

INOUE RUBBER (THAILAND) PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND SEPARATE
FINANCIAL INFORMATION (UNAUDITED)**

30 JUNE 2019



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

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

I have reviewed the interim consolidated financial information of Inoue Rubber (Thailand) Public Company Limited and its subsidiaries, and the separate financial information of Inoue Rubber (Thailand) Public Company Limited. These comprise the consolidated and separate statements of financial position as at 30 June 2019, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods then ended, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Nopanuch Apichatsatien', is written over a light blue horizontal line.

Nopanuch Apichatsatien
Certified Public Accountant (Thailand) No. 5266
Bangkok
14 August 2019

Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position

As at 30 June 2019

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000
Assets					
Current assets					
Cash and cash equivalents		532,629	822,969	500,079	794,380
Trade and other receivables, net	7	988,730	999,109	991,379	999,429
Available-for-sale investments	8	478,407	-	478,407	-
Inventories, net		609,467	641,360	605,498	635,568
Other current assets		20,119	15,675	17,415	12,144
Total current assets		2,629,352	2,479,113	2,592,778	2,441,521
Non-current assets					
Available-for-sale investments	8	225,634	701,044	225,634	701,044
Investments in subsidiaries		-	-	20,049	20,049
Other long-term investment		30,782	30,782	30,782	30,782
Investment property, net	9	9,193	9,207	9,914	9,947
Property, plant and equipment, net	10	1,785,759	1,750,230	1,722,443	1,681,168
Computer software, net	11	32,019	32,796	27,037	27,144
Deferred tax assets		49,959	40,238	45,022	36,796
Other non-current assets		28,850	14,645	28,790	14,645
Total non-current assets		2,162,196	2,578,942	2,109,671	2,521,575
Total assets		4,791,548	5,058,055	4,702,449	4,963,096

Director _____

Director _____

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position (Cont'd)

As at 30 June 2019

	Notes	Consolidated financial information		Separate financial information	
		Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000
Liabilities and equity					
Current liabilities					
Trade and other payables	12	992,801	1,219,954	1,010,190	1,226,323
Income tax payable		4,202	31,373	4,202	31,373
Other current liabilities		2,354	2,304	-	-
Total current liabilities		999,357	1,253,631	1,014,392	1,257,696
Non-current liabilities					
Deferred tax liabilities		657	949	-	-
Employee benefit obligations	13	256,988	207,176	225,838	185,128
Total non-current liabilities		257,645	208,125	225,838	185,128
Total liabilities		1,257,002	1,461,756	1,240,230	1,442,824

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Financial Position (Cont'd)

As at 30 June 2019

	Consolidated		Separate	
	financial information		financial information	
	Unaudited	Audited	Unaudited	Audited
	30 June	30 September	30 June	30 September
	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital				
Ordinary shares, 200 million shares				
at par value of Baht 1 each	200,000	200,000	200,000	200,000
Issued and fully paid-up share capital				
Ordinary shares, 200 million shares				
paid-up of Baht 1 each	200,000	200,000	200,000	200,000
Share premium	298,000	298,000	298,000	298,000
Retained earnings				
Appropriated - legal reserve	20,000	20,000	20,000	20,000
Unappropriated	3,030,353	3,088,641	2,953,058	3,008,254
Other components of equity	(13,812)	(10,347)	(8,839)	(5,982)
Equity attributable to:				
Owners of the parent	3,534,541	3,596,294	3,462,219	3,520,272
Non-controlling interests	5	5	-	-
Total equity	3,534,546	3,596,299	3,462,219	3,520,272
Total liabilities and equity	4,791,548	5,058,055	4,702,449	4,963,096

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month period ended 30 June 2019

	Note	Consolidated		Separate	
		financial information		financial information	
		2019	2018	2019	2018
		Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Revenue from sales and services		1,306,336	1,390,990	1,305,801	1,390,702
Other income		11,543	11,095	12,221	11,743
Total revenues		1,317,879	1,402,085	1,318,022	1,402,445
Expenses					
Cost of sales and services		1,206,222	1,211,436	1,207,585	1,214,342
Selling expenses		27,092	23,833	27,092	23,833
Administrative expenses		83,217	68,745	80,633	66,763
Other expenses		4,615	4,778	4,602	4,768
Total expenses		1,321,146	1,308,792	1,319,912	1,309,706
Profit (loss) before finance costs and income tax expense		(3,267)	93,293	(1,890)	92,739
Finance costs - Interest expense		-	(4)	-	(4)
Profit (loss) before income tax expense		(3,267)	93,289	(1,890)	92,735
Income tax (expense) income	14	2,932	(16,271)	2,348	(16,163)
Net profit (loss) for the period		(335)	77,018	458	76,572

