

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION

30 JUNE 2018

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

To the Shareholders and the Board of Directors of Thai Stanley Electric Public Company Limited

I have reviewed the interim financial information of Thai Stanley Electric Public Company Limited, which comprises the statement of financial position in which the equity method is applied and the separate statement of financial position as at 30 June 2018, and the statement of income in which the equity method is applied and the separate statement of income, the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income, the statement of changes in equity in which the equity method is applied and the separate statement of changes in equity, and the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the three-month period then ended, and the condensed notes to the interim financial information in which the equity method is applied and the separate condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim 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 financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

Varaporn Vorathitikul

Certified Public Accountant (Thailand) No. 4474

Bangkok

3 August 2018

Thai Stanley Electric Public Company Limited
 Statements of Financial Position
 As at 30 June 2018

	Notes	Financial information in which the equity method is applied		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		30 June 2018	31 March 2018	30 June 2018	31 March 2018
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents		1,230,706,756	2,012,032,313	1,230,706,756	2,012,032,313
Short-term investments held to maturity	4	5,073,766,864	4,212,450,217	5,073,766,864	4,212,450,217
Trade and other accounts receivable, net	5, 6	2,349,672,932	2,347,804,952	2,349,672,932	2,347,804,952
Inventories, net	7	793,060,602	674,727,701	793,060,602	674,727,701
Current portion of loans to employees		45,357,838	25,348,038	45,357,838	25,348,038
Other current assets		14,752,277	17,692,303	14,752,277	17,692,303
Total current assets		9,507,317,269	9,290,055,524	9,507,317,269	9,290,055,524
Non-current assets					
Loans to employees		64,952,726	10,806,651	64,952,726	10,806,651
Investments in associates	8	1,215,120,669	1,154,393,271	57,176,689	57,176,689
Long-term investments, net	9	113,001,215	113,201,215	113,001,215	113,201,215
Property, plant and equipment, net	10	5,865,877,463	5,564,806,688	5,865,877,463	5,564,806,688
Intangible assets, net	11	808,183,960	775,113,671	808,183,960	775,113,671
Deferred tax assets, net		-	-	88,845,630	87,036,833
Other non-current assets, net		29,440,083	30,394,712	29,440,083	30,394,712
Total non-current assets		8,096,576,116	7,648,716,208	7,027,477,766	6,638,536,459
Total assets		17,603,893,385	16,938,771,732	16,534,795,035	15,928,591,983

Director _____
 (Mr. Koichi Nagano)

Director _____
 (Mr. Apichart Leeissaranukul)

Date _____

The notes to the interim financial information on page 10 to 18 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Financial Position
As at 30 June 2018

	Notes	Financial information in which the equity method is applied		Separate financial information	
		Unaudited 30 June 2018	Audited 31 March 2018	Unaudited 30 June 2018	Audited 31 March 2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable - other companies		593,394,954	514,745,721	593,394,954	514,745,721
- related parties	6	602,494,788	498,282,289	602,494,788	498,282,289
Other accounts payable - other companies		284,370,202	322,204,024	284,370,202	322,204,024
- related parties	6	160,814,239	223,210,120	160,814,239	223,210,120
Accrued corporate income tax		275,220,226	181,649,546	275,220,226	181,649,546
Accrued expenses	12	365,274,982	326,088,616	365,274,982	326,088,616
Total current liabilities		2,281,569,391	2,066,180,316	2,281,569,391	2,066,180,316
Non-current liabilities					
Deferred tax liabilities, net		142,743,166	132,406,483	-	-
Provision for post-employment benefits		214,622,451	208,805,352	214,622,451	208,805,352
Total non-current liabilities		357,365,617	341,211,835	214,622,451	208,805,352
Total liabilities		2,638,935,008	2,407,392,151	2,496,191,842	2,274,985,668
Equity					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, paid-up of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital		504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve		38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		14,170,386,919	13,788,404,424	13,109,155,693	12,723,998,815
Other components of equity		(131,116,042)	(182,712,343)	3,760,000	3,920,000
Total equity		14,964,958,377	14,531,379,581	14,038,603,193	13,653,606,315
Total liabilities and equity		17,603,893,385	16,938,771,732	16,534,795,035	15,928,591,983

