

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 MARCH 2019



Independent Auditor's Report

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

My opinion

In my opinion, the financial statements in which the equity method is applied and the separate financial statements of Thai Stanley Electric Public Company Limited (the Company) present fairly, in all material respects, the financial position in which the equity method is applied and the separate financial position of the Company as at 31 March 2019, and its financial performance in which the equity method is applied and the separate financial performance and its cash flows in which the equity method is applied and the separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

What I have audited

The Company's financial statements comprise:

- the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 March 2019;
- the statement of income in which the equity method is applied and the separate statement of income for the year then ended;
- the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income for the year then ended;
- the statement of changes in equity in which the equity method is applied and the separate statement of changes in equity for the year then ended;
- the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the year then ended; and
- the notes to the financial statements which include a summary of significant accounting policies.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Company in accordance with the Federation of Accounting Professions under the Royal Patronage of his Majesty the King's Code of Ethics for Professional Accountants together with the ethical requirements that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgment, were of most significance in my audit of the financial statements of the current period. I determine one key audit matter: Valuation of inventories. The matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.



Key audit matter	How my audit addressed the key audit matter
<p>Valuation of inventories</p> <p>Refer to note 2.6 (accounting policies) and note 9 (inventories).</p> <p>The valuation of inventories is an area of focus because inventories are a significant part of the total assets. The allowances for obsolete and slow-moving inventories are subject to management's judgement and experience, who may intentionally or unintentionally be biased. This could affect the appropriateness of the valuation of inventory.</p> <p>Assessing the allowances for obsolete and slow-moving inventories requires a degree of estimation using judgement. Management based their assessment on their experience and historical data and set a 100% allowance for inventories with no movement over 12 months. In addition, the management assessed the appropriate level of the allowance by taking into account the historical and recent sales experience, the aging of inventories and other factors that cause slow-moving inventories to deteriorate and become obsolete.</p>	<p>I updated my understanding of the assumptions used to develop the allowances for obsolete and slow-moving inventories and determined that the accounting policies are consistent with the prior years.</p> <p>I assessed whether the assumptions management used to develop the allowances for obsolete and slow-moving inventories were reasonable by considering historical data and prior years' experience including key inventory ratios. I also challenged whether the specific periods that management had assumed were appropriate enough to be used to determine the valuation of inventory.</p> <p>I tested the reliability of the inventory aging report that was used to assess the valuation of inventory by tracing the last movement date of the inventory aging report to the supporting documents to check whether inventories were assigned to the correct aging category by the system.</p> <p>I tested the mathematical accuracy of the allowances of the inventory balance that were derived from management's assumptions. I found no variances from performing this work.</p> <p>I also assessed whether any obsolete and slow-moving inventories were omitted from the detailed analysis. I did this by examining the completeness of the inventory aging analysis and tracing information obtained during inventory counts, to check that allowance for all inventories with no movement over 12 months in the inventory aging analysis were fully recognised. I also verified that the obsolete inventories found during inventory count at the year-end were appropriately set the allowance for.</p> <p>Using the above procedures, I considered that management's assumptions were properly used to estimate. Also, the estimation of the allowances for obsolete and slow-moving inventories was recognised appropriately.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.



Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Varaporn Vorathitikul', with a long horizontal flourish extending to the right.

Varaporn Vorathitikul
Certified Public Accountant (Thailand) No. 4474
Bangkok
17 May 2019

Thai Stanley Electric Public Company Limited
 Statements of Financial Position
 As at 31 March 2019