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited) (Cont'd)
 For the three-month period ended 30 June 2019

	Consolidated		Separate	
	financial information		financial information	
	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000
Other comprehensive income (expense):				
Item that will not be reclassified subsequently to profit or loss:				
Remeasurements of employee benefit obligations, net of tax	(4,054)	-	(3,446)	-
Total item that will not be reclassified subsequently to profit or loss	(4,054)	-	(3,446)	-
Item that will be reclassified subsequently to profit or loss:				
Change in value of available-for-sale investments, net of tax	486	(671)	486	(671)
Total item that will be reclassified subsequently to profit or loss	486	(671)	486	(671)
Other comprehensive expense for the period, net of tax	(3,568)	(671)	(2,960)	(671)
Total comprehensive income (expense) for the period	(3,903)	76,347	(2,502)	75,901
Profit (loss) attributable to:				
Owners of the parent	(335)	77,018	458	76,572
Non-controlling interests	-	-	-	-
	(335)	77,018	458	76,572
Total comprehensive income (expense) attributable to:				
Owners of the parent	(3,903)	76,347	(2,502)	75,901
Non-controlling interests	-	-	-	-
	(3,903)	76,347	(2,502)	75,901
Earnings per share				
Basic earnings (loss) per share (Baht)	(0.002)	0.39	0.002	0.38

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Comprehensive Income (Unaudited) (Cont'd)
 For the nine-month period ended 30 June 2019

	Note	Consolidated		Separate	
		financial information		financial information	
		2019	2018	2019	2018
		Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Revenue from sales and services		4,116,198	4,167,301	4,114,016	4,166,864
Dividends income		-	-	10,000	7,000
Other income		31,427	38,186	33,355	40,160
Total revenues		4,147,625	4,205,487	4,157,371	4,214,024
Expenses					
Cost of sales and services		3,681,719	3,561,292	3,695,964	3,579,375
Selling expenses		88,784	84,050	88,784	84,050
Administrative expenses		220,695	198,276	213,541	191,294
Other expenses		13,713	13,203	13,678	13,118
Total expenses		4,004,911	3,856,821	4,011,967	3,867,837
Profit before finance costs					
and income tax expense		142,714	348,666	145,404	346,187
Finance costs - Interest expense		-	(22)	-	(22)
Profit before income tax expense		142,714	348,644	145,404	346,165
Income tax expense	14	(21,702)	(61,704)	(21,300)	(61,641)
Net profit for the period		121,012	286,940	124,104	284,524

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

Inoue Rubber (Thailand) Public Company Limited
Statements of Comprehensive Income (Unaudited) (Cont'd)
For the nine-month period ended 30 June 2019

	Consolidated		Separate	
	financial information		financial information	
	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000
Other comprehensive income (expense):				
Item that will not be reclassified subsequently to profit or loss:				
Remeasurements of employee benefit obligations, net of tax	(4,054)	-	(3,446)	-
Total item that will not be reclassified subsequently to profit or loss	(4,054)	-	(3,446)	-
Item that will be reclassified subsequently to profit or loss:				
Change in value of available-for-sale investments, net of tax	589	(600)	589	(600)
Total item that will be reclassified subsequently to profit or loss	589	(600)	589	(600)
Other comprehensive expense for the period, net of tax	(3,465)	(600)	(2,857)	(600)
Total comprehensive income for the period	117,547	286,340	121,247	283,924
Profit attributable to:				
Owners of the parent	121,012	286,940	124,104	284,524
Non-controlling interests	-	-	-	-
	121,012	286,940	124,104	284,524
Total comprehensive income attributable to:				
Owners of the parent	117,547	286,340	121,247	283,924
Non-controlling interests	-	-	-	-
	117,547	286,340	121,247	283,924
Earnings per share				
Basic earnings per share (Baht)	0.61	1.43	0.62	1.42