The notes to the interim financial information on page 10 to 18 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Income (Unaudited)
For the three-month period ended 30 June 2018

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenues from sales and services		3,302,333,662	2,968,550,334	3,302,333,662	2,968,550,334
Costs of sales and services		(2,726,230,909)	(2,517,970,730)	(2,726,230,909)	(2,517,970,730)
Gross profit		576,102,753	450,579,604	576,102,753	450,579,604
Other income					
- Dividend income	6, 8, 9	4,109,576	1,578,571	79,640,666	78,174,571
- Gain on exchange rates, net		-	4,786,151	-	4,786,151
- Interest income		18,760,452	17,793,118	18,760,452	17,793,118
- Others		27,925,990	21,679,192	27,925,990	21,679,192
Profit before expenses		626,898,771	496,416,636	702,429,861	573,012,636
Selling expenses		(137,666,550)	(125,276,466)	(137,666,550)	(125,276,466)
Administrative expenses		(83,643,281)	(76,451,679)	(83,643,281)	(76,451,679)
Loss on exchange rates, net		(2,865,965)	-	(2,865,965)	-
Total expenses		(224,175,796)	(201,728,145)	(224,175,796)	(201,728,145)
Operating profit		402,722,975	294,688,491	478,254,065	371,284,491
Share of profit from investments in associates	8	71,563,111	72,843,309	-	-
Profit before income tax		474,286,086	367,531,800	478,254,065	371,284,491
Income tax		(92,303,591)	(71,986,868)	(93,097,187)	(72,737,406)
Net profit for the period		<u>381,982,495</u>	<u>295,544,932</u>	<u>385,156,878</u>	<u>298,547,085</u>
Basic earnings per share	13				
Net profit for the period		<u>4.99</u>	<u>3.86</u>	<u>5.03</u>	<u>3.90</u>

The notes to the interim financial information on page 10 to 18 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month period ended 30 June 2018

	Financial information in which the equity method is applied		Separate financial information	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
Net profit for the period	381,982,495	295,544,932	385,156,878	298,547,085
Other comprehensive income (expenses) for the period after tax:				
Items that will be reclassified subsequently to profit or loss				
Unrealised gain (loss) on change in fair value of available-for-sale investment	(160,000)	544,000	(160,000)	544,000
Exchange differences relating to investments in associates	51,756,301	8,053,832	-	-
Other comprehensive income (expenses) for the period, net of tax	51,596,301	8,597,832	(160,000)	544,000
Total comprehensive income for the period	<u>433,578,796</u>	<u>304,142,764</u>	<u>384,996,878</u>	<u>299,091,085</u>

The notes to the interim financial information on page 10 to 18 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Changes in Equity (Unaudited)
 For the three-month period ended 30 June 2018

	Financial information in which the equity method is applied							
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other components of equity			Total equity Baht
			Legal reserve Baht	Unappropriated retained earnings Baht	Other comprehensive income (expenses)		Total other components of equity Baht	
					Unrealised gain (loss) on change in fair value of available-for-sale investment Baht	Cumulative exchange differences relating to investments in associates Baht		
Opening balance as at 1 April 2018	383,125,000	504,250,000	38,312,500	13,788,404,424	3,920,000	(186,632,343)	(182,712,343)	14,531,379,581
Total comprehensive income for the period	-	-	-	381,982,495	(160,000)	51,756,301	51,596,301	433,578,796
Closing balance as at 30 June 2018	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>14,170,386,919</u>	<u>3,760,000</u>	<u>(134,876,042)</u>	<u>(131,116,042)</u>	<u>14,964,958,377</u>
Opening balance as at 1 April 2017	383,125,000	504,250,000	38,312,500	12,512,867,321	4,688,000	(101,764,867)	(97,076,867)	13,341,477,954
Total comprehensive income for the period	-	-	-	295,544,932	544,000	8,053,832	8,597,832	304,142,764
Closing balance as at 30 June 2017	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>12,808,412,253</u>	<u>5,232,000</u>	<u>(93,711,035)</u>	<u>(88,479,035)</u>	<u>13,645,620,718</u>

The notes to the interim financial information on page 10 to 18 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Changes in Equity (Unaudited)
 For the three-month period ended 30 June 2018