	Notes	Financial statements in which the equity method is applied		The Company only	
		31 March 2019 Baht	31 March 2018 Baht	31 March 2019 Baht	31 March 2018 Baht
Assets					
Current assets					
Cash and cash equivalents	6	1,671,996,877	2,012,032,313	1,671,996,877	2,012,032,313
Short-term investments held to maturity	7	3,625,000,000	4,212,450,217	3,625,000,000	4,212,450,217
Trade and other accounts receivable, net	8	2,549,177,679	2,347,804,952	2,549,177,679	2,347,804,952
Inventories, net	9	1,099,780,589	674,727,701	1,099,780,589	674,727,701
Current portion of loans to employees	10	41,877,305	25,348,038	41,877,305	25,348,038
Other current assets		45,970,733	17,692,303	45,970,733	17,692,303
Total current assets		9,033,803,183	9,290,055,524	9,033,803,183	9,290,055,524
Non-current assets					
Loans to employees	10	34,920,939	10,806,651	34,920,939	10,806,651
Investment in an associate	11	1,357,930,009	1,131,686,653	54,044,189	54,044,189
Investment in a joint venture	12	22,165,315	22,706,618	3,132,500	3,132,500
Long-term investments, net	13	112,401,215	113,201,215	112,401,215	113,201,215
Property, plant and equipment, net	14	7,703,011,731	5,564,806,688	7,703,011,731	5,564,806,688
Intangible assets, net	15	974,757,302	775,113,671	974,757,302	775,113,671
Deferred tax assets, net	16	-	-	94,132,292	87,036,833
Other non-current assets, net		15,514,089	30,394,712	15,514,089	30,394,712
Total non-current assets		10,220,700,600	7,648,716,208	8,991,914,257	6,638,536,459
Total assets		19,254,503,783	16,938,771,732	18,025,717,440	15,928,591,983



Director

Nagano
 (Mr. Koichi Nagano)

Director

Leeissaranukul
 (Mr. Apichart Leeissaranukul)

Date

17 MAY 2019

The notes to the financial statements on page 13 to 45 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
 Statements of Financial Position
 As at 31 March 2019

	Notes	Financial statements in which the equity method is applied		The Company only	
		31 March	31 March	31 March	31 March
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable - other companies		601,416,601	514,745,721	601,416,601	514,745,721
- related parties	28	549,860,146	498,282,289	549,860,146	498,282,289
Other accounts payable - other companies		1,004,252,283	322,204,024	1,004,252,283	322,204,024
- related parties	28	169,764,056	223,210,120	169,764,056	223,210,120
Accrued corporate income tax		218,376,783	181,649,546	218,376,783	181,649,546
Accrued expenses	17	339,438,086	326,088,616	339,438,086	326,088,616
Total current liabilities		2,883,107,955	2,066,180,316	2,883,107,955	2,066,180,316
Non-current liabilities					
Deferred tax liabilities, net	16	170,451,435	132,406,483	-	-
Provision for post-employment benefits	18	234,385,053	208,805,352	234,385,053	208,805,352
Total non-current liabilities		404,836,488	341,211,835	234,385,053	208,805,352
Total liabilities		3,287,944,443	2,407,392,151	3,117,493,008	2,274,985,668
Equity					
Share capital	19				
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, par value					
of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	19	504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve	21	38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		15,229,792,248	13,788,404,424	13,979,256,932	12,723,998,815
Other components of equity		(188,920,408)	(182,712,343)	3,280,000	3,920,000
Total equity		15,966,559,340	14,531,379,581	14,908,224,432	13,653,606,315
Total liabilities and equity		19,254,503,783	16,938,771,732	18,025,717,440	15,928,591,983

The notes to the financial statements on page 13 to 45 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Income
For the year ended 31 March 2019

	Notes	Financial statements in which the equity method is applied		The Company only	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Revenues from sales and services	5, 26, 28	14,634,621,299	13,220,445,698	14,634,621,299	13,220,445,698
Cost of sales and services		(11,864,534,640)	(10,775,579,608)	(11,864,534,640)	(10,775,579,608)
Gross profit		2,770,086,659	2,444,866,090	2,770,086,659	2,444,866,090
Other income					
- Dividend income	11, 12, 13	71,979,332	10,303,166	155,496,731	92,815,488
- Gain on exchange rates, net		21,238,295	19,754,392	21,238,295	19,754,392
- Interest income		71,137,511	69,486,678	71,137,511	69,486,678
- Others	22	108,091,969	99,330,130	108,091,969	99,330,130
Profit before expenses		3,042,533,766	2,643,740,456	3,126,051,165	2,726,252,778
Selling expenses		(582,126,700)	(539,043,028)	(582,126,700)	(539,043,028)
Administrative expenses		(345,671,294)	(350,907,911)	(345,671,294)	(350,907,911)
Total expenses		(927,797,994)	(889,950,939)	(927,797,994)	(889,950,939)
Operating profit	23	2,114,735,772	1,753,789,517	2,198,253,171	1,836,301,839
Share of profit from investments in an associate and a joint venture	11, 12	316,179,533	294,757,654	-	-
Profit before income tax		2,430,915,305	2,048,547,171	2,198,253,171	1,836,301,839
Income tax	24	(453,153,181)	(389,885,568)	(406,620,754)	(347,436,502)
Net profit for the year		1,977,762,124	1,658,661,603	1,791,632,417	1,488,865,337
Basic earnings per share	25				
Net profit for the year		25.81	21.65	23.38	19.43