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

Inoue Rubber (Thailand) Public Company Limited

Statements of Changes in Equity (Unaudited)

For the nine-month period ended 30 June 2019

Consolidated financial information												
Attributable to owners of the parent												
	Note	Retained earnings			Other components of equity				Total owners of the parent Baht'000	Non-controlling interests Baht'000	Total equity Baht'000	
		Issued and fully paid-up share capital Baht'000	Share premium Baht'000	Appropriated - legal reserve Baht'000	Unappropriated retained earnings Baht'000	Change in value of available-for-sale investments Baht'000	Other comprehensive income (expense)					Total other components of equity Baht'000
							Remeasurements of post-employment benefit obligations Baht'000	Remeasurements of post-employment benefit obligations Baht'000				
Opening balance as at 1 October 2017		200,000	298,000	20,000	2,899,545	681	(1,359)	(678)	3,416,867	5	3,416,872	
Changes in equity for the nine-month period ended 30 June 2018		-	-	-	(169,520)	-	-	-	(169,520)	-	(169,520)	
Dividends paid		-	-	-	286,940	(600)	-	(600)	286,340	-	286,340	
Total comprehensive income for the period		-	-	-	286,940	(600)	-	(600)	286,340	-	286,340	
Closing balance as at 30 June 2018		200,000	298,000	20,000	3,016,965	81	(1,359)	(1,278)	3,533,687	5	3,533,692	
Opening balance as at 1 October 2018		200,000	298,000	20,000	3,088,641	(131)	(10,216)	(10,347)	3,596,294	5	3,596,299	
Changes in equity for the nine-month period ended 30 June 2019		-	-	-	(179,300)	-	-	-	(179,300)	-	(179,300)	
Dividends paid	15	-	-	-	121,012	589	(4,054)	(3,465)	117,547	-	117,547	
Total comprehensive income for the period		-	-	-	121,012	589	(4,054)	(3,465)	117,547	-	117,547	
Closing balance as at 30 June 2019		200,000	298,000	20,000	3,030,353	458	(14,270)	(13,812)	3,534,541	5	3,534,546	

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Changes in Equity (Unaudited) (Cont'd)
 For the nine-month period ended 30 June 2019

		Separate financial information							Total equity Baht'000
		Retained earnings			Other components of equity			Total other components of equity Baht'000	
		Issued and fully paid-up share capital Baht'000	Share premium Baht'000	Appropriated - legal reserve Baht'000	Unappropriated retained earnings Baht'000	Change in value of available-for-sale investments Baht'000	Remeasurements of post-employment benefit obligations Baht'000		
	Note								
Opening balance									
as at 1 October 2017		200,000	298,000	20,000	2,826,316	681	1,463	2,144	3,346,460
Changes in equity for the nine-month period ended 30 June 2018		-	-	-	(169,520)	-	-	-	(169,520)
Dividends paid		-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	284,524	(600)	-	(600)	283,924
Closing balance		200,000	298,000	20,000	2,941,320	81	1,463	1,544	3,460,864
as at 30 June 2018									
Opening balance									
as at 1 October 2018		200,000	298,000	20,000	3,008,254	(131)	(5,851)	(5,982)	3,520,272
Changes in equity for the nine-month period ended 30 June 2019		-	-	-	(179,300)	-	-	-	(179,300)
Dividends paid	15	-	-	-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	124,104	589	(3,446)	(2,857)	121,247
Closing balance		200,000	298,000	20,000	2,953,058	458	(9,297)	(8,839)	3,462,219
as at 30 June 2019									

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

Inoue Rubber (Thailand) Public Company Limited
Statements of Cash Flows (Unaudited)
For the nine-month period ended 30 June 2019

