidiaries, as well as control such operation;

(3) The Company arranges the good internal control and control the operation to comply with the aforesaid system. The Company informed the information about the internal control evaluation to the Company's auditor and the Audit Committee on November 24, 2021. Such information include defect and significant change of the internal control system as well as wrongdoing that might affect the preparation of the Company's and the Subsidiaries's financial report;

In order to assure that all these documents are the same documents that are certified by the Company, the Company assigns Mrs. Pimjai Leeissaranukul and Mr. Shigeki Yamada to sign on every page of the documents. If any document does not have signature of Mrs. Pimjai Leeissaranukul and Mr. Shigeki Yamada, the Company will consider that such information is not certified by the Company.

Name	Position	Signature
Mrs. Pimjai Leeissaranukul	Chairman	
Mr. Shigeki Yamada	President	

## Attachment 1

# Information of the Board of Directors, Executives, Controlling Persons and Company Secretary

## The Board of Directors



Mrs. Pimjai Leeissaranukul



Mr. Katsunori Ito



Mr. Soichi Inoue



Mr. Thanong Leeissaranukul



Mr. Apichart Leeissaranukul



Mrs. Porntip Sethiwan



Mrs. Anchalee Chavanich



Assoc. Prof. Jaruporn Viyanant



Mr. Kittichai Raktakanit



Mr. Surong Bulakul



Mr. Kazuo Sato

## Executive Committee



Mr. Katsunori Ito



Mrs. Pimjai Leeissaranukul



Mr. Takeshi Arakawa



Ms. Witchuda Kupongsak



Mr. Narongchai Rattanaekawin



Mr. Mitsuhiro Ito



Mr. Suchart Kootiratrakarn



Ms. Praewphan Songhong



Mr. Kazuaki Yamada



Mr. Hiroyuki Hibi



## Mrs.Pimjai Leeissaranukul

**Position :** Chairman/ Executive Chairman/ Executive Director/ Authorized Signatory Director/ Vice-Chairman of the Executive Committee

**Age :** 60 years

**Year of Appointment :** December 30, 1994

**Term of Directorship :** 27 years

**Shareholding Proportion :** 2.78%

**Relation with Directors :** Siblings; Mr. Thanong Leeissaranukul, Mr. Apichart Leeissaranukul, and Mrs. Porntip Sethiwan

### Education

- Master's Degree in Business Administration, Drexel University, Philadelphia, U.S.A.
- Bachelor's Degree in Industrial Engineering, Faculty of Engineering, Chulalongkorn University

### Training courses in 2021

- Personal Data Protection Act (PDPA), (Internal Training)
- Participated 'PEFC Supporting Sustainable Rubber: official campaign launch' seminar organized by PEFC

International

- Participated as a speaker of "Joining forces through the Covid-19 crisis in the workplace" seminar organized by the Department of Disease Control.

### Training

#### Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) Class 37/2003
- Role of the Chairman Program (RCP) Class 31/2013
- Risk Management Committee Program (RMP) Class 1/2013

### Other Training

- Thailand Energy Academy Class 11 (TEA 11)
- National Defense College (NDC): NDC Course (JSPS), Class 26/2013
- Capital Market Academy Leadership Program Class 10
- Certificate in Business Revolution and Innovation Network : BRAIN 1

### Past Work Experiences

2013 - Present

- Director and Executive Chairman of Inoue Rubber (Thailand) PCL.
- Honorary Chairman of Inoac Tokai (Thailand) Company Ltd.

2020 - Present

- Chairman of Industrial Standard Committee (ISC) of Federation of Thai Industries
- Member of the Board of Directors, Regional Center for Manufacturing System Engineering (RCMSE), Faculty of Engineering, Chulalongkorn University
- Government - appointed independent director of government procurement and supplies management sector, the Comptroller General's Department

2019 - Present

- Government - appointed independent director of Mass Rapid Transit Authority of Thailand (MRTA)

2018 - Present

- Vice President of the Federation of Thai Industries

2017 - Present

- The Board Member of ASEAN Woman Entrepreneur Network (AWEN)

2016 - Present

- Member of the Board of Association of Capital Market Academy (ACMA)

2014 - Present

- Consultants of the Board of Thai Women Engineers, The Engineering Institute of Thailand

2010 - Present

- Global Advisory Board Members of Babson College, MA, U.S.A.

2008 - Present

- Member of the Young Thai Entrepreneurs Association (YTEA)

2006 - Present

- Director of Daido Sittipol Co., Ltd.

2003 - Present

- Director of Wangchula Co., Ltd

2001 - Present

- Director of Kinno Hoshi Engineering Co., Ltd.

1995 - Present

- Director of Sungold Holding Co., Ltd.
- Director of IRC (Asia) Research Co., Ltd.
- President of Thai Inoac Components Co., Ltd.

1993 - Present

- Director of Sopa-Kanok Internatioal Co., Ltd.

1983 - Present

- Director of Thai Stanley Electric PCL.

2018 - 2020

- Chairman of Industrial Excellence Center (IEC), the Federation of Thai Industries

2016 - 2018

- Vice President of Thailand Forest Certification Council (TFCC), The Federation of Thai Industries
- Director and Deputy Secretary of The Federation of Thai Industries

2015 - 2018

- Member of the Board and Deputy Secretary General, Public Relations, The Federation of Thai Industries

2013 - 2018

- Director of Student Council, Thailand National Defense College (NDC) - The Joint Stage Private Sector Regular Course, 26

2010 - 2014

- Executive Board as External Advisory Expert of Faculty of Engineering, Chulalongkorn University

## Director/ Management Position in other business

### Listed companies

1. Director of Thai Stanley Electric PCL.

### Non-listed companies

1. Honorary Chairman of Inoac Tokai (Thailand) Company Ltd.

2. President of Thai Inoac Components Co., Ltd.

3. Director of Daido Sittipol Co., Ltd.

4. Director of Wangchula Co., Ltd.

5. Director of Kinno Hoshi Engineering Co., Ltd.

6. Director of Sungold Holding Co., Ltd.

7. Director of IRC (Asia) Research Co., Ltd.

8. Director of Sopa-Kanok Internatioal Co., Ltd.

### Other business

1. Chairman of Industrial Standard Committee (ISC) of Federation of Thai Industries

2. Government - appointed independent director of Mass Rapid Transit Authority of Thailand (MRTA)

3. Vice President of the Federation of Thai Industries

4. The Board Member of ASEAN Woman Entrepreneur Network (AWEN)

5. Member of the Board, Association of Capital Market Academy (ACMA)

6. Consultants of the Board of Thai Women Engineers, The Engineering Institute of Thailand

7. Global Advisory Board Members of Babson College, MA, U.S.A.

8. Member of the Young Thai Entrepreneurs Association (YTEA)

9. Member of the Board of Directors, Reginal Center for Manufacturing System Engineering (RCMSE), Faculty of Engineering, Chulalongkorn University

10. Government - appointed independent director of government procurement and supplies management sector, the Comptroller General's Department

### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• The Annual General Meeting of Shareholders	1/1 time
• The Board of Director's Meeting	7/7 time
• The Executive Committee's Meeting	7/7 time

### Illegal record in the past 10 years

-None-



## Mr. Katsunori Ito

**Position :** President/ Executive Director/ Authorized Signatory Director/ Vice-Chairman of the Risk Management Committee/ Chairman of the Executive Committee

**Age :** 59 years

**Year of Appointment :** November 23, 2018

**Term of Directorship :** 4 year

**Shareholding Proportion :** -None-

**Relation with Directors :** -None-

### Education

- Bachelor of Engineering, Department of Applied Chemistry, Shizuoka University

### Training

Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 158/2019

### Past Work Experiences

2018 - October 23, 2021

- President/ Chairman of the Executive Committee/ Vice-Chairman of the Risk Management Committee of Inoue Rubber (Thailand) PCL.
- Director of Sungold Holding Co., Ltd.
- Director of Thai Inoac Components Co., Ltd.