The notes to the financial statements on page 13 to 45 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income
 For the year ended 31 March 2019

	Note	Financial statements in which the equity method is applied		The Company only	
		2019	2018	2019	2018
		Baht	Baht	Baht	Baht
Net profit for the year		1,977,762,124	1,658,661,603	1,791,632,417	1,488,865,337
Other comprehensive expenses for the year after tax:					
Items that will be reclassified subsequently to profit or loss					
Unrealised loss on change in fair value of available-for-sale investment	24	(640,000)	(768,000)	(640,000)	(768,000)
Exchange differences relating to investments in an associate and a joint venture	24	(5,568,065)	(84,867,476)	-	-
Other comprehensive expenses for the year - net of tax	24	(6,208,065)	(85,635,476)	(640,000)	(768,000)
Total comprehensive income for the year		<u>1,971,554,059</u>	<u>1,573,026,127</u>	<u>1,790,992,417</u>	<u>1,488,097,337</u>

The notes to the financial statements on page 13 to 45 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
 Statements of Changes in Equity
 For the year ended 31 March 2019

	Financial statements in which the equity method is applied									
	Other components of equity							Total other components of equity Baht	Total equity Baht	
	Retained earnings					Unrealised gain (loss)				Exchange differences relating to investments in an associate and a joint venture Baht
	Issued and paid-up share capital Baht	Premium on share capital Baht	Legal reserve Baht	Unappropriated retained earnings Baht	on change in fair value of available-for-sale investment Baht					
Other comprehensive income (expenses)										
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	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 year	-	-	-	1,977,762,124	(640,000)	(5,568,065)	(6,208,065)	1,971,554,059		
Dividends paid	20	-	-	(536,374,300)	-	-	-	(536,374,300)		
Closing balance as at 31 March 2019	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>15,229,792,248</u>	<u>3,280,000</u>	<u>(192,200,408)</u>	<u>(188,920,408)</u>	<u>15,966,559,340</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 year	-	-	-	1,658,661,603	(768,000)	(84,867,476)	(85,635,476)	1,573,026,127		
Dividends paid	20	-	-	(383,124,500)	-	-	-	(383,124,500)		
Closing balance as at 31 March 2018	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>13,788,404,424</u>	<u>3,920,000</u>	<u>(186,632,343)</u>	<u>(182,712,343)</u>	<u>14,531,379,581</u>		

The notes to the financial statements on page 13 to 45 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
 Statements of Changes in Equity
 For the year ended 31 March 2019

								The Company only			
								Other components of equity			
								Other comprehensive income (expenses)			
								Unrealised gain (loss) on change in fair value of available-for-sale investment	Total other components of equity	Total equity	
								Retained earnings			
								Unappropriated retained earnings			
								Legal reserve			
								Issued and paid-up share capital	Premium on share capital		
Note	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	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 year	-	-	-	1,791,632,417	(640,000)	(640,000)	1,790,992,417				
Dividends paid	20	-	-	(536,374,300)	-	-	(536,374,300)				
Closing balance as at 31 March 2019	383,125,000	504,250,000	38,312,500	13,979,256,932	3,280,000	3,280,000	14,908,224,432				
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 year	-	-	-	1,488,865,337	(768,000)	(768,000)	1,488,097,337				
Dividends paid	20	-	-	(383,124,500)	-	-	(383,124,500)				
Closing balance as at 31 March 2018	383,125,000	504,250,000	38,312,500	12,723,998,815	3,920,000	3,920,000	13,653,606,315				