	Notes	Consolidated financial information		Separate financial information	
		2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Cash flows from operating activities					
Profit before income tax expense		142,714	348,644	145,404	346,165
Adjustments for:					
Depreciation	9, 10	230,571	220,363	220,768	210,862
Amortisation	11	4,360	4,142	3,508	3,251
Allowance for inventories obsolescence (Reversal)		(4,439)	1,937	(4,439)	1,937
Net loss on write-offs and disposals of plant and equipment		5,827	5,013	5,957	5,013
Loss on disposals of computer software		4	-	4	-
Unrealised loss on exchange rate		1,802	2,119	1,802	2,119
(Gain) loss on disposals of available-for-sale investments		25	(20)	25	(20)
Dividends income		-	-	(10,000)	(7,000)
Interest income		(12,540)	(11,506)	(12,408)	(11,441)
Interest expenses		-	22	-	22
Employee benefits	13	73,255	16,358	64,688	14,792
Changes in operating assets and liabilities					
Trade and other receivables		9,421	(48,590)	7,067	(49,608)
Inventories		36,332	(75,363)	34,509	(74,290)
Other current assets		(4,444)	(4,562)	(5,271)	(3,262)
Other non-current assets		(14,205)	5,138	(14,145)	5,138
Trade and other payables		(186,910)	127,549	(178,314)	128,433
Other current liabilities		50	(215)	-	(493)
Employee benefits paid	13	(28,512)	(8,647)	(28,285)	(8,647)
Cash generated from operations		253,311	582,382	230,870	562,971
Interest received		3,549	3,871	3,441	3,797
Interest paid		-	(22)	-	(22)
Income tax paid		(54,644)	(79,113)	(54,644)	(79,113)
Net cash generated from operating activities		202,216	507,118	179,667	487,633

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

Inoue Rubber (Thailand) Public Company Limited
 Statements of Cash Flows (Unaudited) (Cont'd)
 For the nine-month period ended 30 June 2019

	Notes	Consolidated financial information		Separate financial information	
		2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Cash flows from investing activities					
Short-term investments		-	114,073	-	110,002
Purchases of available-for-sale investments	8	(1,095,810)	(747,900)	(1,095,810)	(747,900)
Proceeds from disposals of available-for-sale investments		1,102,714	753,917	1,102,714	753,917
Purchases of property, plant and equipment		(322,332)	(332,378)	(313,225)	(315,544)
Purchases of computer software	11	(3,595)	(1,498)	(3,413)	(397)
Proceeds from disposals of equipment		5,759	2,886	5,058	2,886
Proceeds from disposals of computer software		8	-	8	-
Dividends received		-	-	10,000	7,000
Net cash used in investing activities		(313,256)	(210,900)	(294,668)	(190,036)
Cash flows from financing activities					
Dividends paid	15	(179,300)	(169,520)	(179,300)	(169,520)
Net cash used in financing activities		(179,300)	(169,520)	(179,300)	(169,520)
Net increase (decrease) in cash and cash equivalents		(290,340)	126,698	(294,301)	128,077
Cash and cash equivalents at the beginning of the period		822,969	406,228	794,380	382,735
Cash and cash equivalents at the end of the period		532,629	532,926	500,079	510,812

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 June 2019 and 2018 comprise:

	Consolidated financial information		Separate financial information	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Other payables from purchases of property, plant and equipment	57,587	51,377	76,636	64,541

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

1 General information

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

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

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

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

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

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

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

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

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

This interim consolidated and separate financial information has been reviewed, not audited.

This interim consolidated and separate financial information were authorised for issue by the Board of Directors on 14 August 2019.

2 Basis of preparation

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

The interim financial information should be read in conjunction with the annual financial statements for the year ended 30 September 2018.

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

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 30 September 2018.

The Group has adopted the revised financial reporting standards that are effective for annual periods beginning on or after 1 January 2018 that do not have a material impact to the Group.

The Group has not yet early adopted the new and amended financial reporting standards that are effective for annual periods beginning on or after 1 January 2019 and is currently assessing the impacts from these standards.

4 Estimates

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

5 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker of the Group which includes Chairman, President and Executive Director.