	Separate financial information						
	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other components of equity		Total equity Baht
			Legal reserve Baht	Unappropriated retained earnings Baht	Unrealised gain (loss) on change in fair value of available-for-sale investment Baht	Total other components of equity Baht	
Opening balance as at 1 April 2018	383,125,000	504,250,000	38,312,500	12,723,998,815	3,920,000	3,920,000	13,653,606,315
Total comprehensive income for the period	-	-	-	385,156,878	(160,000)	(160,000)	384,996,878
Closing balance as at 30 June 2018	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>13,109,155,693</u>	<u>3,760,000</u>	<u>3,760,000</u>	<u>14,038,603,193</u>
Opening balance as at 1 April 2017	383,125,000	504,250,000	38,312,500	11,618,257,978	4,688,000	4,688,000	12,548,633,478
Total comprehensive income for the period	-	-	-	298,547,085	544,000	544,000	299,091,085
Closing balance as at 30 June 2017	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>11,916,805,063</u>	<u>5,232,000</u>	<u>5,232,000</u>	<u>12,847,724,563</u>

The notes to the interim financial information on page 10 to 18 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month period ended 30 June 2018

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash flows from operating activities:					
Profit before income tax for the period		474,286,086	367,531,800	478,254,065	371,284,491
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation	10	252,966,775	265,454,703	252,966,775	265,454,703
- Amortisation	11	57,678,770	49,796,907	57,678,770	49,796,907
- Interest income		(18,760,452)	(17,793,118)	(18,760,452)	(17,793,118)
- Share of profit from investments in associates	8	(71,563,111)	(72,843,309)	-	-
- Dividend income					
- Investments in associates	6, 8	-	-	(75,531,090)	(76,596,000)
- Long-term investments	6, 9	(4,109,576)	(1,578,571)	(4,109,576)	(1,578,571)
- (Gain) loss on disposal of equipment		(664,039)	(1,648,003)	(664,039)	(1,648,003)
- (Reversal of) allowance for doubtful account		-	(149,400)	-	(149,400)
- (Reversal of) allowance for slow-moving inventories and net realisable value lower than cost of inventories		(5,640,200)	2,612,665	(5,640,200)	2,612,665
- Provision for post-employment benefits		7,211,019	6,654,180	7,211,019	6,654,180
- Unrealised (gain) loss on exchange rates		(6,079,679)	446,757	(6,079,679)	446,757
Cash flows before changes in operating assets and liabilities		685,325,593	598,484,611	685,325,593	598,484,611
Changes in operating assets and liabilities					
- Trade and other accounts receivable		(6,389,597)	(157,733,926)	(6,389,597)	(157,733,926)
- Inventories		(112,692,701)	(114,677,470)	(112,692,701)	(114,677,470)
- Other current assets		2,940,026	1,037,268	2,940,026	1,037,268
- Other non-current assets		954,629	2,005,729	954,629	2,005,729
- Trade accounts payable - other companies		78,649,233	55,061,644	78,649,233	55,061,644
- Trade accounts payable - related parties		104,212,499	125,419,504	104,212,499	125,419,504
- Other accounts payable - other companies		(31,148,896)	(4,813,327)	(31,148,896)	(4,813,327)
- Other accounts payable - related parties		2,611,202	(2,010,021)	2,611,202	(2,010,021)
- Accrued expenses		39,186,366	42,264,338	39,186,366	42,264,338
- Payment for post-employment benefits		(1,393,920)	(461,100)	(1,393,920)	(461,100)
Cash generated from operations		762,254,434	544,577,250	762,254,434	544,577,250
Interest received		5,900,960	4,087,327	5,900,960	4,087,327
Income tax paid		(1,295,304)	(2,861,250)	(12,953,034)	(2,861,250)
Net cash received from operating activities		766,860,090	545,803,327	755,202,360	545,803,327

The notes to the interim financial information on page 10 to 18 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month period ended 30 June 2018