The notes to the financial statements on page 13 to 45 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the year ended 31 March 2019

	Notes	Financial statements in which the equity method is applied		The Company only	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from operating activities:					
Profit before income tax for the year		2,430,915,305	2,048,547,171	2,198,253,171	1,836,301,839
Adjustments to reconcile profit before income tax for the year to net cash provided by operations:					
- Depreciation	14	1,020,563,009	1,051,782,513	1,020,563,009	1,051,782,513
- Amortisation	15	228,988,633	214,489,984	228,988,633	214,489,984
- Interest income		(71,137,511)	(69,486,678)	(71,137,511)	(69,486,678)
- Share of profit from investments in an associate and a joint venture	11, 12	(316,179,533)	(294,757,654)	-	-
- Dividend income					
- Investments in an associate and a joint venture	11, 12	-	-	(83,517,399)	(82,512,322)
- Long-term investments	13	(71,979,332)	(10,303,166)	(71,979,332)	(10,303,166)
- Gain on disposals of property, plant and equipment, net	22	(4,118,553)	(4,184,100)	(4,118,553)	(4,184,100)
- Reversal of allowance for doubtful account	8	(3,413,075)	(400,327)	(3,413,075)	(400,327)
- Reversal of allowance for obsolete and slow moving inventories and net realisable value lower than cost of inventories	9	(2,548,579)	(21,802,363)	(2,548,579)	(21,802,363)
- Corporate income tax refund offset against withholding tax on dividend and surcharge		-	16,882,357	-	16,882,357
- Provision for corporate income tax	30	-	17,628,090	-	17,628,090
- Provision for post-employment benefits	18	28,844,046	26,616,720	28,844,046	26,616,720
- Unrealised gain on exchange rates, net		(791,567)	(467,965)	(791,567)	(467,965)
Cash flows before changes in operating assets and liabilities		3,239,142,843	2,974,544,582	3,239,142,843	2,974,544,582
Changes in operating assets and liabilities					
- Trade and other accounts receivable		(202,338,308)	(296,916,174)	(202,338,308)	(296,916,174)
- Inventories		(422,504,309)	68,811,879	(422,504,309)	68,811,879
- Other current assets		(28,278,430)	(9,879,222)	(28,278,430)	(9,879,222)
- Cash received from corporate income tax refund		-	18,922,011	-	18,922,011
- Other non-current assets		14,880,623	2,146,718	14,880,623	2,146,718
- Trade accounts payable - other companies		86,670,880	57,295,867	86,670,880	57,295,867
- Trade accounts payable - related parties		51,577,857	74,691,957	51,577,857	74,691,957
- Other accounts payable - other companies		117,088,401	45,984,989	117,088,401	45,984,989
- Other accounts payable - related parties		(1,745,524)	27,893,805	(1,745,524)	27,893,805
- Accrued expenses		13,349,470	48,614,813	13,349,470	48,614,813
- Payment for post-employment benefit obligation	18	(3,264,345)	(2,142,105)	(3,264,345)	(2,142,105)
Cash generated from operations		2,864,579,158	3,009,969,120	2,864,579,158	3,009,969,120
Interest received		16,019,633	15,590,920	16,019,633	15,590,920
Income tax paid		(376,828,976)	(292,861,955)	(376,828,976)	(292,861,955)
Net cash received from operating activities		2,503,769,815	2,732,698,085	2,503,769,815	2,732,698,085

The notes to the financial statements on page 13 to 45 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the year ended 31 March 2019