2016 - October 23, 2021

- Director of Kinno Hoshi Engineering Co., Ltd.
- Executive

2014 - 2018

- Executive Committee Member of Inoue Rubber (Thailand) PCL.

2013 - 2018

- Executive Director of IED Business Unit, Inoue Rubber (Thailand) PCL
- Executive Director of IRC (Asia) Research Co., Ltd.

2011 - 2013

- Manager, Rubber and Elastomer Division, Inoac Corporation Co., Ltd.

2008 - 2011

- Managing Director, Inoac Vietnam Co., Ltd.

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

1. Director, Kinno Hoshi Engineering Co., Ltd.
2. Director of Sungold Holding Co., Ltd.
3. Director of Thai Inoac Components Co., Ltd

### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• การประชุมผู้ถือหุ้น

1/1 time

• The Board of Director's Meeting

7/7 times

• The Risk Management Committee

7/7 times

### Legal record in the past 10 years

-None-



## Mr. Soichi Inoue

**Position :** Director

**Age :** 92 years

**Year of Appointment :** December 30, 1994

**Term of Directorship :** 27 years

**Shareholding Proportion :** -None-

**Relation with Directors :** Mr. Masayuki Inoue's father

### Education

- Bachelor's degree in Economics, Kobe University, Japan

### Training

-None-

### Past Work Experiences

1994 - Present	• Director of Inoue Rubber (Thailand) PLC.
2000 - Present	• Chairman & CEO of Inoac Corporation Co., Ltd.
1986 - Present	• President of Inoac Technical Center Co., Ltd.
1975 - Present	• President of Inoac International Co., Ltd.
1973 - Present	• President of Inoue Rubber Co., Ltd., Japan

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

1. Chairman & CEO of Inoac Corporation Co., Ltd.
2. President of Inoac Technical Center Co., Ltd.
3. President of Inoac International Co., Ltd.
4. President of Inoue Rubber Co., Ltd., Japan

### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	-
• The Board of Director's Meeting	-
• Meeting with Non-Executive Directors	-

### Illegal record in the past 10 years

- None -





## Mr. Thanong Leeissaranukul

**Position :** Director

**Age :** 61 years

**Year of Appointment :** December 30, 1994

**Shareholding Proportion :** 2.19%

**Term of Directorship :** 27 years

**Relation with Directors :** Sibling of Mrs. Pimjai Leeissaranukul, Mr. Apichart Leeissaranukul, and Mrs. Pornpip Sethiwan

### Education

- Bachelor's degree in Business Administration, Nanzan University, Japan

### Training

**Thai Institute of Directors Association (IOD)**

- Director Accreditation Program (DAP) 136/2017

### Past Work Experiences

1994 - Present • Director of Inoue Rubber PCL.

2017 - Present • President of M Vision PCL.

2015 - Present • Director of Sonic Design (Thailand) Co., Ltd.  
• Member of sub-committee of Public Relations, Organ Donation Center, Thai Red Cross Society

2014 - Present • Director of Pacific Auto Part Co., Ltd.

2007 - Present • President of Kanok-Sopa Foundation

2006 - Present • Director of Budsayapan Co., Ltd.

2003 - Present • Director of Wang Chula Co., Ltd.

2001 - Present • President of Smart Sport Promotion Co., Ltd.

1998 - Present • Director of The Studio Production Co., Ltd.

1996 - Present • President of Bike Clinic Co., Ltd.  
• Vice President of Daido Sittipol Co., Ltd.  
• Managing Director of Seng Guan Hong Co., Ltd.

1995 - Present • Executive Director of Total Oil (Thailand) Co., Ltd.  
• Director of Thai Inoac Components Co., Ltd.  
• Director of Sungold Holding Co., Ltd.  
• Director of IRC (Asia) Research Co., Ltd.

1986 - Present • Managing Director of The Sittipol 1919 Co., Ltd.

1983 - Present • Director of Thai Stanley Electric PCL.

### Director/ Management Position in other business

#### Listed companies

1. President, M Vision PCL.
2. Director, Thai Stanley Electric PCL

#### Non-listed companies

1. Director, Sonic Design (Thailand) Co., Ltd.
2. Director, Pacific Auto Part Co., Ltd.
3. Director, Budsayapan Co., Ltd.
4. Director, Wang Chula Co., Ltd.
5. President, Smart Sport Promotion Co., Ltd.

6. Director, The Studio Production Co., Ltd.
7. President, Bike Clinic Co., Ltd.
8. Vice President, Daido Sittipol Co., Ltd.
9. Managing Director, Seng Guan Hong Co., Ltd.
10. Executive Director, Total Oil (Thailand) Co., Ltd.
11. Director, Thai Inoac Components Co., Ltd.
12. Director, Sungold Holding Co., Ltd.
13. Director, IRC (Asia) Research Co., Ltd.
14. Director, Sopa - Kanok International Co., Ltd.
15. Managing Director, The Sittipol 1919 Co., Ltd.

**Other business that may cause conflict of interest**

-None-

**Other business that may cause conflict of interest**

-None-

**Meeting Attendance for 2021**

• Annual General Meeting of Shareholders	1/1 time
• The Board of Director's Meeting	7/7 times
• Meeting with Non-Executive Directors	2/2 times

**Illegal record in the past 10 years**

-None-





## Mr. Apichart Leeissaranukul

**Position :** Director

**Age :** 58 years

**Year of Appointment :** December 30, 1994

**Shareholding Proportion :** 2.35%

**Term of Directorship :** 27 years

**Relation with Directors :** Sibling of Mrs. Pimjai Leeissaranukul, Mr. Thanong Leeissaranukul, and Mrs. Pornthip Sethiwan

### Education

- Honorary Doctor of Engineering in Industrial Engineering, Rajamangala University of Technology Thanyaburi
- Master of Business Administration Oklahoma City University, U.S.A.
- Bachelor of Business Administration, University of the Thai Chamber of Commerce

### Training

#### Thai Institute of Directors Association (IOD)

- Director Certification Program (DCP) 8/2011

### Other Training

- Industrial Business Development and Investment Program for Top Executives Class 1, Institute of Business and Industrial Development (IBID) Ministry of Industry

### Past Work Experiences

1994 - Present	• Director of Inoue Rubber (Thailand) PCL.
2020 - Present	• Consultant of Technology Promotion Association (Thailand-Japan)
2019 - Present	• Vice-President of Investor Club Association
2013 - Present	• Chairman of Thai Stanley Electric PCL.
2016 - Present	• Independent Director of LEO Global Logistics PLC.
2014 - Present	• Director of Pacific Auto Parts (Thailand) Co., Ltd.
2006 - Present	• Director of Total Oil (Thailand) Co., Ltd. • Director of PT. Indonesia Stanley Electric
2003 - Present	• Director of Wang Chula Co., Ltd.
2000 - Present	• Director of Vietnam Stanley Electric Co., Ltd.
1997 - Present	• Chairman of Lao Stanley Co., Ltd.
1996 - Present	• Executive Vice President of Asian Stanley International Co., Ltd.
1995 - Present	• Director of Sungold Holding Co., Ltd.
1993 - Present	• Director of Pacific Industry (Thailand) Co., Ltd. • Vice President of Thai Stanley Foundation
1992 - Present	• Director of Sopa-Kanok International Co., Ltd.
2004 - 2019	• Director of Investor Club Association

## Director/ Management Position in other business

### Listed companies

1. Chairman of Thai Stanley Electric PCL.
2. Independent Director of LEO Global Logistics PCL.

### Non-listed companies

1. Director of Pacific Auto Parts (Thailand) Co., Ltd.
2. Director of Total Oil (Thailand) Co., Ltd.
3. Director of PT. Indonesia Stanley Electric
4. Director of Wang Chula Co., Ltd.
5. Director of Vietnam Stanley Electric Co., Ltd.
6. Chairman of Lao Stanley Co., Ltd.
7. Director of Sirivit Stanley Co., Ltd.
8. Director of Daido Sittipol Co., Ltd.
9. Executive Vice President of Asian Stanley International Co., Ltd.
10. Director of Sungold Holding Co., Ltd.
11. Director of Pacific Industry (Thailand) Co., Ltd.
12. Director of Sopa-Kanok International Co., Ltd.