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Cash flows from investing activities:					
Loans made to employees		(88,609,935)	(329,855)	(88,609,935)	(329,855)
Loans repayments from employees		14,454,060	9,288,800	14,454,060	9,288,800
Purchases of property, plant and equipment		(625,729,620)	(147,869,050)	(625,729,620)	(147,869,050)
Proceeds from disposals of equipment		664,100	1,675,421	664,100	1,675,421
Interest received on short-term investments held to maturity		17,381,109	18,949,272	17,381,109	18,949,272
Dividends received from investments					
- Investments in associates	6, 8	75,531,090	76,596,000	75,531,090	76,596,000
- Long-term investments	6, 9	4,109,576	1,578,571	4,109,576	1,578,571
Purchases of intangible assets		(90,749,059)	(63,888,762)	(90,749,059)	(63,888,762)
Cash receipts from short-term investments held to maturity	4	2,631,000,000	2,494,500,000	2,631,000,000	2,494,500,000
Cash payments on short-term investments held to maturity	4	(3,492,316,647)	(2,147,897,709)	(3,492,316,647)	(2,147,897,709)
Net cash received from (used in) investing activities		(1,554,265,326)	242,602,688	(1,554,265,326)	242,602,688
Net increase (decrease) in cash and cash equivalents		(787,405,236)	788,406,015	(799,062,966)	788,406,015
Cash and cash equivalents at beginning of the period		2,012,032,313	1,085,634,900	2,012,032,313	1,085,634,900
Effects of exchange rate changes		6,079,679	(446,757)	6,079,679	(446,757)
Cash and cash equivalents at end of the period		<u>1,230,706,756</u>	<u>1,873,594,158</u>	<u>1,219,049,026</u>	<u>1,873,594,158</u>
Non-cash transactions:					
Outstanding liabilities arisen from purchase of plant and equipment		173,351,720	56,361,497	173,351,720	56,361,497

The notes to the interim financial information on page 10 to 18 are an integral part of this interim financial information.

1 General information

Thai Stanley Electric Public Company Limited (“the Company”) is a public limited company, incorporated in Thailand. The address of its registered office is 29/3 Moo 1 Bangpoon-Rungsit Road, Banklang, Amphur Muang, Pathumthanee, Thailand 12000. The Company is listed on the Stock Exchange of Thailand.

The principal business operation of the Company is the manufacture and sales of automotive bulbs, lighting equipment, molds & dies and product designs.

This interim financial information has been approved by the Company’s Board of directors on 3 August 2018.

This interim financial information has been reviewed, not audited.

2 Accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of income, statement of comprehensive income, statement of changes in equity and statement of cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. The notes to the interim financial information are prepared in a condensed format. Additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2018.

An English version of the 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.

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 31 March 2018.

Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant change and are relevant to the Company:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes
TFRS 12 (revised 2017)	Disclosure of interests in other entities

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset’s tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profits.

2 Accounting policies (Cont'd)

2.2 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

2.2.1 Revised financial reporting standards are effective for annual periods beginning on or after 1 January 2018 which have significant change and are relevant to the Company: (Cont'd)

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 applies to interests in entities that are classified as held for sale in the scope of TFRS 5 (revised 2017), except for the summarised financial information.

The management has assessed and considered that the above revised standards do not have significant impact on the Company.

2.2.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Company. The Company has not yet adopted this standard.

TFRS 15 Revenue from contracts with customers

TFRS 15 provides the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services

The new standard is based on the principle that

- revenue is recognised when control of a goods or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards.
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures. The Company will first apply this standard for annual reporting periods beginning on or after 1 April 2019. Management is currently assessing the impact from initial application of this standard in detail.

3 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 Company'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 March 2018.

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the three-month period ended 30 June 2018

4 Short-term investments held to maturity

Short-term investments held to maturity represent bills of exchange, treasury bills and fixed deposits which have original maturities between 3 and 12 months.

Movement in short-term investments held to maturity is as follows:

For the three-month period ended 30 June 2018	Unaudited Baht
Opening balance	4,212,450,217
Additions during the period	3,492,316,647
Redemptions during the period	<u>(2,631,000,000)</u>
Closing balance	<u>5,073,766,864</u>

As at 30 June 2018, short-term investments held to maturity bore interest at the average rate of 1.12% - 1.35% per annum (31 March 2018 : 1.12% - 1.60% per annum).

