

THAI NIPPON RUBBER INDUSTRY PUBLIC COMPANY LIMITED

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

31 MARCH 2023

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Shareholders and the Board of Directors of Thai Nippon Rubber Industry Public Company Limited

I have reviewed the interim consolidated financial information of Thai Nippon Rubber Industry Public Company Limited and its subsidiaries, and the interim separate financial information of Thai Nippon Rubber Industry Public Company Limited. These comprise the consolidated and separate statements of financial position as at 31 March 2023, the consolidated and separate statements of comprehensive income, the related consolidated and separate statements of changes in equity and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim consolidated and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim consolidated and separate financial information based on my review.

Scope of review

I conducted my review in accordance with 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.

Sa-nga Chokenitisawat

Certified Public Accountant (Thailand) No. 11251

Bangkok

10 May 2023

Statement of Financial Position

As at 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Assets					
Current assets					
Cash and cash equivalents		33,025	68,665	20,335	28,704
Short-term loan to subsidiaries	15 c)	-	-	169,771	170,537
Trade and other accounts receivable (net)	7	650,926	553,860	629,266	536,989
Inventories (net)		250,735	308,055	191,849	257,306
Value added tax (net)		22,556	31,955	13,658	22,939
Loans to employee		886	680	886	680
Derivative assets	19	-	2,442	-	2,442
Other current assets		13,565	13,556	-	-
Total current assets		971,693	979,213	1,025,765	1,019,597
Non-current assets					
Cash at a financial institution pledged as security		9,301	9,301	-	-
Investment in subsidiaries	8	-	-	78,861	78,861
Property, plant and equipment (net)	9	576,808	583,159	355,096	362,316
Right-of-use assets (net)		38,154	41,573	33,922	36,119
Intangible assets (net)	10	15,510	15,311	15,122	14,911
Deferred tax assets		138,682	139,165	134,491	135,591
Other non-current assets		3,764	3,747	2,609	2,600
Total non-current assets		782,219	792,256	620,101	630,398
Total assets		1,753,912	1,771,469	1,645,866	1,649,995

The accompanying notes on pages 9 to 22 are an integral part of these interim financial information.

Statement of Financial Position

As at 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited)	(Audited)	(Unaudited)	(Audited)
		31 March	31 December	31 March	31 December
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	11	371,000	416,000	321,000	366,000
Trade and other accounts payable	12	258,456	246,702	224,285	219,846
Current portions of					
- Lease liabilities (net)		9,440	9,341	8,277	8,185
- Long-term loans from a financial institution	13	11,904	11,904	-	-
Derivative liabilities	19	236	-	236	-
Accrued income tax		19,558	16,359	19,558	16,359
Other current liabilities		3,471	3,213	3,301	3,108
Total current liabilities		674,065	703,519	576,657	613,498
Non-current liabilities					
Lease liabilities (net)		29,589	31,986	26,446	28,550
Long-term loans from a financial institution	13	14,870	17,846	-	-
Deferred tax liabilities		11,054	11,448	-	-
Employee benefit obligations		70,998	72,322	67,520	69,088
Total non-current liabilities		126,511	133,602	93,966	97,638
Total liabilities		800,576	837,121	670,623	711,136
Equity					
Share capital					
Authorised share capital					
300,000,000 ordinary shares of par Baht 1 each		300,000	300,000	300,000	300,000
Issued and fully paid-up share capital					
300,000,000 ordinary shares of par Baht 1 each		300,000	300,000	300,000	300,000
Share premium (net)		378,296	378,296	378,296	378,296
Retained earnings					
Appropriated - legal reserve		8,149	8,149	8,149	8,149
Unappropriated		256,736	237,401	280,580	244,196
Other components of equity (net)		10,155	10,502	8,218	8,218
Total equity		953,336	934,348	975,243	938,859
Total liabilities and equity		1,753,912	1,771,469	1,645,866	1,649,995

The accompanying notes on pages 9 to 22 are an integral part of these interim financial information.