## Other businesses

1. Consultant of Technology Promotion Association (Thailand - Japan)
2. Vice-President of Investor Club Association
3. Vice President of Thai Stanley Foundation

## Other business that may cause conflict of interest

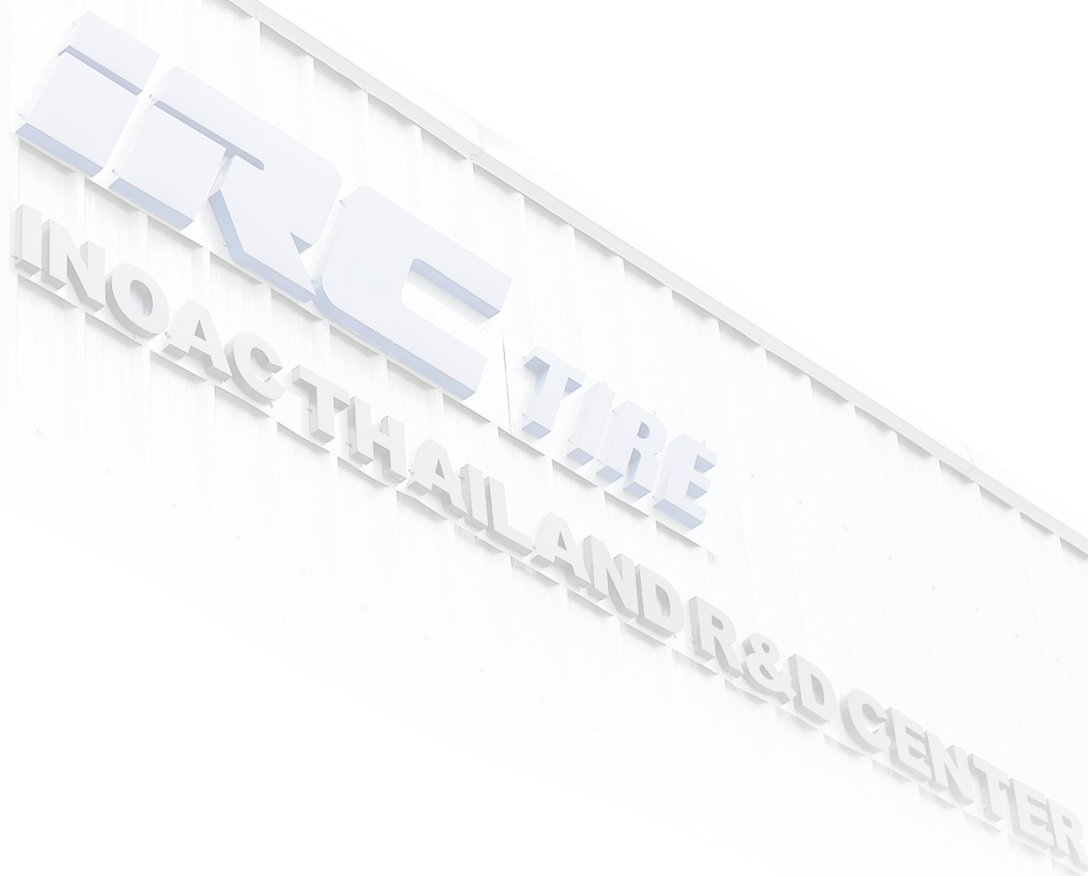
-None-

## Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Board of Director's Meeting	7/7 times
• Meeting with Non-Executive Directors	2/2 times

## Illegal record in the past 10 years

-None-





## Mrs. Porntip Sethiwan

**Position :** Director

**Age:** 54 years

**Appointment Year :** December 30, 1994

**Term of Directorship :** 2.54%

**Shareholding Proportion :** 27 years

**Relation with Directors :** Siblings; Mrs. Pimjai Leeissaranukul, Mr. Thanong Leeissaranukul, and Mr. Apichart Leeissaranukul

### Education

- Bachelor's degree in Business Administration, Chulalongkorn University

### Training

#### Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) Class 5/2003  
- Role of the Compensation Committee (RCC) Class 17/2013

### Past Work Experience

1994 - Present • Director of Inoue Rubber (Thailand) PLC.

2014 - Present • Managing Director of Pacific Auto Parts (Thailand) Co., Ltd.

2006 - Present • Director of IRC (Asia) Research Co., Ltd.

2003 - Present • Director of Wangchula Co., Ltd.

1996 - Present • Vice-President of Bike Clinic Co., Ltd.  
• Director of Daido Sittipol Co., Ltd.

1993 - Present • Director of Sopa-Kanok International Co.,Ltd.

1990 - Present • Executive Director of the Sittipol 1919 Co., Ltd.  
• Managing Director of Pacific Industry (Thailand)

1986 - Present • Director of Seng Guan Hong Co., Ltd.

1980 - Present • Director of Thai Stanley Electric PLC.

### Director/Management Position in other business

#### Listed companies

1. Director of Thai Stanley Electric PCL

#### Non - listed companies

1. Managing Director of Pacific Auto Parts (Thailand) Co., Ltd.
2. Director of IRC (Asia) Research Co., Ltd
3. Director of Wangchula Co., Ltd.
4. Vice-President of Bike Clinic Co., Ltd.
5. Director of Daido Sittipol Co., Ltd.
6. Director of Sopa-Kanok International Co.,Ltd.
7. Executive Director of the Sittipol 1919 Co., Ltd.
8. Managing Director of Pacific Industry (Thailand) Co., Ltd.
9. Director of Seng Guan Hong Co., Ltd.

#### Other businesses

-None-

#### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Board of Director's Meeting	7/7 times
• Meeting with Non-Executive Directors	2/2 times

### Illegal record in the past 10 years

-None-



## Mr. Surong Bulakul

**Position :** Independent Director/ Chairman of the Risk Management Committee

**Age :** 66 years

**Year of Appointment :** November 25, 2015

**Shareholding Proportion :** -None-

**Term of Directorship :** 6 years

**Relation with Directors :** -None-

### Education

- Master of Engineering in Operations Research, Cornell University, New York, U.S.A.
- Master of Business Administration, Cornell University, New York, U.S.A.
- Bachelor of Science in Industrial Engineering and Operations Research, Syracuse University, New York, U.S.A.

### Training

#### Thai Institute of Directors Association (IOD)

- Director Certificate Program (DCP121/2009)

#### Capital Market Academy

- Leadership Program Class 10

#### Thailand National Defence College (TNDC)

- The Joint State - Private Sector Course Class 4919

### Other training

- Program for Management Development, Harvard University, Boston, U.S.A.
- Democratic Politics and Governance for High-Level Administrators Program, King Prajadhipok's Institute Thailand, Class 8
- The Program for Senior Executives on Criminal Justice Administration, National Justice Academy, Thailand, Class 15
- Thai Intelligent Investors Program, Thai Investors Academy, Class 1
- Executive Program, Thailand Energy Academy, Class 2
- Leadership Development Program (LDP 2) by PLLI
- Certificate Course in Good Governance for Medical Executives, King Prajadhipok's Institute and the Medical Council of Thailand, Class 8

### Past Work Experiences

2015 - Present	• Independent Director/ Chairman of Risk Management Committee, Inoue Rubber (Thailand) PCL.
2020 - Present	• Chairman of the Audit Committee/ Risk Management Committee, Independent Director/ Chairman of Nomination and Remuneration Committee of Wind Energy Holding Co., Ltd.
2018 - Present	• Senior Expert Committee of Thailand Institute of Justice (Public Organization) • Independent Director of National ITMX Co., Ltd.
2017 - Present	• Advisor of Thai Listed Companies Association, Stock Exchange of Thailand (SET) • Advisor of Federation of Thai Capital Market Organizations (FETCO)
2016 - Present	• Director of Bangkok Industrial Gas Co., Ltd.
2015 - Present	• Vice-Chairman of the Thai Chamber of Commerce
2018 - 2020	• Chairman of Expressway Authority of Thailand • Director of Provincial Electricity Authority • Director of Tiger Energy Trading Pte. Ltd. (Singapore)
2017 - 2019	• Advisor of The Office of the Securities and Exchange Commission (SEC)
2017 - 2018	• Chairman of Port Authority of Thailand
2014 - 2019	• Chairman of Sakari Resources Ltd. (Singapore) • Director of 24M Technologies, Inc. (U.S.A.)
2014 - 2016	• Director of the Federation of Thai industries
2014 - 2015	• Chief Operation Officer Infrastructure of PTT PCL.
2013 - 2019	• Chairman of Global Power Synergy Public Company Limited

### Director/ Management Position in other business

#### Listed companies

-None-

### Non-listed companies

1. Independent Director of National ITMX Co., Ltd.
2. Director of Bangkok Industrial Gas Co., Ltd.
3. Director of Wind Energy Holding Co., Ltd.