	Notes	Financial statements in which the equity method is applied		The Company only	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Cash flows from investing activities:					
Loans made to employees	10	(81,931,306)	(329,854)	(81,931,306)	(329,854)
Loans repayments from employees	10	41,287,751	34,941,648	41,287,751	34,941,648
Purchases of property, plant and equipment		(2,647,383,944)	(962,220,796)	(2,647,383,944)	(962,220,796)
Proceeds from disposals of property, plant and equipment		4,153,763	4,865,975	4,153,763	4,865,975
Interest received on short-term investments held to maturity		59,496,534	55,432,057	59,496,534	55,432,057
Dividends received					
- Investments in an associate and a joint venture	11, 12	83,517,399	82,512,322	83,517,399	82,512,322
- Long-term investments	13	71,979,332	10,303,166	71,979,332	10,303,166
Purchases of intangible assets		(426,792,264)	(273,682,350)	(426,792,264)	(273,682,350)
Cash receipts from short-term investments held to maturity	7	10,647,000,000	8,954,000,000	10,647,000,000	8,954,000,000
Cash payment on short-term investments held to maturity	7	(10,059,549,783)	(9,329,466,305)	(10,059,549,783)	(9,329,466,305)
Net cash used in investing activities		<u>(2,308,222,518)</u>	<u>(1,423,644,137)</u>	<u>(2,308,222,518)</u>	<u>(1,423,644,137)</u>
Cash flow from financing activity:					
Dividends paid	20	<u>(536,374,300)</u>	<u>(383,124,500)</u>	<u>(536,374,300)</u>	<u>(383,124,500)</u>
Net cash used in financing activity		<u>(536,374,300)</u>	<u>(383,124,500)</u>	<u>(536,374,300)</u>	<u>(383,124,500)</u>
Net increase (decrease) in cash and cash equivalents		(340,827,003)	925,929,448	(340,827,003)	925,929,448
Cash and cash equivalents at beginning of the year		2,012,032,313	1,085,634,900	2,012,032,313	1,085,634,900
Effects of exchange rate changes		791,567	467,965	791,567	467,965
Cash and cash equivalents at end of the year		<u>1,671,996,877</u>	<u>2,012,032,313</u>	<u>1,671,996,877</u>	<u>2,012,032,313</u>
Non-cash transactions:					
Outstanding liabilities arisen from purchases of plant, equipment and intangible assets		744,347,600	179,387,742	744,347,600	179,387,742
Outstanding liabilities arisen from purchase of plant and equipment from related parties		13,955,447	65,655,987	13,955,447	65,655,987

The notes to the financial statements on page 13 to 45 are an integral part of these financial statements.

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.

These financial statements have been approved by the Company's Board of directors on 17 May 2019.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention except the measurement of available-for-sale investment as explained in the relevant accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Comparative figures have been reclassified to conform with changes in classification in the current year.

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

2.2 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 changes 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.

TFRS 12 (revised 2017), the amendments clarify that the disclosure requirements of TFRS 12 apply 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 assessed and considered that the above revised standards do not have a significant impact on the Company.

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretations which have been issued but not yet effective.

2.2.2.1 The Federation of Accounting Professions has issued new standard, TFRS 15 Revenue from Contracts with Customers. This standard will become effective for annual periods beginning on or after 1 January 2019. The Company has not early adopted this standard.

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

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
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

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 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

Key changes to current practice are:

- Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements
- Revenue may be recognised earlier than under current standards if the consideration varies for any reasons (such as for incentives, rebates, performance fees, royalties, success of an outcome etc) - minimum amounts must be recognised if they are not at significant risk of reversal
- The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa
- There are new specific rules on licenses, warranties, non-refundable upfront fees and, consignment arrangements
- As with any new standard, there are also increased disclosures.

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 management is currently assessing the impact of initial adoption of this standard.

Mandatory for financial years commencing on or after 1 January 2019. The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 April 2019 and that comparatives will not be restated.

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretations which have been issued but not yet effective. (Cont'd)

2.2.2.2 Revised financial reporting interpretation will become effective for annual periods beginning on or after 1 January 2019 and is relevant to the Company. The Company has not yet adopted this interpretation.

TFRIC 22 Foreign Currency Transactions and Advance Consideration

TFRIC 22 provides guidance for determining the exchange rate to be used on the initial recognition of a related asset, expense or income where an entity pays or receives an advance consideration in a foreign currency. The interpretation requires an entity to use the exchange rate at the date on which an entity recognises the non-monetary assets, such as prepayments and advances, or non-monetary liability, such as deferred income arising from the advance consideration. If there are multiple advance payments or receipts of payments, the exchange rate is to be used on the date when each non-monetary asset or liability is recognised.