Thai Nippon Rubber Industry Public Co., Ltd.
Statement of Comprehensive Income
For the three-month period ended 31 March 2023

	Note	Consolidated financial information		Separate financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from sales and services		492,366	518,562	465,476	474,742
Cost of sales and services		(395,109)	(382,260)	(362,184)	(335,300)
Gross profit		97,257	136,302	103,292	139,442
Other income		1,597	1,882	2,138	1,451
Profit before expenses		98,854	138,184	105,430	140,893
Selling expenses		(16,200)	(16,963)	(13,717)	(14,042)
Administrative expenses		(49,659)	(44,097)	(41,281)	(36,953)
Reversal of expected credit losses		4,902	1,108	4,706	1,108
Other gain (loss)		(11,199)	876	(11,200)	819
Finance costs		(4,001)	(3,524)	(3,181)	(2,997)
Total expenses		(76,157)	(62,600)	(64,673)	(52,065)
Profit before income tax		22,697	75,584	40,757	88,828
Income tax	14	(3,362)	(7,352)	(4,373)	(8,579)
Net profit for the period		19,335	68,232	36,384	80,249
Other comprehensive income:					
Item that may be reclassified subsequently to profit or loss					
- Currency translation differences		(347)	49	-	-
Other comprehensive income for the period, net of tax		(347)	49	-	-
Total comprehensive income for the period		18,988	68,281	36,384	80,249
Profit attributable to :					
Owner of the parent		19,335	68,232	36,384	80,249
Non-controlling interests		-	-	-	-
Total comprehensive income attributable to :					
Owner of the parent		18,988	68,281	36,384	80,249
Non-controlling interests		-	-	-	-
Earnings per share					
Basic earnings per share (Baht per share)		0.06	0.23	0.12	0.27

The accompanying notes on pages 9 to 22 are an integral part of these interim financial information.

Thai Nippon Rubber Industry Public Co., Ltd.

Statement of Changes in Equity

For the three-month period ended 31 March 2023

	Consolidated financial information (Unaudited)								
	Attributable to owners of the parent								
	Other components of equity (net)								
	Other comprehensive								
	income (net)								
	Authorised, issued and fully paid-up share capital Thousand Baht	Share premium (net) Thousand Baht	Retained earnings Appropriated - legal reserve Thousand Baht		Unappropriated Thousand Baht	Remeasurements of employee benefit obligations (net) Thousand Baht	Currency translation differences Thousand Baht	Total other components of equity (net) Thousand Baht	Total owners of the parent Thousand Baht
Opening balance as at 1 January 2023	300,000	378,296	8,149	237,401	9,870	632	10,502	934,348	934,348
Change in equity for the period									
Total comprehensive income for the period	-	-	-	19,335	-	(347)	(347)	18,988	18,988
Closing balance as at 31 March 2023	300,000	378,296	8,149	256,736	9,870	285	10,155	953,336	953,336
Opening balance as at 1 January 2022	300,000	549,080	30,000	(157,540)	(1,800)	555	(1,245)	720,295	720,295
Change in equity for the period									
Total comprehensive income for the period	-	-	-	68,232	-	-	-	68,232	68,232
Closing balance as at 31 March 2022	300,000	549,080	30,000	(89,308)	(1,800)	555	(1,245)	788,527	788,527

The accompanying notes on pages 9 to 22 are an integral part of these interim financial information.

Thai Nippon Rubber Industry Public Co., Ltd.

Statement of Changes in Equity

For the three-month period ended 31 March 2023

	Separate financial information (Unaudited)					Total Thousand Baht
	Authorised, issued and fully paid-up share capital Thousand Baht	Share premium (net) Thousand Baht	Retained earnings		Other components of equity (net)	
			Appropriated - legal reserve Thousand Baht	Unappropriated Thousand Baht	Other comprehensive income (net)	
					Remeasurements of employee benefit obligations (net)	
					Thousand Baht	
Opening balance as at 1 January 2023	300,000	378,296	8,149	244,196	8,218	938,859
Changes in equity for the period						
Total comprehensive income for the period	-	-	-	36,384	-	36,384
Closing balance as at 31 March 2023	300,000	378,296	8,149	280,580	8,218	975,243
Opening balance as at 1 January 2022	300,000	549,080	30,000	(200,784)	(1,800)	676,496
Changes in equity for the period						
Total comprehensive income for the period	-	-	-	80,249	-	80,249
Closing balance as at 31 March 2022	300,000	549,080	30,000	(120,535)	(1,800)	756,745

The accompanying notes on pages 9 to 22 are an integral part of these interim financial information.