### Other businesses

1. Senior Expert Committee of Thailand Institute of Justice (Public Organization)
2. Advisor of Thai Listed Companies Association, Stock Exchange of Thailand (SET)
3. Advisor of Federation of Thai Capital Market Organizations (FETCO)
4. Vice-Chairman of the Thai Chamber of Commerce

### Other business that may cause conflict of interest

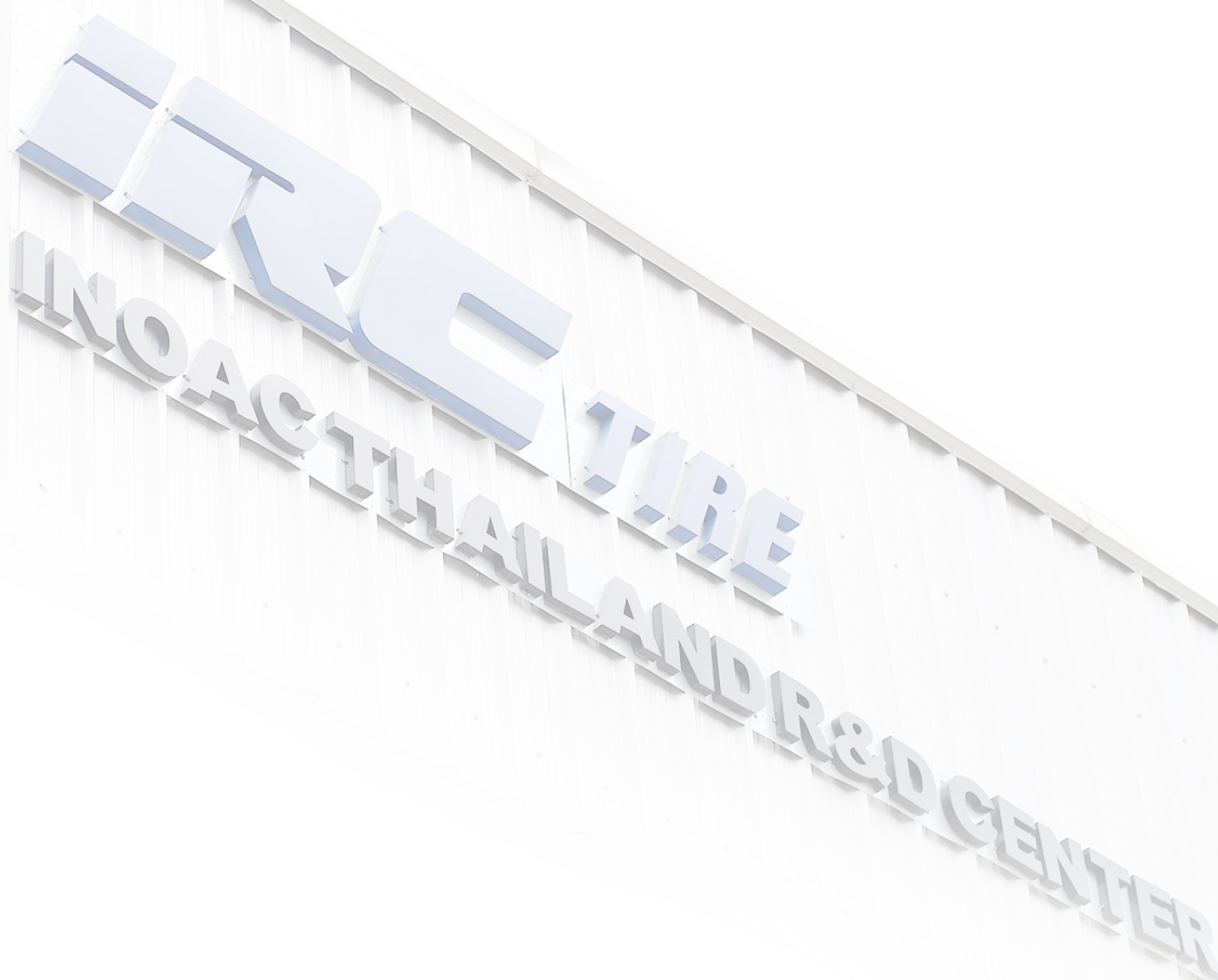
-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Board of Director's Meeting	7/7 times
• Meeting with Non-Executive Directors	2/2 times
• The Risk Management Committee	4/4 times

### Illegal record in the past 10 years

-None-





## Mrs. Anchalee Chavanich

**Position :** Independent Director/ Chairman of the Audit Committee

**Age :** 71 years

**Year of Appointment :** Year of Appointment

**Shareholding Proportion :** -None-

**Term of Directorship :** 3 years

**Relation with Directors :** -None-

### Education

- Master's Degree in Engineering Management, University of Missouri-Rolla, U.S.A.
- Bachelor's Degree in Industrial Engineering, Chulalongkorn University

### Training

#### Thai Institute of Directors Association (IOD)

- Audit Committee Program 1/2004
- Directors Certification Program 45/2004
- Finance for Non - Finance Directors 10/2004
- Role of the Chairman Program 13/2006

### Other training

- TNDC: The Joint State - Private Sector Course Class 11/1998

- TNC: Advanced Security Management Program Class 3/2012
- Capital Market Academy: Executive Leadership Program 7/2008
- King Prajadhipok's Institute: Politics and Democratic Governance System Course for Executive Management Class 6/2002
- College of Administrative: Advanced Administrative Justice Executive Class 4/2012
- The Constitutional Court of the Kingdom of Thailand: Rule of Law for Democracy Class 2/2014

### Past Work Experiences

2018 - Present	<ul style="list-style-type: none"> <li>• Independent Director/ Chairman of the Audit Committee of Inoue Rubber (Thailand) PCL.</li> <li>• Honorary Member of the Dhurakij Pundit University Council</li> </ul>
2020 - Present	<ul style="list-style-type: none"> <li>• Independent Director/ Chairman of the Audit Committee of WHA Corporation PCL.</li> <li>• Director of the Water Management Sub-Committee in the Eastern Economic Corridor (EEC)</li> <li>• Vice-Chairman of the Engineering Institute of Thailand</li> </ul>
2019 - Present	<ul style="list-style-type: none"> <li>• Advisor of Energy Committee of the House of Parliament</li> </ul>
2017 - Present	<ul style="list-style-type: none"> <li>• Honorary Advisor, Eastern Economic Corridor (EEC)</li> </ul>
2016 - Present	<ul style="list-style-type: none"> <li>• Independent Director/ Chairman of the Audit Committee of B. Grimm Power PCL.</li> </ul>
2011 - Present	<ul style="list-style-type: none"> <li>• President of Thai Industrial Estate and Strategic Partner Association</li> </ul>
2000 - Present	<ul style="list-style-type: none"> <li>• President, Coral &amp; Coastal Conservation Foundation</li> </ul>
2017 - 2020	<ul style="list-style-type: none"> <li>• Director of WHA Industrial Development PCL</li> </ul>
2016 - 2017	<ul style="list-style-type: none"> <li>• Board of Director of the Economic Steering Sub-Committee Industries and Service (National Reform Steering Assembly)</li> <li>• Advisor of Commission National Reform Steering Assembly (Energy)</li> </ul>
2015 - 2016	<ul style="list-style-type: none"> <li>• Member of the National Reform Council (NRC)</li> </ul>

### Director/ Management Position in other business

#### Listed companies

1. Independent Director/ Chairman of the Audit Committee of WHA Corporation PCL.
2. Independent Director/ Chairman of the Audit Committee of B. Grimm Power PCL.