Financial information of the Group for the three-month periods ended 30 June 2019 and 2018 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2019	2018	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Revenue from sales and services	957,038	1,010,947	349,298	380,043	1,306,336	1,390,990
Cost of sales and services	(903,685)	(897,248)	(302,537)	(314,188)	(1,206,222)	(1,211,436)
Gross profit	53,353	113,699	46,761	65,855	100,114	179,554
Other income					11,543	11,095
Selling expenses					(27,092)	(23,833)
Administrative expenses					(83,217)	(68,745)
Other expenses					(4,615)	(4,778)
Finance costs					-	(4)
Income tax (expense) income					2,932	(16,271)
Non-controlling interests					-	-
Net profit (loss) for the period					(335)	77,018

Financial information of the Group for the nine-month periods ended 30 June 2019 and 2018 classified by market were presented as follows:

	Consolidated financial information					
	Local		Export		Total	
	2019	2018	2019	2018	2019	2018
	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000	Baht'000
Revenue from sales and services	3,029,717	3,047,908	1,086,481	1,119,393	4,116,198	4,167,301
Cost of sales and services	(2,769,209)	(2,653,955)	(912,510)	(907,337)	(3,681,719)	(3,561,292)
Gross profit	260,508	393,953	173,971	212,056	434,479	606,009
Other income					31,427	38,186
Selling expenses					(88,784)	(84,050)
Administrative expenses					(220,695)	(198,276)
Other expenses					(13,713)	(13,203)
Finance costs					-	(22)
Income tax expense					(21,702)	(61,704)
Non-controlling interests					-	-
Net profit for the period					121,012	286,940

6 Fair value

At 30 June 2019 and 30 September 2018, the Group and the Company measured and recognised available-for-sale investments at fair value. The fair value is within level 2 of the fair value hierarchy by using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments of the counterparties.

Disclosures on available-for-sale investments are provided in Note 8.

7 Trade and other receivables, net

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000
Trade receivables - related companies (Note 17)	472,676	444,160	475,628	446,442
Trade receivables - other companies	505,276	550,387	504,619	547,312
<u>Less</u> Allowance for doubtful accounts	(2,168)	(2,168)	(2,168)	(2,168)
Trade receivables, net	975,784	992,379	978,079	991,586
Prepayments	11,071	4,927	9,913	4,211
Accrued income	500	424	142	365
Amounts due from related parties (Note 17)	1,371	1,334	3,241	3,222
Other receivables	4	45	4	45
Trade and other receivables, net	988,730	999,109	991,379	999,429

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Outstanding trade receivables as at 30 June 2019 and 30 September 2018 can be analysed by aging as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000
Related companies				
Current	470,636	443,047	473,597	445,329
Overdue up to 3 months	1,934	1,113	1,934	1,113
Overdue 3 - 6 months	97	-	97	-
Overdue 6 - 12 months	9	-	-	-
	<u>472,676</u>	<u>444,160</u>	<u>475,628</u>	<u>446,442</u>
Other companies				
Current	484,836	537,850	484,179	534,794
Overdue up to 3 months	16,001	10,044	16,001	10,025
Overdue 3 - 6 months	2,271	325	2,271	325
Overdue more than 12 months	2,168	2,168	2,168	2,168
	<u>505,276</u>	<u>550,387</u>	<u>504,619</u>	<u>547,312</u>
<u>Less</u> Allowance for doubtful accounts	(2,168)	(2,168)	(2,168)	(2,168)
	<u>503,108</u>	<u>548,219</u>	<u>502,451</u>	<u>545,144</u>
Total trade receivables, net	975,784	992,379	978,079	991,586

8 Available-for-sale investments

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000
Fair value of available-for-sale investments				
- Current	478,407	-	478,407	-
- Non-current	225,634	701,044	225,634	701,044
Total available-for-sale investments	704,041	701,044	704,041	701,044

Movements in available-for-sale investments - debt security for the nine-month period ended 30 June 2019 were as follows:

	Consolidated and separate financial information Baht'000
Opening balance	701,044
Purchase of securities	1,095,810
Disposal of securities	(1,102,764)
Interest income	9,190
Change in fair values	761
Closing balance	704,041

Fair value of available-for-sale investments as at 30 June 2019 and 30 September 2018 were as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000
Investments in debt security	704,041	701,044	704,041	701,044
	704,041	701,044	704,041	701,044

The fair values of available-for-sale investments are based on close market price published by the Thai Bond Market Association as at period-end. The fair value is within level 2 of the fair value hierarchy (Note 6).