Thai Nippon Rubber Industry Public Co., Ltd.
Statement of Cash Flows
For the three-month period ended 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from operating activities					
Net profit before income tax		22,697	75,584	40,757	88,828
Adjustments:					
Depreciation charge		23,380	24,774	18,336	19,751
Amortisation charge	10	725	708	706	690
(Reversal of) expected credit losses		(4,902)	(1,108)	(4,706)	(1,108)
(Gain) loss from fair value of financial derivatives		2,677	(5,645)	2,677	(5,645)
(Reversal of) allowance for decreasing in value of inventories		(918)	1,208	(144)	1,208
(Reversal of) allowance for inventory costs in excess of net realisable value		(1,015)	983	(1,497)	6
Employee benefit obligations		3,151	2,958	2,908	2,716
Interest income from - short-term loan to subsidiaries	15 a)	-	-	(1,439)	(219)
- loans to employee		(11)	(9)	(11)	(9)
Net (gain) loss from disposals of equipment		(5)	72	(5)	128
Loss from write-off of intangible assets		-	1	-	1
Unrealised loss from exchange rate arising from short-term loan to a subsidiary	15 c)	-	-	33	71
Finance costs					
- interest expense from - loans from financial institutions		3,549	3,271	2,758	2,779
- lease liabilities		452	183	423	147
Cash flow before changes in working capital		49,780	102,980	60,796	109,344
Changes in working capital					
- trade and other accounts receivable		(92,164)	(120,326)	(87,290)	(102,710)
- inventories		59,253	33,536	67,098	42,815
- value added tax		9,398	(1,298)	9,279	1,868
- other non-current assets		(17)	(61)	(8)	-
- trade and other accounts payable		20,120	295	6,226	(6,836)
- other current liabilities		259	(1,304)	192	(1,622)
- employee benefits paid		(4,475)	(2,750)	(4,475)	(2,666)
Cash generated from operating activities					
before income tax paid		42,154	11,072	51,818	40,193
- Income tax paid		(80)	(348)	(73)	(338)
Net cash generated from operating activities		42,074	10,724	51,745	39,855

The accompanying notes on pages 9 to 22 are an integral part of these interim financial information.

Thai Nippon Rubber Industry Public Co., Ltd.
Statement of Cash Flows (Cont'd)
For the three-month period ended 31 March 2023

	Notes	Consolidated financial information		Separate financial information	
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
		31 March	31 March	31 March	31 March
		2023	2022	2023	2022
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flows from investing activities					
Short-term loan to subsidiaries - payments	15 c)	-	-	(3,267)	(30,000)
- proceeds	15 c)	-	-	4,000	-
Loans to employee - principal payments		(205)	(210)	(205)	(210)
Interest received from - short-term loan to subsidiaries		-	-	1,158	179
- loans to employee		11	9	11	9
Cash paid for investment in a subsidiary		-	-	-	(20,000)
Cash paid for purchases of - property, plant and equipment		(22,101)	(34,102)	(10,815)	(11,504)
- intangible assets		(844)	(401)	(836)	(362)
Cash received from disposals of equipment		5	293	5	3
Net cash used in investing activities		(23,134)	(34,411)	(9,949)	(61,885)
Cash flows from financing activities					
Short-term loans from financial institutions - proceeds	11	348,000	574,000	348,000	524,000
- payments	11	(393,000)	(522,500)	(393,000)	(472,500)
Long-term loans from financial institutions - payments	13	(2,976)	(20,010)	-	(20,010)
Finance costs paid					
- interest expense from loans from financial institutions		(3,508)	(3,109)	(2,730)	(2,617)
Cash paid for lease liabilities - principle		(2,298)	(2,647)	(2,012)	(2,274)
- interest expense		(451)	(183)	(423)	(147)
Net cash generated from (used in) financing activities		(54,233)	25,551	(50,165)	26,452
Net increase (decrease) in cash and cash equivalents		(35,293)	1,864	(8,369)	4,422
Loss on exchange rate		(347)	(129)	-	-
Cash and cash equivalents - beginning balance		68,665	43,173	28,704	14,729
Cash and cash equivalents - ending balance		33,025	44,908	20,335	19,151
Non-cash transactions:					
Purchases of assets during the periods					
which have not been paid					
- equipment		3,722	6,282	3,664	6,192
- intangible assets		169	328	169	328
Retention		1,500	1,250	-	987
Dividend declared which has not been paid		21	18	21	18

The accompanying notes on pages 9 to 22 are an integral part of these interim financial information.