#### Non-listed companies

-None-



### Other businesses

1. Director of the Water Management Sub-Committee in the Eastern Economic Corridor (EEC)
2. Vice-Chairman of the Engineering Institute of Thailand
3. Advisor of Energy Committee of the House of Parliament
4. Honorary Advisor of the Eastern Economic Corridor (EEC)
5. President of Thai Industrial Estate and Strategic Partner Association
6. President of Coral & Coastal Conservation Foundation

### Other business that may cause conflict of interest

- None-

### Meeting Attendance in 2021

• Annual General Meeting of Shareholders	1/1 time
• The Board of Director's Meeting	6/7 times
• Meeting with Non-Executive Directors	2/2 times
• The Audit Committee's Meeting	4/4 times

### Illegal record in the past 10 years

-None-





## Assoc. Prof. Jaruporn Viyanant

**Position :** Independent Director/ Audit Committee/ Chairman of the Good Corporate Governance and Social Responsibility

**Age :** 77 year

**Date of Appointment :** May 13, 2015

**Shareholding :** -None-

**Term of Directorship :** 6 years

**Relation with Directors :** -None-

### Education

- Master's Degree in Financial Economics (M.A), Middle Tennessee State University, U.S.A.
- Bachelor of Accountancy, Thammasat University

### Training

#### Training courses in 2021

- "Audit Committee and Auditor as Key Mechanisms for Improving Financial Report Quality" by SEC and IOD
- ESG Reporting by EY Co., Ltd.
- Financial Reporting Trends 2021 by EY Co., Ltd.
- What's trending in the capital market? by EY Co., Ltd.

- Introducing innovation to the market and society by Thammasat University and NANOTEC/NSTDA
- The direction of Thailand's energy towards CO<sub>2</sub> reduction target by the Ministry of Energy and Thansettakij

### Training

#### Thai Institute of Directors Association (IOD)

- Boards That Make a Difference (BMD 6/2018)
- Director Certificate Program (DCP126)
- Director Certificate Program Update (DCPU 1)
- Audit Committee Program (ACP)
- Monitoring Fraud Risk Management (MFM)
- Monitoring the Internal Audit Function (MIA)
- Monitoring the System of Internal Control and Risk Management (MIR)
- Monitoring the Quality of Financial Reporting (MFR)
- Role of the Compensation Committee (RCC)
- Improving the Quality of Financial Reporting (QFR)
- Advanced Audit Committee Program (AAP)
- Anti-Corruption Executive Program (ACEP)

### Capital Market Academy

Capital Market Academy Leadership Program  
Class 10

### Past Work Experiences

2015 - Present	• Independent Director/ Audit Committee/ Chairman of CGSR committee of Inoue Rubber (Thailand) PCL.
2017 - Present	• Independent Director/ Chairman of the Audit Committee of BBGI PCL.
2014 - Present	• Independent Director/ Audit Committee/ Nomination and Remuneration Committee of Ocean Life Insurance PCL.
2012 - Present	• Independent Director/ Chairman of Audit Committee/ Chairman of Corporate Governance Committee/ The Nomination and Remuneration Committee of VGI Global Media PCL.
2008 - Present	• Expert of Academic of Finance, Faculty of Commerce and Accountancy, Thammasat University
2014 - 2020	• Sub-Committee of Monitoring and Evaluation, Office of The National Broadcasting and Telecommunications Commission
2012 - 2019	• Audit Committee of Digital Government Development Agency

2018 - 2018 • Audit and Corporate Governance Sub-Committee, Thailand Arbitration Centre, Ministry of Justice

2016 - 2017 • Independent Director/ Chairman of the Audit Committee of KSL Green Innovation PCL.

## Director/ Management Position in other business

### Listed companies

1. Independent Director/ Chairman of the Audit Committee/ Chairman of Corporate Governance Committee of VGI Global Media PCL.

### Non-listed companies

1. Independent Director/ Audit Committee/ Nomination and Remuneration Committee of Ocean Life Insurance PCL.
2. Independent Director/ Chairman of the Audit Committee of BBGI PCL.

## Other businesses

1. Expert of Academic of Finance, Faculty of Commerce and Accountancy, Thammasat University

## Other business that may cause conflict of interest

-None-

## Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
- The Board of Director's Meeting	7/7 times
- Meeting with Non-Executive Directors	2/2 times
- The Audit Committee's Meeting	
- The Good Corporate Governance and Social Responsibility Committee's Meeting	4/4 times
	4/4 times

## Illegal record in the past 10 years

-None-





## Mr. Kittichai Raktakanit

**Position :** Independent Director/ Audit Committee

**Age :** 61 years

**Date of Appointment :** January 31, 2017

**Shareholding Proportion :** -None-

**Term of Directorship :** 3 years

**Relation with Directors :** -None-

### Education

- Bachelor Degree of Business Administration Indiana State University, U.S.A.

### Training

#### Thai Institute of Directors Association (IOD)

- Audit Committee Program Class 7/2005
- Director Certification Program Class 27/2003

#### Other training

-The Joint State - Private Sector Course Class 26/2013

### Past Work Experiences

2017 - Present	<ul style="list-style-type: none"> <li>• Independent Director/ Member of Audit Committee of Inoue Rubber (Thailand) PCL.</li> <li>• Director of Loxley Property Development Co.,Ltd.</li> </ul>
2019 - Present	<ul style="list-style-type: none"> <li>• Independent Director/ Audit Committee Member/ Risk Management Committee member/ Nominating and Compensation Committee member of XSpring Capital PLC.</li> </ul>
2016 - Present	<ul style="list-style-type: none"> <li>• Chairman of Loxley System Integrator Co.,Ltd.</li> <li>• Director of Loxley Evolution Technology Co.,Ltd.</li> </ul>

2019 - Present

- Independent Director/ Chairman of Corporate Governance Committee/ Member of Audit Committee/ Member of Nomination and Compensation Committee/ Member of Risk Management Committee of Sansiri PCL.

2011 - Present

- Chair of Executive Board/ Managing Director of L-Elevator and Engineering Co.,Ltd.

2000 - Present

- Director of Filatax Planner Co.,Ltd.

2010 - 2020

- Executive Vice-President of Loxley PCL.

1997 - 2020

- Director of Filatax Planner Co.,Ltd.

2015 - 2016

- Director/ Executive Director of Mainstay Property Solutions Co., Ltd.

2013 - 2014

- Director of Cholkij Sakol Co.,Ltd

2012 - 2017

- Managing Director of L Green Solution Co.,Ltd.

2011 - 2016

- Director of Town & Country Planning Board, Department of Public works and Town & Country Planning

## Director/ Management Position in other business

### Listed companies

1. Independent Director/ Audit Committee Member/ Risk Management Committee member/ Nominating and Compensation Committee member of XSpring Capital PLC.
2. Independent Director/ Chairman of Corporate Governance Committee/ Member of Audit Committee/ Member of Nomination and Compensation Committee/ Member of Risk Management Committee of Sansiri PCL.

### Non-listed companies

1. Director, Loxley Property Development Co., Ltd.
2. Chairman, Loxley System Integrator Co., Ltd.
3. Director, Loxley Evolution Technology Co., Ltd.
4. Chair of Executive Board, L-Elevator and Engineering Co., Ltd.
5. Chair of Executive Board/ Managing Director of L-Elevator and Engineering Co., Ltd.