9 Investment properties, net

Movements of investment properties for the nine-month period ended 30 June 2019 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	9,207	9,947
Transferred from property, plant and equipment, net (Note 10)	-	2
Depreciation charges	(14)	(35)
Closing net book amount	9,193	9,914

10 Property, plant and equipment, net

Movements of property, plant and equipment for the nine-month period ended 30 June 2019 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	1,750,230	1,681,168
Additions	277,672	273,025
Disposals, net	(9,066)	(8,508)
Write-offs, net	(2,520)	(2,507)
Transferred to investment properties, net (Note 9)	-	(2)
Depreciation charges	(230,557)	(220,733)
Closing net book amount	1,785,759	1,722,443

11 Computer software, net

Movements of computer software for the nine-month period ended 30 June 2019 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening net book amount	32,796	27,144
Additions	3,595	3,413
Disposals, net	(12)	(12)
Amortisation charges	(4,360)	(3,508)
Closing net book amount	32,019	27,037

12 Trade and other payables

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000
Trade payables - related companies (Note 17)	236,724	242,632	238,229	244,150
Trade payables - other companies	518,321	666,275	511,785	659,378
Amounts due to related parties (Note 17)	3,013	1,155	42,612	33,919
Accrued expenses	138,250	170,157	121,951	149,675
Down payments received from customers	9,245	3,058	9,245	3,058
Other payables	87,248	136,677	86,368	136,143
Trade and other payables	992,801	1,219,954	1,010,190	1,226,323

Outstanding accrued expenses as at 30 June 2019 and 30 September 2018 were as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000
Accrued bonuses	114,197	140,569	102,888	125,723
Accrued employee income taxes	6,890	9,870	5,700	8,061
Accrued employee welfare	3,593	6,569	3,593	6,569
Other accruals	13,570	13,149	9,770	9,322
Accrued expenses	138,250	170,157	121,951	149,675

13 Employee benefit obligations

Movements of employee benefit obligations for the nine-month period ended 30 June 2019 are as follows:

	Consolidated financial information Baht'000	Separate financial information Baht'000
Opening balance	207,176	185,128
Additional provisions during the period	73,255	64,688
Remeasurements of employee benefit obligations	5,069	4,307
<u>Less</u> Employee benefits paid during the period	<u>(28,512)</u>	<u>(28,285)</u>
Closing balance	256,988	225,838

14 Income tax expense

Income tax expense (income) for the three-month period ended 30 June 2019 and 2018 were as follows:

	Consolidated financial information		Separate financial information	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Current income tax	5,381	16,520	4,499	16,365
Deferred income tax	(8,313)	(249)	(6,847)	(202)
Income tax expense (income)	(2,932)	16,271	(2,348)	16,163

Income tax expense for the nine-month period ended 30 June 2019 and 2018 were as follows:

	Consolidated financial information		Separate financial information	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Current income tax	30,848	64,353	28,811	63,946
Deferred income tax	(9,146)	(2,649)	(7,511)	(2,305)
Income tax expense	21,702	61,704	21,300	61,641

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

15 Dividends paid

At the Annual General Meeting of shareholders for 2019 of the Company held on 29 January 2019, the shareholders unanimously passed a resolution approving dividend payment from its operating results for 2018 at Baht 0.8965 per share (Baht 0.1217 from BOI-promoted operations and Baht 0.7748 per share from non-BOI promoted operations), amounting to a total dividend of Baht 179.30 million. The dividends were distributed to shareholders on 28 February 2019.

16 Letters of bank guarantee

As at 30 June 2019, there were outstanding letters of guarantee issued by banks on behalf of the Company of approximately Baht 20.62 million (30 September 2018: Baht 20.62 million) to the Provincial Electricity Authority for electricity consumption and Baht 0.31 million (30 September 2018: 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.

17 Related party transactions

The Company's major shareholders are the Leeissaranukuls group in proportion of 38.08% and Inoue Rubber Company Limited, which is incorporated and domiciled in Japan, in proportion of 34.30%. The remaining 27.62% of the shares are widely held.

During the period, the Group and the Company entered into a number of transactions with its subsidiaries and related parties. The terms and basis of such transactions were negotiated between the parties in the ordinary course of business and according to normal trade conditions that are summarised as follows:

	Terms and basis
Sales of goods	Market price or cost plus margin according to type of products.
Service income	Cost plus margin.
Rental income	Contract price which is in line with market.
Purchases of raw materials 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 fee expenses	Prices as agreed in the contract based on percentage of sales.
Advertising expenses	Prices which approximate to the price charged nearly to the market price.
Utility expenses	Price as agreed to the price charged by a third party.
Employee service sharing expenses	Prices which approximate to the price charged to a third party.