1 General information

Thai Nippon Rubber Industry Public Co., Ltd. ("the Company") was incorporated as a limited company on 29 September 1993. The Company registered to convert to a public company limited and changed its name from Thai Nippon Rubber Industry Co., Ltd. to Thai Nippon Rubber Industry Public Co., Ltd. on 2 June 2016. The Company has become a listed company in the Stock Exchange of Thailand on 29 November 2016.

The principal activities of the Company and its subsidiaries ("the Group") are to manufacture and distribute condom and lubricating gel including manufacturing paper packaging products. The registered addresses are as follows:

Head office

No. 1 Charoenrat Road, Thungwatdon, Sathon, Bangkok 10120.

Branches

Branch 1 : No. 49-49/1 Moo.5 Export Processing Zone 1, Laemchabang Industrial Estate, Thungsukla, Sriracha, Chonburi 20230.

Branch 2 : No. 789/139 Moo.1 Pintong Industrial, Nongkham, Sriracha, Chonburi 20110.

The interim consolidated and separate financial information have been approved by the Board of Directors on 10 May 2023.

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

2 Basis of preparation

The interim consolidated and separated financial information have 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 consolidated and separate financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2022.

An English language version of the interim consolidated and separate financial information has been prepared from the interim financial information that are 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 consolidated and separate financial information are consistent with those used in the annual financial statements for the year ended 31 December 2022.

New and amended Thai Financial Reporting Standards effective for the accounting periods beginning on or after 1 January 2023 do not have significant impact to the Group.

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.

In preparing this interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2022.

5 Fair value estimation

The Group presents financial assets and liabilities that are measured at fair value in each level including fair value of financial assets and financial liabilities, excluding financial assets and liabilities measured at amortised cost where their carrying value approximated fair value as follows.

Consolidated financial information	Separate financial information
Financial assets	Financial assets
- Cash and cash equivalents	- Cash and cash equivalents
- Trade and other accounts receivable (net)	- Short-term loan to subsidiaries
- Loans to employee	- Trade and other accounts receivable (net)
- Deposit at a financial institution pledged as security	- Loans to employee
- Other non-current assets	- Other non-current assets
Financial liabilities	Financial liabilities
- Short-term loans from financial institutions	- Short-term loans from financial institutions
- Trade and other accounts payable	- Trade and other accounts payable
- Derivative liabilities	- Derivative liabilities
- Lease liabilities (net)	- Lease liabilities (net)

The analysis of financial instruments carried and disclosed at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.
- 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 values of long-term loans from a financial institution and financial instruments are disclosed in Note 13 and 19, respectively.

Thai Nippon Rubber Industry Public Co., Ltd.
Condensed notes to the interim financial information (Unaudited)
For the three-month period ended 31 March 2023

6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as Chief Executive Officer (CEO), that makes strategic decisions. CEO has chosen to organise the entity using groups of products by comparing consolidated financial information in current period with last period.

	Consolidated financial information (Unaudited)							
	For the three-month periods ended 31 March							
	Condoms and lubricating gels		Paper boxes		Adjustments in consolidated financial information		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Revenue from sales and services	465,502	475,407	53,689	47,388	(26,825)	(4,233)	492,366	518,562
Cost of sales and services	(363,453)	(337,103)	(42,491)	(46,493)	13,732	4,233	(392,212)	(379,363)
Depreciation charge in excess from building and equipment recognised under fair value	-	-	-	-	(2,897)	(2,897)	(2,897)	(2,897)
Segment results	102,049	138,304	11,198	895	(15,990)	(2,897)	97,257	136,302
Other income							1,597	1,882
Selling expenses							(16,200)	(16,963)
Administrative expenses							(49,659)	(44,097)
Reversal of expected credit losses							4,902	1,108
Other gain (loss)							(11,199)	876
Finance costs							(4,001)	(3,524)
Operating profit							22,697	75,584
Income tax							(3,362)	(7,352)
Net profit for the period							19,335	68,232

The Group has two types of timing of revenue recognition when the obligations have been fulfilled and recognition throughout the period of compliance with the obligations. However, the Group has not presented revenue recognised over the period of compliance with the obligations due to insignificant values.