### Other businesses

-None-

### Other business that may cause conflict of interest

-None-

## Meeting Attendance for 2021

• The Annual General Meeting of Shareholders	1/1 times
• The Board of Director's Meeting	7/7 times
• Meeting with Non-Executive Directors	2/2 times
• The Audit Committee's Meeting	4/4 times

## Illegal record in the past 10 years

-None-



## Mr. Kazuo Sato

Position : Director

Age : 63 years

Year of Appointment : August 9, 2013

Shareholding Proportion : -None -

Term of Directorship : 8 years

Relation with Directors : -None -

### Education

- Bachelor's Degree in Polymer Engineering,  
Nagoya Institute of Technology, Japan

### Training

#### Thai Institute of Directors Association (IOD)

- Director Accreditation Program (DAP) 108/2014

### Past Work Experiences

2016 - Present • Director, Inoue Rubber (Japan) Co., Ltd

2013 - Present • Director, Inoue Rubber (Thailand) PCL.

2013 - 2016 • President, Inoue Rubber (Thailand) PCL.

2007 - 2013 • General Director, Inoue Rubber (Vietnam) Co., Ltd.

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

1. Director, Inoue Rubber (Japan) Co., Ltd

#### Other businesses

-None-

#### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Board of Director's Meeting	6/7 times
• Meeting with Non-Executive Directors	1/2 times

### Illegal record in the past 10 years

-None-



## Mr. Takeshi Arakawa

**Position :** Managing Director/ Member of Executive Committee

**Age :** 62 years

**Year of Appointment :** August 10, 2018

**Shareholding Proportion :** -None-

**Relation with Directors :** -None-

### Education

- Bachelor's Degree in Mechanical Engineering, Nihon University, Japan

### Training

**Thai Institute of Directors Association (IOD):**

- Director Accreditation Program 65/2007

### Past Work Experience

2018 - Present	<ul style="list-style-type: none"> <li>Member of Executive Committee/ Managing Director of Inoue Rubber (Thailand) Public Co., Ltd.</li> <li>Director and Executive Director of IRC (Asia) Research Co., Ltd</li> </ul>
2012 - 2018	<ul style="list-style-type: none"> <li>Director of BIMC Co., Ltd.</li> </ul>
2011 - 2012	<ul style="list-style-type: none"> <li>General Manager of Inoue Rubber Co., Ltd. (Japan)</li> </ul>
2009 - 2011	<ul style="list-style-type: none"> <li>Managing Director of Inoue Rubber (Thailand) Public Co., Ltd.</li> </ul>
2006 - 2009	<ul style="list-style-type: none"> <li>Executive Director of Inoue Rubber (Thailand) Public Co., Ltd.</li> </ul>

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non - listed companies

1. Director and Executive Director of IRC (Asia) Research Co., Ltd

#### Other businesses

-None-

#### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 times
• The Executive Committee's Meeting	7/7 time

### Illegal record in the past 10 years

-None-



## Ms. Witchuda Kupongsak

**Position :** Executive Director of Administrative and Control Unit/  
Member of Executive Committee

**Age :** 57 years

**Year of Appointment :** January 29, 2013

**Shareholding Proportion :** 0.024%

**Relation with Directors :** -None -

### Education

- Master of Business Administration, Thammasat University
- Bachelor of Engineering, Chulalongkorn University

### Training

#### Thai Institute of Directors Association (IOD)

- DAP Director Accreditation Program Class 117/2015
- ELP Ethical Leadership Program Class 2/2015
- SFE Successful Formulation & Execution of Strategy Class 28/2013

#### Other Training:

- Babson Entrepreneurial Leadership Program Babson College
- CEDI - Babson Entrepreneurial Leadership Program

### Past Work Experience

2015 - Present	• Executive Director of Administrative & Control Unit, Inoue Rubber (Thailand) PCL.
2013 - Present	• Member of Executive Committee, Inoue Rubber (Thailand) PCL.
2016 - Present	• Director of Thai Inoac Component Co., Ltd.
2001 - Present	• Director of Kinno Hoshi Engineering Co., Ltd.
1998 - Present	• Director of Inoue Rubber (Vietnam) Co., Ltd.
2010 - 2015	• Deputy Executive Director of Administrative & Control Unit, Inoue Rubber (Thailand) PCL.

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

1. Director and Executive Director of IRC (Asia) Research Co., Ltd

#### Other businesses

-None-

#### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Executive Committee's Meeting	7/7 times

### Illegal record in the past 10 years

-None-



## Mr. Narongchai Rattanaekkwain

**Position :** Deputy Executive Director of IED Business Unit/ Member of Executive Committee / Member of Risk Management Committee

**Age :** 51 years

**Year of Appointment :** November 24, 2014

**Shareholding Proportion :** 0.005%

**Relation with Directors :** -None-

### Education

- Master of Science in Computer and Engineering Management (MS-CEM), Assumption University
- Bachelor of Science, Faculty of Science and Technology (Rubber Technology), Prince of Songkla University

### Training

#### Thai Institute of Directors Association (IOD):

- SFE Successful Formulation & Execution of Strategy Class 28/2016
- HRP How to Develop a Risk Management Plan Class 8/2015
- FSD Financial Statements for Directors Class 18/2012
- RMP Risk Management Committee Program Class 5/2014

- DAP Director Accreditation Program Class 159/2019

### Other Training:

- Thai Railway Engineer Program, National Science and Technology Development Agency
- ISO9001:2000 Internal Auditing, Robere & Associates
- ISO/TS16949:2002 Internal Auditing, Robere & Associates
- ISO14001 Internal Auditing, Robere & Associates
- Babson Entrepreneurial Leadership Program Babson College (CEDI)

### Past Work Experience

2016 - Present	• Director of Kinno Hoshi Engineering Co., Ltd.
2015 - Present	• Deputy Executive Director of IED Business Unit/ Member of Risk Management Committee of Inoue Rubber (Thailand) PCL. • Deputy Executive Director of R&D Division of IRC (Asia) Research Co., Ltd.
2014 - Present	• Member of Executive Committee of Inoue Rubber (Thailand) PCL.
2013 - 2015	• Production Division Manager of Inoue Rubber (Thailand) PCL.
2009 - 2015	• Engineering Division Manager of Inoue Rubber (Thailand) PCL. • R&D Manager of IRC (Asia) Research Co., Ltd.

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

1. Director of Kinno Hoshi Engineering Co., Ltd.
2. Deputy Executive Director of R&D Division of IRC (Asia) Research Co., Ltd.

#### Other businesses

-None-

#### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Executive Committee's Meeting	7/7 times
• The Risk Management Committee's Meeting	4/4 times

### Illegal record in the past 10 years

-None-





## Mr. Suchart Kootiratrakarn

**Position :** Deputy Executive Director of Tire & Tube Business Unit/ Member of Executive Committee/ Member of Risk Management Committee

**Age :** 52 years

**Year of Appointment :** August 9, 2013

**Shareholding Proportion :** 0.003%

**Relation with Directors :** -None-

### Education

- Master of Business Economics, National Institute of Development Administration (NIDA)
- Bachelor of Science, Faculty of Science and Technology (Rubber Technology), Prince of Songkla University

### Training

#### Thai Institute of Directors Association (IOD) :

- HRP How to Develop a Risk Management Plan Class 8/2015
- FSD Financial Statements for Directors Class 18/2012
- RMP Risk Management Committee Program Class 5/2014
- DAP Director Accreditation Program Class 159/2019 159/2019

### Other training:

- Babson Entrepreneurial Leadership Program Babson College (CEDI)

### Past Working Experience

2015 - Present	<ul style="list-style-type: none"> <li>• Deputy Executive Director of Tire &amp; Tube Business Unit and Member of Risk Management Committee, Inoue Rubber (Thailand) PCL.</li> <li>• Deputy Executive Director of IRC (Asia) Research Co., Ltd.</li> </ul>
2013 - Present	<ul style="list-style-type: none"> <li>• Executive Committee of Inoue Rubber (Thailand) PCL.</li> </ul>

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

1. Deputy Executive Director of IRC (Asia) Research Co., Ltd.

#### Other businesses

-None-

#### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Executive Committee's Meeting	7/7 times
• The Risk Management Committee's Meeting	4/4 times