5 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 30 June 2018 and 31 March 2018 are as follows:

	Unaudited 30 June 2018 Baht	Audited 31 March 2018 Baht
Trade accounts receivable - other companies	2,138,656,310	2,057,557,201
<u>Less</u> Allowance for doubtful account	<u>(23,859,076)</u>	<u>(23,859,076)</u>
Trade accounts receivable - other companies, net	2,114,797,234	2,033,698,125
Trade accounts receivable - related parties (Note 6)	127,482,490	206,516,522
Prepaid expenses	40,448,468	48,727,691
Accrued income, net	21,899,485	26,716,955
Value added tax receivable	36,130,352	23,335,262
Other receivables	8,914,903	8,810,397
	<u>2,349,672,932</u>	<u>2,347,804,952</u>

Trade accounts receivable as at 30 June 2018 and 31 March 2018 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	Unaudited 30 June 2018 Baht	Audited 31 March 2018 Baht	Unaudited 30 June 2018 Baht	Audited 31 March 2018 Baht
Current	2,093,008,166	2,005,630,823	124,062,913	197,682,647
Overdue				
- less than 3 months	5,028,399	21,089,398	910,519	8,218,924
- 3 - 6 months	7,847,394	6,686,761	1,869,524	13,185
- 6 - 12 months	7,106,431	-	-	591,331
- more than 1 year	25,665,920	24,150,219	639,534	10,435
	<u>2,138,656,310</u>	<u>2,057,557,201</u>	<u>127,482,490</u>	<u>206,516,522</u>

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6 Related party transactions

The Company had the significant transactions with its major shareholder, Stanley Electric Company Limited, incorporated in Japan which holds 34.77% interest in the Company's share capital. The Company also had significant transactions with a group of individual shareholders who are members of the Company's management who hold 29.09% interest in the Company's share capital. Stanley Electric Group comprises Stanley Electric Company Limited and related companies.

The following significant transactions were carried out with related parties:

For the three-month period ended 30 June	Unaudited	
	2018 Baht	2017 Baht
Sales		
Stanley Electric Group companies	95,777,313	101,505,717
Companies related by way of the Company's management and directors as shareholders, or by way of common directors Associates	42,214,835	39,576,167
	91,505,623	89,795,140
	<u>229,497,771</u>	<u>230,877,024</u>
Dividend income		
Companies related by way of the Company's management and directors as shareholders, or by way of common directors Associates	4,109,576	1,578,571
	75,531,090	76,596,000
	<u>79,640,666</u>	<u>78,174,571</u>
Other income and service income		
Stanley Electric Group companies	4,375,319	2,796,776
Associates	422,117	-
	<u>4,797,436</u>	<u>2,796,776</u>
Purchases of goods and services		
Stanley Electric Group companies	674,235,374	661,088,856
Companies related by way of the Company's management and directors as shareholders, or by way of common directors Associates	94,374,459	99,478,135
	138,237,350	70,233,331
	<u>906,847,183</u>	<u>830,800,322</u>
Royalty fee		
Stanley Electric Group companies	<u>76,931,308</u>	<u>66,987,040</u>
Design and development fee		
Stanley Electric Group companies	36,239,438	24,441,918
Companies related by way of the Company's management and directors as shareholders, or by way of common directors Associates	79,064	34,712
	3,796	23,480
	<u>36,322,298</u>	<u>24,500,110</u>
Technical fee		
Stanley Electric Group companies	<u>5,376,707</u>	<u>1,894,678</u>
Training fee		
Stanley Electric Group companies	<u>1,745,114</u>	<u>2,267,997</u>
Commission		
Stanley Electric Group companies	<u>13,578,304</u>	<u>11,886,294</u>
Directors' and managements' remuneration		
Short-term benefits	<u>10,816,372</u>	<u>10,327,226</u>

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6 Related party transactions (Cont'd)

The amounts due to/from related parties are mainly denominated in foreign currencies and relate to purchases and sales transactions. The outstanding balances as at 30 June 2018 and 31 March 2018 are as follows:

	Unaudited 30 June 2018 Baht	Audited 31 March 2018 Baht
Trade accounts receivable - related parties		
Stanley Electric Group companies	45,609,502	45,981,000
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	46,203,832	63,003,538
Associates	35,669,156	97,531,984
	<u>127,482,490</u>	<u>206,516,522</u>
Trade accounts payable - related parties		
Stanley Electric Group companies	426,465,147	311,539,905
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	34,510,617	36,166,563
Associates	141,519,024	150,575,821
	<u>602,494,788</u>	<u>498,282,289</u>
Other accounts payable - related parties		
Stanley Electric Group companies	<u>160,814,239</u>	<u>223,210,120</u>