	Consolidated financial information					
	Condoms and lubricating gels		Paper boxes		Total	
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	31 March	31 December	31 March	31 December	31 March	31 December
	2023	2022	2023	2022	2023	2022
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Segment assets - Domestic	36,297	21,701	41,988	17,354	78,285	39,055
- Export	538,065	498,027	-	-	538,065	498,027
Unallocated assets	-	-	-	-	1,137,562	1,234,387
Total assets					1,753,912	1,771,469

7 Trade and other accounts receivable (net)

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Trade accounts receivable				
- other companies	981,848	892,155	943,107	874,605
- related company (Note 15 b))	42	4	17,027	102
Less				
Allowance for expected credit losses				
- other companies	(349,633)	(354,535)	(349,633)	(354,339)
	632,257	537,624	610,501	520,368
Other accounts receivable - related company (Note 15 b))	53	-	410	925
Prepaid expenses	6,450	3,947	6,106	3,635
Short-term deposits	9,572	8,565	9,572	8,497
Interest receivable - related company (Note 15 b))	-	-	631	344
Accrued income	2,010	3,191	2,010	3,191
Advance payment	145	143	36	29
Others	439	390	-	-
	650,926	553,860	629,266	536,989

Outstanding trade accounts receivable (net) as at 31 March 2023 and 31 December 2022 can be analysed by age of debtors as follows:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Current (30 days - 180 days credit terms)	338,063	189,237	323,634	178,513
Overdue				
Up to 3 months	124,825	274,952	118,829	269,993
3 months - 6 months	134,925	53,481	134,556	51,907
6 months - 12 months	34,444	19,954	33,482	19,955
Over 12 months	349,633	354,535	349,633	354,339
	981,890	892,159	960,134	874,707
Less Allowance for expected credit losses				
- other companies	-	-	-	-
Overdue				
Up to 3 months	-	-	-	-
3 months - 6 months	-	-	-	-
6 months - 12 months	-	-	-	-
Over 12 months	(349,633)	(354,535)	(349,633)	(354,339)
	(349,633)	(354,535)	(349,633)	(354,339)
	632,257	537,624	610,501	520,368

The movements of allowance for expected credit losses for the period ended 31 March 2023 are as follows:

	(Unaudited)	
	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
Opening book value	354,535	354,339
Reversal of allowance for expected credit losses during the period	(196)	-
Effect from exchange rate	(4,706)	(4,706)
Closing book value	349,633	349,633

8 Investment in subsidiaries

As at 31 March 2023 and 31 December 2022, investment in subsidiaries which is recorded by the cost method consisted of:

			Separate financial information					
			Issued and paid-up capital (Thousand Baht)		Percentage of Shareholding (%)		Cost method (Thousand Baht)	
			(Unaudited) 31 March 2023	(Audited) 31 December 2022	(Unaudited) 31 March 2023	(Audited) 31 December 2022	(Unaudited) 31 March 2023	(Audited) 31 December 2022
Company name	Nature of business	Registered in						
Operating subsidiaries								
Box Asia Group International Co., Ltd.	Manufacture paper boxes	Thailand	169,100	169,100	100	100	25,822	25,822
TNR (Beijing) Trading Co., Ltd.	Import and distribution	China	2,724	2,724	100	100	2,724	2,724
TNR USA Inc.	Import and distribution	United States of America	315	315	100	100	315	315
TNR Bioscience Co., Ltd.	Manufacture medicinal plants product	Thailand	50,000	50,000	100	100	50,000	50,000
							78,861	78,861