### Illegal record in the past 10 years

-None-



## Mr. Mitsuhiro Ito

**Position** : Executive Director of IED Business Unit/ Member of Executive Committee

**Age** : 48 years

**Year of Appointment** : November 23, 2018

**Shareholding Proportion** : -None-

**Relation with Directors** : -None-

### Education

- Bachelor's degree in Engineering, Nagoya Institute of Technology University, Japan

### Training

-None -

### Past Working Experience

2018 - Present	• Member of Executive Committee / Executive Director, IED Business Unit, Inoue Rubber (Thailand) PLC.
2004 - 2018	• Assistant Manager of Rubber Production Engineering Department, Inoac Co., Ltd

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

-None-

#### Other businesses

-None-

#### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Executive Committee's Meeting	6/7 times

### Illegal record in the past 10 years

-None-



**Mr. Hiroyuki Hibi**

**Position :** Member of Executive Committee

**Age :** 58 years

**Year of Appointment :** 2016

**Shareholding Proportion :** -None-

**Relation with Directors :** -None-

### Education

- Bachelor's Degree in Economics, Ritsumeikan University

### Training

-None-

### Past Working Experience

2016 - Present	<ul style="list-style-type: none"> <li>Member of Executive Committee of Inoue Rubber (Thailand) PCL.</li> <li>Director of Kinno Hoshi Engineering Co., Ltd.</li> </ul>
2018 - Present	<ul style="list-style-type: none"> <li>Corporate Officer of Rubber and Elastomer Division of INOAC Co., Ltd.</li> </ul>
2015 - 2016	<ul style="list-style-type: none"> <li>Managing Director of Division of Rubber and Elastomer Division of INOAC Co., Ltd.</li> <li>Vice President of PT. IRC INOAC INDONESIA</li> </ul>
2010 - 2015	<ul style="list-style-type: none"> <li>Managing Director of Dongguan Inoac (F.K.) Metal and Elastomer Co., Ltd.</li> </ul>

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

1. Corporate Officer of Rubber and Elastomer Division of INOAC Co., Ltd.

#### Other businesses

-None-

#### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Executive Committee's Meeting	3/7 times

### Illegal record in the past 10 years

-None-



**Mr. Kazuaki Yamada**

Position : Member of Executive Committee

Age : 54 years

Year of Appointment : August 14, 2019

Shareholding Proportion : -None-

Relation with Directors : -None-

### Education

- Bachelor's Degree in Accounting, Shiga University, Japan

### Training

-None-

### Past Working Experience

2019 - Present	• Member of Executive Committee of Inoue Rubber (Thailand) Co., Ltd.
2015 - Present	• Advisor of Inoac (Thailand) Co., Ltd.
2011 - 2015	• Accounting Manager of Inoue Rubber Co., Ltd.

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

1. Advisor of Inoac (Thailand) Co., Ltd.

#### Other businesses

-None-

#### Other business that may cause conflict of interest

-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Executive Committee's Meeting	4/7 times

### Illegal record in the past 10 years

-None-



## Ms. Praewphan Songhong

**Position :** Chief Executive Officer/ Member of Risk Management Committee/ Member of Executive Committee/

**Age :** 51 years

**Year of Appointment :** May 11, 2021

**Shareholding Proportion :** -None-

**Relation with Directors :** -None-

### Education

- Master of Business Administration, Major of Finance, Eastern Asia University
- Bachelor of Business Administration, Major of Accounting, Rajamangala University of Technology Suvarnabhumi, Wasukri Campus

### Training

#### Thai Institute of Directors Association (IOD) :

- Financial Statements for Directors (FSD)

#### The Association of Listed Companies

- Strategic Financial Leadership Program (SFLP)
- Learn to develop KAM to benefit the Thai capital market literally
- TLCA CFO Professional Development Program (TLCA CFO CPD) No. 3/2020 and 4/2020
- TLCA CFO CPD No. 5/2020 in the topic of “How to

create value with the right environment, social and governance strategies”

### The Federation of Accounting Professions Under the Royal Patronage

- Financial Instruments
- Financial Model
- Thailand International Financial Reporting
- Tax burden from oversea payment and Double Taxation Agreement
- CFO FOCUS ON FINANCIAL REPORTING
- Pack 5 & Fair Value

### Other Training:

- Corporate Tax Planning: Best Practices & Corporate Governance from Omega Worldclass institution.
- Strategic CFO in Capital Markets, SET

### Past Working Experience

2021 - Present	• Member of the Executive Committee of Inoue Rubber (Thailand) PCL.
2020 - Present	• Manager of Accounting Department, Inoue Rubber (Thailand) PCL.
2017 - Present	• Member of Risk Management Committee, Inoue Rubber (Thailand) PCL. • Finance Division Manager, Inoue Rubber (Thailand) PCL.
2016 - Present	• Chief Financial Officer of Inoue Rubber (Thailand) PCL.
2008 - 2017	• Senior Manager of Accounting Department, Inoue Rubber (Thailand) PCL.
2004 - 2008	• Accounting Manager of Toei Inoac Co., Ltd.

### Director/ Management Position in other business

#### Listed companies

-None-

#### Non-listed companies

-None-

#### Other businesses

-None-

#### Other business that may cause conflict of interest


-None-

### Meeting Attendance for 2021

• Annual General Meeting of Shareholders	1/1 time
• The Risk Management Committee's Meeting	4/4 times

### Illegal record in the past 10 years

-None-



## Information of the person responsible for accounting supervision

### Miss Pim Aroonsuntiroj

**Position :** Accounting Chief

**Age :** 28 years

**Date of Appointment :** 1 October 2019

**Shareholding Proportion :** -None-  
(as at 30 September 2021)

#### Education

- Bachelor of Accountancy, Faculty of Commerce and Accountancy Chulalongkorn University

#### Training

##### Training in 2021

- Summary main point of TFRS for PAEs and important changes in 2021 by The Stock Exchange of Thailand
- Topic “How to Write an Effective MD&A” by Thai Listed Companies Association
- TLCA CFO Professional Development Program 2/2021 topic “COVID 19 Implications for Financial Reporting and Audit” by Thai Listed Companies Association

#### Training from Federation of Accounting Professions Under The Royal Patronage of His Majesty The King (TFAC)

- From TAS18 to TFRS15 (Bridge Over Troubled Water)
- Create understanding of new Thai Financial Reporting Standards TFRS16

#### Other Training:

- Guidelines for preparing Financial Report of Company affected from COVID-19 by The Stock Exchange of Thailand
- “Financial Management Strategy to recover organization and growth in New Normal life” by The Stock Exchange of Thailand
- How new TFRS effect to Financial Report (Analysis aspect) by NYC Management Co.,Ltd.
- TFRS 9 Accounting for Financial Instruments for Non-financial Institution by NYC Management Co.,Ltd.

#### Past Work Experiences

2018 - Present	• Chief of Accounting Analysis & Forecasting, Finance Division, Inoue Rubber (Thailand) PCL
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2015 - 2018	• Audit Assistant, EY Office Limited
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#### Illegal record in the past 10 years

-None-



## Information of the Company Secretary

### Miss Kittunya Naruepracha

**Position :** Company Secretary/ Chief Investor Relations

**Age :** 29 years

**Year of Appointment :** 9 November 2018

**Shareholding Proportion :** -None -  
(as at 30 September 2021)

**Relation with Directors :** -None -

#### Education

- Master Degree of Financial Economics, University of Exeter, UK
- Bachelor Degree of Economics (International Course), Chulalongkorn University

#### Training

##### Training in 2021

- IR Sharing 2-2021: “Working between CEO and IRO about Planning the Communication to Key Stakeholders” by TLCA
- IR Sharing 2-2021: “What is the Key Success of IR operation” by TLCA
- Online Seminar: “Guideline of Preparing Conflict of Interest Report and Key Policy about Using of Insider Information” by TLCA
- TLCA CFO CPD No.7/2021: “Economic update

for CFO” by TLCA

- Online Seminar: “Putting Circular Economy Principles into Practice” by TLCA

##### Training from Thai Institute of Directors (IOD)

- Certificate in Investor Relations 2017
- Fundamentals for Corporate Secretaries
- Anti-Corruption: The Practical Guide (ACPG 45/2018)