7 Inventories, net

	Unaudited 30 June 2018 Baht	Audited 31 March 2018 Baht
Raw materials and packaging	289,207,179	240,711,873
Work in process	335,608,909	255,320,170
Finished goods	68,598,085	97,143,936
Goods in transit	102,021,302	89,566,795
	795,435,475	682,742,774
<u>Less</u> Allowance for net realisable value lower than cost and slow moving inventories		
- Raw materials and packaging	(2,035,516)	(4,875,428)
- Work in process	(153,425)	(2,031,543)
- Finished goods	(185,932)	(1,108,102)
	<u>793,060,602</u>	<u>674,727,701</u>

8 Investments in associates

a) Movements in investments in associates are as follows:

For the three-month period ended 30 June 2018

	Equity Method Unaudited Baht	Cost Method Unaudited Baht
Opening net book amount	1,154,393,271	57,176,689
Share of profit	71,563,111	-
Dividends received	(75,531,090)	-
Translation adjustments	64,695,377	-
	<u>1,215,120,669</u>	<u>57,176,689</u>

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8 Investments in associates (Cont'd)

b) The details of investments in associates are as follows:

Name	Business activity	Paid-up share capital	% of holding	Unaudited 30 June 2018		Equity Method Audited 31 March 2018	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	27,896,757	-	22,706,618	5,916,322
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	1,187,223,912	75,531,090	1,131,686,653	76,596,000
				<u>1,215,120,669</u>	<u>75,531,090</u>	<u>1,154,393,271</u>	<u>82,512,322</u>
Name	Business activity	Paid-up share capital	% of holding	Unaudited 30 June 2018		Cost Method Audited 31 March 2018	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	3,132,500	-	3,132,500	5,916,322
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	54,044,189	75,531,090	54,044,189	76,596,000
				<u>57,176,689</u>	<u>75,531,090</u>	<u>57,176,689</u>	<u>82,512,322</u>

9 Long-term investments, net

Long-term investments, net as at 30 June 2018 and 31 March 2018 are as follows:

As at 30 June 2018 (Unaudited)

	Available-for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
- Related parties	8,080,000	104,921,215	113,001,215
- Other companies	-	-	-
Long-term investments, net	<u>8,080,000</u>	<u>104,921,215</u>	<u>113,001,215</u>

As at 31 March 2018 (Audited)

	Available-for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
- Related parties	8,280,000	104,921,215	113,201,215
- Other companies	-	-	-
Long-term investments, net	<u>8,280,000</u>	<u>104,921,215</u>	<u>113,201,215</u>

The available-for-sale investments are carried at fair value which is based on the quoted bid price by reference to Stock Exchange of Thailand (Level 1).

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9 Long-term investments, net (Cont'd)

The details of long-term investments, net are as follows:

Name	Business activity	Paid-up share capital	% of holding	Unaudited 30 June 2018		Audited 31 March 2018	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Related parties - available-for-sale							
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	3,380,000	-	3,380,000	339,040
Change in fair value of investments				4,700,000	-	4,900,000	-
				<u>8,080,000</u>	<u>-</u>	<u>8,280,000</u>	<u>339,040</u>
Related parties - general investments (at cost)							
Asian Stanley International Company Limited	Manufacture of small bulbs, LED and electronic components	Baht 400 million	15.0	60,000,000	-	60,000,000	-
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting equipment	Baht 21 million	15.0	3,000,000	4,109,576	3,000,000	1,578,571
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	-	8,793,715	1,144,090
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting equipment	USD 7.5 million	10.0	33,127,500	-	33,127,500	7,241,465
				<u>104,921,215</u>	<u>4,109,576</u>	<u>104,921,215</u>	<u>9,964,126</u>
Other companies - general investments (at cost)							
Top Hitech (Thailand) Company Limited	Manufacture of plastic products and molds	Baht 35.9 million	13.9	5,000,000	-	5,000,000	-
<u>Less</u> Impairment of investments				<u>(5,000,000)</u>	<u>-</u>	<u>(5,000,000)</u>	<u>-</u>
				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total long-term investments, net				<u>113,001,215</u>	<u>4,109,576</u>	<u>113,201,215</u>	<u>10,303,166</u>

10 Property, plant and equipment, net

For the three-month period ended 30 June 2018

	Unaudited Baht
Opening net book amount	5,564,806,688
Additions	554,037,611
Disposals/write - offs, net	(61)
<u>Less</u> Depreciation charge	<u>(252,966,775)</u>
Closing net book amount	<u>5,865,877,463</u>

The additions during the period mainly compose of machinery under installation and construction in progress.