9 Property, plant and equipment (net)

	(Unaudited)	
	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
For the three-month period ended 31 March 2023		
Opening net book value	583,159	362,316
Additions	14,537	8,919
Depreciation charge	(20,888)	(16,139)
Closing net book value	576,808	355,096

10 Intangible assets (net)

	(Unaudited)	
	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
For the three-month period ended 31 March 2023		
Opening net book value	15,311	14,911
Additions	924	917
Amortisation charge	(725)	(706)
Closing net book value	15,510	15,122

11 Short-term loans from financial institutions

Promissory notes

The movement of promissory notes for the three-month period ended 31 March 2023 comprises the following:

	(Unaudited)	
	Consolidated financial information	Separate financial information
	Thousand Baht	Thousand Baht
Opening balance	416,000	366,000
Addition during the period	348,000	348,000
Repayment during the period	(393,000)	(393,000)
Closing balance	371,000	321,000

As at 31 March 2023 and 31 December 2022, promissory notes are unsecured and comprise the following:

Consolidated financial information					
31 March 2023 (Unaudited)			31 December 2022 (Audited)		
Currency	Amount Thousand Baht	Interest rate (% per annum)	Currency	Amount Thousand Baht	Interest rate (% per annum)
Baht	371,000	2.80 - 5.57	Baht	416,000	2.60 - 4.60
Separate financial information					
31 March 2023 (Unaudited)			31 December 2022 (Audited)		
Currency	Amount Thousand Baht	Interest rate (% per annum)	Currency	Amount Thousand Baht	Interest rate (% per annum)
Baht	321,000	2.80 - 5.20	Baht	366,000	2.60 - 4.60

12 Trade and other accounts payable

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Trade accounts payable				
- other companies	149,767	119,136	134,517	110,770
- related companies (Note 15 b))	14,080	8,031	3,213	1,654
Other accounts payable				
- other companies	25,464	24,618	20,881	21,923
- related companies (Note 15 b))	90	619	90	619
Accounts payable for purchases of				
- equipment	3,725	12,212	3,664	5,559
- intangible assets	169	88	169	88
Advance received from customers	20,229	17,006	20,224	17,006
Provision for goods returned	904	904	904	904
Retention	1,500	1,553	-	-
Dividend payable	21	21	21	21
Accrued expenses				
- employee expenses	11,157	42,920	10,761	42,695
- interest expense	184	142	166	139
- others	31,166	19,452	29,675	18,468
	258,456	246,702	224,285	219,846

13 Long-term loans from a financial institution

	Consolidated financial statements		Separate financial statements	
	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Long-term loans from financial institutions	26,774	29,750	-	-
<u>Less</u> Current portion of long-term loans	(11,904)	(11,904)	-	-
	14,870	17,846	-	-

The movement of the long-term loans from a financial institution for the three-month period ended 31 March 2023 comprises the following:

	(Unaudited)	
	Consolidated financial information Thousand Baht	Separate financial information Thousand Baht
Opening balance	29,750	-
Repayment during the period	(2,976)	-
Closing balance	26,774	-

As at 31 March 2023 and 31 December 2022, the fair value are based on discounted cash flows using a discount rate based upon the borrowing rates of 4.17% per annum (Level 2 of fair value hierarchy). There was no change in valuation technique during the period. However, such fair value is close to their carrying amount as the impact of discounting is not significant.

14 Income tax

	(Unaudited)			
	Consolidated financial information		Separate financial information	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
For the three-month periods ended 31 March				
Current income tax:				
Current income tax on taxable profit for the period	(3,273)	(7,984)	(3,273)	(7,984)
Income tax expense	(3,273)	(7,984)	(3,273)	(7,984)
Deferred tax:				
Origination and reversal of temporary differences	(89)	632	(1,100)	(595)
Total income tax	(3,362)	(7,352)	(4,373)	(8,579)

15 Related party transactions

As at 31 March 2023, the Company's shares are held by the following individuals/companies;

Individual/Company	Type	% of holding	Incorporation/ Nationality
The family of Dararattanaroj	Shareholders and/or directors	37.23	Thai
Charoen Aksorn Holding Group Co., Ltd.	Parent	26.25	Thailand
THK Investment Company Limited	Related company	12.00	Hongkong
CMS Holding Co., Ltd.	Related company	2.45	Thailand
Other investors		22.07	-
		100.00	