##### Other Training:

- Principle of Good Corporate Governance of listed company in 2017
- Smart Disclosure Program (SDP) No. 2/2017
- Assist your BOD in leading through disruptions with CG perspective: CG Code Workshop from Deloitte

##### Past Work Experience

2018 - Present	• Company Secretary Inoue Rubber (Thailand) PLC
2017 - Present	• Chief Investor Relations Inoue Rubber (Thailand) PLC
2017 - 2018	• Secretary of Good Corporate Governance and Social Responsibility Committee Inoue Rubber (Thailand) PLC
2017 - 2018	• Secretary of Risk Management Committee Inoue Rubber (Thailand) PLC
2016 - 2017	• Assistant Chief Investor Relations Inoue Rubber (Thailand) PLC

##### Illegal record in the past 10 years

-None-

## Attachment 2

# Information of the Directors of the Subsidiaries

Positions held by the Company's (1) Directors (2) Executives following the SEC definition, and (3) Executive Committee members in the Subsidiaries and affiliate

Director	Subsidiaries	Affiliates	
		IAR	KIN
Mrs.Pimjai Leeissaranukul <sup>(1),(2),(3)</sup>	/ , X	/ , X	-
Mr. Katsunori Ito <sup>(1),(2),(3)</sup>	-	/ , // , X	-
Mr. Thanong Leeissaranukul <sup>(1)</sup>	/	-	-
Mrs. Porntip Sethiwan <sup>(1)</sup>	/	-	-
Mr. Takeshi Arakawa <sup>(2),(3)</sup>	/ , // , X	-	-
Ms. Witchuda Kupongsak <sup>(2),(3)</sup>	-	/	/
Mr. Narongchai Rattanaekkawin <sup>(2),(3)</sup>	/ , //	/	-
Mr. Mitsuhiro Ito <sup>(2),(3)</sup>	//	-	-
Mr. Hiroyuki Hibi <sup>(3)</sup>	-	/	-
Mr. Suchart Kootiratrakarn <sup>(2),(3)</sup>	//	-	-

Data as at September 30, 2021

**Remarks:** Director, Executive Director and Authorized Signatory Director of IRC (Asia) Research Co., Ltd., Kinno Hoshi Engineering and Inoue Rubber Vietnam Co., Ltd. are the person who has been nominated by the Board of Directors to be the director, executive and controlling person of the subsidiary.

### Symbols indicate positions

/ = Director    // = Executive Director    X = Authorized Signatory Director

IAR = IRC (ASIA) RESEARCH COMPANY LIMITED

KIN = KINNO HOSHI ENGINEERING COMPANY LIMITED

IRV = INOUE RUBBER VIETNAM COMPANY LIMITED





## Attachment 3

# Information of Head of the Internal Audit

### Ms. Wannapa Yoosabai

**Position :** Head of Internal Audit Apartment

**Age :** 28 Years

**Shareholding Proportion :** -None-

**Relation with Director :** -None-

#### Education

- Bachelor of Accountancy, Faculty of Accountancy, Rangsit University

#### Training

The Federation of Accounting Professions

- Training update accounting standard

Rangsit University

- Program Express,

AutoFlight Co., Ltd.

- Program AutoFlight

#### Past Work Experience

2021 - Present • Chief of Internal Audit Department, Inoue Rubber (Thailand) PCL.

2019 - 2021 • Senior Internal Auditor, Grant Thornton Thailand Co., Ltd.

2015 - 2019 • Auditor, S P Audit Co., Ltd.

#### Director/ Management Position in other business

##### Listed companies

-None-

##### Non - listed companies

-None-

##### Other business that may cause conflict of interest

-None-

## Attachment 4

# Business Assets and Information on Asset Valuation

### 1. The assets used in the Company's business operations

The details of important assets used in the Company's business operations and subsidiaries as of September 30, 2021 are as follows:

#### Primary Fixed Assets and Intangible Assets

##### Primary Fixed Assets

Types of Assets	Types of Asset Ownership	Book Value (million baht)	Obligation
<b>Lands</b>			
- Thanyaburi District, Pathum Thani Province Area: 34 rai, 1 ngan, 69 square wa	Sole Ownership	27.89	No Obligation
- Wang Noi District, Ayutthaya Province Area: 52 rai, 1.5 square wa	Sole Ownership	110.09	No Obligation
<b>Office Buildings and Factories</b>			
- Thanyaburi District, Pathum Thani Province	Sole Ownership	112.41	No Obligation
- Wang Noi District, Ayutthaya Province	Sole Ownership	118.95	No Obligation
<b>Machinery and Equipment</b>	Sole Ownership	1,147.35	No Obligation
<b>Other Equipment</b>	Sole Ownership	19.52	No Obligation
<b>Investment Property</b>	Sole Ownership	9.68	No Obligation
<b>Vehicles</b>	Sole Ownership	12.01	No Obligation
<b>Computer Programs</b>	Sole Ownership	39.47	No Obligation
<b>Projects Under Construction</b>	Sole Ownership	83.95	No Obligation

## Intangible Assets

Inoue Rubber (Thailand) Public Co., Ltd. and other subsidiaries have trademarks and patents for their products. The trademarks and patents are as follows:

Types of Products	Protection Period
Trademarks	
ค39895	10 Years
ค39894	10 Years
ค65995	10 Years
ค63317	10 Years
ค50143	10 Years
ค94164	10 Years
ค234953	10 Years
ค311326	10 Years
ค333569	10 Years
171121782	10 Years
211122851	10 Years
191115220	10 Years
บ5933	10 Years
Patents	
61462	10 Years
18568	10 Years
18843	10 Years

## Disclosure of Information on the Asset Valuation

The Company has been revalued its assets during the accounting period as of September 30, 2021 by Future Appraisal Co., Ltd. and Agency for Real Estate Affairs Co., Ltd. The aforementioned companies are independent appraisers with both qualifications and experience in the locations and types of investment property being valued (the details are in Note 16 of the financial statements).

## Attachment 5

# Good Corporate Governance Handbook

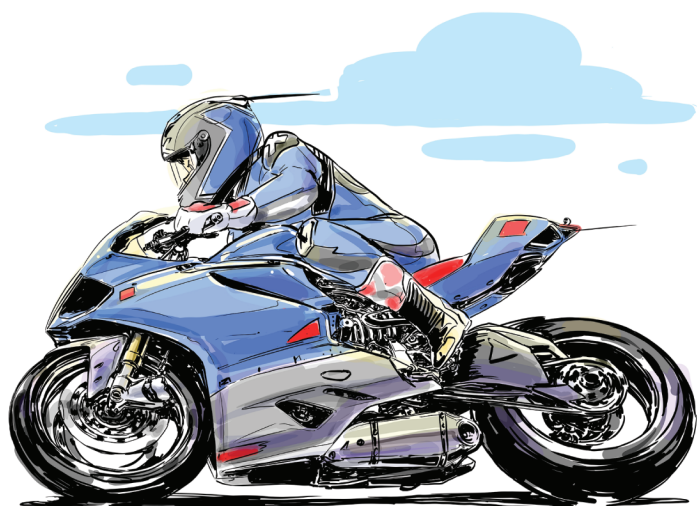


Please scan QR Code to see the Good Corporate Governance Policy (2021 revision) or on the Company's website <http://www.irc Thailand.com/en/investor/corporate/charters>

# DRIVE

## The Creative Innovation

### ขับเคลื่อนนวัตกรรมสร้างสรรค์



บริษัท อินเวอ รับเบอร์ (ประเทศไทย) จำกัด (มหาชน)  
Inoue Rubber (Thailand) Public Company Limited

**Inoue Rubber (Thailand) Public Company Limited**

258 Soi Rangsit - Nakornnayok 49, Prachathipat,

Thunyaburi, Pathumthani 12130

Tel : 66 2996 0890 Fax : 66 2996 1439

E-mail : [info@ircthailand.com](mailto:info@ircthailand.com)

Website: [www.ircthailand.com](http://www.ircthailand.com)