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a) Transactions with related parties

The significant related party transactions for the three-month periods ended 30 June 2019 and 2018 were summarised as follows:

	Consolidated financial information		Separate financial information	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Sales of goods				
Subsidiaries	-	-	2,902	2,955
Related parties	467,878	457,169	467,878	457,169
	467,878	457,169	470,780	460,124
Service income				
Related parties	2,975	2,723	2,975	2,723
Rental income				
Subsidiaries	-	-	771	720
Related parties	365	354	365	354
	365	354	1,136	1,074
Purchases of raw materials				
Related parties	195,492	187,435	195,492	187,435
Purchases of metal molds				
Subsidiary	-	-	14,145	10,246
Related party	6,347	3,348	6,347	3,348
	6,347	3,348	20,492	13,594
Research and development expenses				
Subsidiary	-	-	29,180	27,137
Related party	295	1,497	-	-
	295	1,497	29,180	27,137
Technical assistance fee expenses				
Related parties	16,423	16,009	16,423	16,009
Advertising expenses				
Related parties	2,075	2,098	2,075	2,098
Utility expense				
Related party	85	94	85	94
Employee service sharing expenses				
Subsidiary	-	-	431	403

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The significant related party transactions for the nine-month periods ended 30 June 2019 and 2018 were summarised as follows:

	Consolidated financial information		Separate financial information	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Sales of goods				
Subsidiary	-	-	14,948	5,210
Related parties	1,411,222	1,400,024	1,411,222	1,400,024
	1,411,222	1,400,024	1,426,170	1,405,234
Service income				
Related parties	11,490	8,210	11,490	8,210
Rental income				
Subsidiaries	-	-	3,129	2,159
Related parties	1,427	1,062	1,427	1,062
	1,427	1,062	4,556	3,221
Purchases of raw materials				
Related parties	576,588	554,259	576,588	554,259
Purchases of metal molds				
Subsidiary	-	-	55,625	34,707
Related party	19,051	3,699	19,051	3,699
	19,051	3,699	74,676	38,406
Research and development expenses				
Subsidiary	-	-	86,184	79,022
Related party	1,402	2,982	-	-
	1,402	2,982	86,184	79,022
Technical assistance fee expenses				
Related parties	50,715	48,910	50,715	48,910
Advertising expenses				
Related parties	7,175	4,198	7,175	4,198
Dividends income				
Subsidiaries	-	-	10,000	7,000
Utility expense				
Related party	346	282	346	282
Employee service sharing expenses				
Subsidiary	-	-	1,244	1,355

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

The outstanding balances as at 30 June 2019 and 30 September 2018 in relation to transactions between the Company and those related companies were summarised as follows:

	Consolidated financial information		Separate financial information	
	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000	Unaudited 30 June 2019 Baht'000	Audited 30 September 2018 Baht'000
Trade receivables				
Subsidiaries	-	-	3,105	2,383
Related companies	472,676	444,160	472,523	444,059
Total trade receivables	472,676	444,160	475,628	446,442
Amounts due from related parties				
Subsidiaries	-	-	1,870	1,888
Related companies	1,371	1,334	1,371	1,334
Total amounts due from related parties	1,371	1,334	3,241	3,222
Trade payables				
Subsidiaries	-	-	1,521	1,558
Related companies	236,724	242,632	236,708	242,592
Total trade payables	236,724	242,632	238,229	244,150
Amounts due to related parties				
Subsidiaries	-	-	40,305	33,470
Related companies	3,013	1,155	2,307	449
Total amounts due to related parties	3,013	1,155	42,612	33,919

c) Directors' and key management's remunerations

The Company and its subsidiaries had the compensation paid or payable to their key directors and key management for the nine-month periods ended 30 June 2019 and 2018 as follows:

	Consolidated financial information		Separate financial information	
	2019 Baht'000	2018 Baht'000	2019 Baht'000	2018 Baht'000
Salaries and other short-term benefits	51,344	37,299	51,344	37,299
Post-employment benefits	496	441	496	441
Other long-term benefits	876	445	876	445
	52,716	38,185	52,716	38,185