Thai Nippon Rubber Industry Public Co., Ltd.
Condensed notes to the interim financial information (Unaudited)
For the three-month period ended 31 March 2023

- a) The following significant transactions incurred during for the three-month periods ended 31 March 2023 and 2022 were carried out with related companies as follows:

	(Unaudited)			
	Consolidated financial information		Separate financial information	
	2023 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2022 Thousand Baht
For the three-month periods ended 31 March				
Sales of goods				
Parent company	-	6	-	6
Subsidiaries	-	-	16,421	-
Related parties	355	350	4	75
	355	356	16,425	81
Service income				
Subsidiaries	-	-	384	84
Related parties	52	-	-	-
	52	-	384	84
Sales of scrap				
Related parties	-	284	-	-
Interest income				
Subsidiaries	-	-	1,439	219
Purchase of raw materials and packaging				
Subsidiaries	-	-	10,403	4,233
Related parties	10,455	16,248	-	-
	10,455	16,248	10,403	4,233
Purchase of office supply				
Related parties	129	58	129	58
Paid for lease liabilities and service expenses				
Parent company	1,658	1,641	1,650	1,641
Management benefit expenses				
- short-term employee benefits	5,260	6,796	5,260	6,796
- post-employments benefits	214	88	214	88
	5,474	6,884	5,474	6,884
Directors' remuneration	1,349	877	1,349	877

Sales of goods and service, purchase of goods and services, other income and other expenses were charged by related companies under price as agreed between the parties.

Management benefit expenses represent benefits which management has received from working for the Company and benefits received at retirement age.

Directors' remuneration was proposed in the Board of Directors meeting and will be approved in the Annual General Meeting of the Company's shareholders.

Thai Nippon Rubber Industry Public Co., Ltd.
Condensed notes to the interim financial information (Unaudited)
For the three-month period ended 31 March 2023

- b) Outstanding balances as at 31 March 2023 and 31 December 2022 arising from related company transactions comprise the following:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Trade accounts receivable (Note 7)				
Parent company	-	-	17,019	98
Related parties	42	4	8	4
	42	4	17,027	102
Other accounts receivable (Note 7)				
Subsidiaries	-	-	410	925
Related parties	53	-	-	-
	53	-	410	925
Interest receivable (Note 7)				
Subsidiaries	-	-	631	344
Deposits				
Parent company	576	576	576	576
Trade accounts payable (Note 12)				
Subsidiaries	-	-	3,213	1,654
Related parties	14,080	8,031	-	-
	14,080	8,031	3,213	1,654
Other accounts payable (Note 12)				
Parent company	4	578	4	578
Related parties	86	41	86	41
	90	619	90	619
Accrual expenses				
Directors	2,872	576	2,872	576

- c) Short-term loans to subsidiaries

The movements of short-term loans to subsidiaries for the three-month period ended 31 March 2023 comprises the following:

	(Unaudited) Separate financial information Thousand Baht
Beginning balance of the period	170,537
Additions during the period	3,267
Repayment during the period	(4,000)
Unrealised loss from exchange rate	(33)
Ending balance of the period	169,771

As at 31 March 2023, outstanding short-term loans to subsidiaries are unsecured loans denominated in Thai Baht and US Dollar which are due for repayment within 3 months. The loans bear the interest at the rate as agreed between the parties.

16 Banks guarantee

As at 31 March 2023 and 31 December 2022, the Group has letters of guarantee issued by domestic banks on behalf of the Group for the following purposes:

Consolidated financial information					
31 March 2023 (Unaudited)			31 December 2022 (Audited)		
Currency	Currency amount in thousand	Thousand Baht and Thousand Baht equivalent	Currency	Currency amount in thousand	Thousand Baht and Thousand Baht equivalent
Guarantee for electricity usage	Baht	9,233	Baht	9,233	9,233
Guarantee for material purchase	Baht	1,000	Baht	1,000	1,000
Guarantee for performance	Baht	659	Baht	349	349
	USD	16	USD	10	347
		11,432			10,929