As at 30 June 2018, the Company has capital commitments amount of Baht 962 million (31 March 2018 : Baht 535 million).

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11 Intangible assets, net

For the three-month period ended 30 June 2018

	Unaudited Baht
Opening net book amount	775,113,671
Additions	90,749,059
<u>Less</u> Amortisation charge	<u>(57,678,770)</u>
Closing net book amount	<u>808,183,960</u>

The additions during the period mainly compose of product designs.

12 Accrued expenses

	Unaudited 30 June 2018 Baht	Audited 31 March 2018 Baht
Accrued staff cost	139,957,369	214,531,614
Accrued electricity expense	29,547,634	28,698,989
Accrued rebate	141,513,373	43,270,000
Others	54,256,606	39,588,013
	<u>365,274,982</u>	<u>326,088,616</u>

13 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of common shares in issue during the period (30 June 2018 : 76,625,000 shares and 30 June 2017 : 76,625,000 shares).

There are no dilutive ordinary shares in issue for the three-month periods ended 30 June 2018 and 2017.

14 Commitments and contingent liabilities

For the three-month period ended 30 June 2018, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 March 2018, except the capital commitment as mentioned in Note 10 and the following item:

Forward exchange contracts

As at 30 June 2018 and 31 March 2018, the Company has the outstanding foreign currency forward contracts which the foreign currency contract amount and settlement dates on the contracts are as follows:

	Unaudited 30 June 2018	Audited 31 March 2018
Forward exchange contracts	Yen 40 million USD 1 million	Yen 40 million USD 1 million
Maturity of forward exchange contracts	1 - 2 month	1 - 2 month

15 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 the board of directors who makes strategic decision.

Business segment

The Company manufactures and sells auto bulbs, automotive lighting equipment, molds & dies and product designs. The Company does not prepare segment information of molds & dies and product designs business because the Company's management considers that the revenues, assets and profit of molds & dies and product designs segment do not meet quantitative thresholds of reportable segment. The chief operating decision-maker review operating results in the same dimension as presented on the financial statements.

16 Legal claim

In 2015, the Company received a ruling letter from the Revenue Department stating that the Company had paid income tax for the accounting periods from 1 February 2003 to 31 January 2004, 1 April 2004 - 31 March 2005, 1 April 2005 - 31 March 2006, 1 April 2008 - 31 March 2009 and 1 April 2009 - 31 March 2010 incorrectly for the total amount of approximately Baht 18 million. The reason given was that the Company didn't average out the Company's net profit between BOI and non-BOI businesses before applying the income tax rate at 25% for the first portion of net profit of Baht 300 million, which is in accordance with the Royal Decree no. 387 B.E. 2544 and no. 475 B.E. 2551. However, the Company has objected to this letter. The Company has asked the bank to issue a letter of guarantee for this tax amount.

In 2016, the Central Tax Court of Thailand judged to dismiss the Company's appeal. The outcome of the judgment means the Company is liable to pay the additional tax to the Revenue Department. However, the Company has requested the Revenue Department to temporarily suspend the liability for the additional tax payment until a final judgment is issued. The Company submitted an appeal against the Court's judgment to the Court of Appeal for Specialized cases - Tax Case Division.

On 12 March 2018, the Court of Appeal for Specialized cases - Tax Case Division rendered its judgment to affirm the judgment of the Central Tax Court. On 8 June 2018, the Company submitted an appeal against the Court of Appeal for Specialized cases - Tax Case Division's judgment to the Supreme Court. The case is now under the consideration of the Supreme Court.

The Company already recorded liabilities in this interim financial information.

17 Subsequent event after reporting period

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 6 July 2018, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2018 for 76,625,000 shares of Baht 7 per share, totalling Baht 536,375,000. However, there are 100 shares that are not entitled to receive the dividends, totalling Baht 700 as the depository terms are not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company pays the dividends amounting to Baht 536,374,300 to the shareholders on 26 July 2018.