Separate financial information					
31 March 2023 (Unaudited)			31 December 2022 (Audited)		
Currency	Currency amount in thousand	Thousand Baht and Thousand Baht equivalent	Currency	Currency amount in thousand	Thousand Baht and Thousand Baht equivalent
Guarantee for electricity usage	Baht	8,538	Baht	8,538	8,538
Guarantee for performance	Baht	659	Baht	349	349
	USD	16	USD	10	347
		9,737			9,234

17 Contingent liabilities

On 6 November 2021, the Company received a notice dated 5 November 2021 from Products Licensing LLC whose rights were assigned from Playboy Enterprises International, Inc. (collectively "Playboy") which purports to exercise the right to terminate the Product License Agreement ("Agreement").

The Company has appointed a legal counsel in the United States of America and in Thailand. After both legal counsels had considered the facts and relevant laws, the US counsel views that Playboy wrongfully terminated the Agreement and committed several violations under US laws. The legal counsel advised the Company to take legal action against Playboy to pursue its legal rights. The Company submitted a complaint against Playboy with the claim value of USD 100,000,000 which was later amended essentially to include an individual who was a sale consultant of the Company (the "Individual") and is believed to be involved with Playboy's actions, as the co-defendants in the same lawsuit under the claims of unfair competition and breach of fiduciary duty under First Amended Complaint ("FAC").

On 12 May 2022, the Individual filed an answer to the Company's FAC. Thereafter, on 21 June 2022, Playboy filed its answer to the Company's FAC and counter-claim against the Company essentially for breach of the Agreement. The precise quantum of damage sought by Playboy is not specified in Playboy's counter-claim. At this moment, the ultimate outcome of the counter-claim and quantum of damage cannot be ascertained yet as advised by the US legal counsel.

As at 31 March 2023, the case is currently under proceedings at the United States District Court for the Central District of California. There is no significant change in the case.

18 Commitments

a) Capital commitments

As at 31 March 2023 and 31 December 2022, the Group has capital commitments relating to purchase of machine and equipment, building construction, and computer software as follows:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Purchase of machine and equipment	7,282	6,382	7,146	5,945
Building construction	195	-	195	-
Purchase of computer software	870	1,410	870	1,410
	8,347	7,792	8,211	7,355

b) Operating commitment contracts

As at 31 March 2023 and 31 December 2022, the Group has the non-cancellable lease contract and service agreements. The future minimum payments under operating commitments in respect of office equipment rental and service fee are as follows:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Due for payable within				
1 year	2,875	3,099	2,292	2,924
Later than 1 year but not later than 5 years	198	307	198	307
	3,073	3,406	2,490	3,231

19 Financial instruments

Forward foreign currency exchange rate contracts

As at 31 March 2023 and 31 December 2022 the settlement dates on buying and selling forward contracts were ranged 6 months. The local currency amounts to be received and contractual exchange rates of the outstanding contracts were:

	Consolidated and separate financial information					
	31 March 2023 (Unaudited)			31 December 2022 (Audited)		
Foreign currency	Contract amount in thousand	Exchange rate	Thousand Baht equivalent	Contract amount in thousand	Exchange rate	Thousand Baht equivalent
<u>Buying forward contract</u>						
USD	300	34.76	10,428	-	-	-
<u>Selling forward contract</u>						
USD	2,700	32.61 - 33.80	90,582	800	37.33	29,864

Net fair value

The net fair value of the derivative financial instruments as at 31 March 2023 and 31 December 2022 are as follows:

	Consolidated financial information		Separate financial information	
	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Net fair of value of				
- Forward foreign currency exchange contracts	(236)	2,442	(236)	2,442

The fair values of financial derivative contracts, which are forward foreign exchange rate contracts are determined by the market price of each contract which are calculated by a financial institution of the Group as at 31 March 2023 and 31 December 2022 (Level 2 of fair value hierarchy).

20 Subsequent events

Dividend payment

On 7 April 2023, at the Annual General Meeting of shareholders no. 1/2022, the shareholders approved to pay dividend in respect of the net profit for the year ended 31 December 2022 under Bol certificate no. 1466(1)/2553 of Baht 0.30 per share amounting to Baht 90,000,000, which paid to shareholders on 3 May 2023.