2.2.2.3 New financial reporting standards and interpretations will become effective for annual periods beginning on or after 1 January 2020 and are relevant to the Company. The Company has not yet adopted these standards.

2.2.2.3.1 The group of financial reporting standards related to financial instruments comprise accounting standards, financial reporting standards and interpretations as shown below. The early application is permitted only for the period beginning on or after 1 January 2019.

TAS 32	Financial Instruments: Presentation
TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The above new standards and interpretations will supersede the following standards:

TAS 101	Bad and Doubtful Debts
TAS 103	Disclosures in the Financial Statements of Bank and Similar Financial Institutions
TAS 104	Accounting for Troubled Debt Restructuring
TAS 105	Accounting for Investment in Debts and Equity Securities
TAS 106	Accounting for Investment Companies
TAS 107	Financial Instruments: Disclosure and Presentation

TAS 32 Financial Instruments: Presentation, provides the requirements for the presentation of financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses and gains; and the circumstances in which financial assets and financial liabilities should be offset.

TFRS 7 Financial Instruments: Disclosures, provides the requirements for the disclosure that are intended to enable users to evaluate the significance of financial instruments for an entity's financial position and performance, and to understand the nature and extent of risks arising from those financial instruments to which the entity is exposed during the period and at the end of the reporting period, and how the entity manages those risks.

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretations which have been issued but not yet effective. (Cont'd)

2.2.2.3 New financial reporting standards and interpretations will become effective for annual periods beginning on or after 1 January 2020 and are relevant to the Company. The Company has not yet adopted these standards. (Cont'd)

2.2.2.3.1 The group of financial reporting standards related to financial instruments comprise accounting standards, financial reporting standards and interpretations as shown below. The early application is permitted only for the period beginning on or after 1 January 2019. (Cont'd)

IFRS 9 Financial Instruments, establishes principles for the classification, measurement and derecognition of financial assets and financial liabilities, impairment requirement and hedge accounting as follows:

- Classification and measurement:
 - The classification and measurement of debt instrument financial assets has three classification categories, which are amortised cost, fair value through profit or loss and fair value through other comprehensive income. Classification of debt assets will be driven by the entity's business model for managing the financial assets and contractual cash flows characteristics of the financial assets.
 - Equity instrument financial assets shall be measured at fair value through profit or loss. An entity can make an irrevocable election to recognise the fair value change in other comprehensive income without subsequent recycling to profit or loss.
 - Financial liabilities are classified and measured at amortised cost. An entity can choose to measure a liability at fair value through profit or loss when the conditions are met.
 - Derivatives are classified and measured at fair value through profit or loss.
- The impairment requirements relating to the accounting for an entity's expected credit losses on its financial assets measured at amortised cost, investments in debt instruments measured at fair value through other comprehensive income, lease receivables, loan commitments and financial guarantee contracts. It is no longer necessary for a credit event to have occurred before credit losses are recognised. The entity always accounts for expected credit losses which involves a three stage approach. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. Except for trade receivables and contractual assets which apply in IFRS 15 and are no significant financial components and lease receivables, they are permitted to measure by simplified approach for credit impaired consideration.
- The objective of hedge accounting is to represent, in the financial statements, the effect of an entity's risk management activities that use financial instruments to manage exposures arising from particular risks that could affect profit or loss (or other comprehensive income, in the case of investments in equity instruments for which an entity has elected to present changes in fair value in other comprehensive income). This approach aims to convey the context of hedging instruments for which hedge accounting is applied in order to allow insight into their purpose and effect.

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretations which have been issued but not yet effective. (Cont'd)

2.2.2.3 New financial reporting standards and interpretations will become effective for annual periods beginning on or after 1 January 2020 and are relevant to the Company. The Company has not yet adopted these standards. (Cont'd)

2.2.2.3.1 The group of financial reporting standards related to financial instruments comprise accounting standards, financial reporting standards and interpretations as shown below. The early application is permitted only for the period beginning on or after 1 January 2019. (Cont'd)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation, clarifies the accounting treatment in respect of net investment hedging, provides guidance on identifying the foreign currency risks that qualify as a hedged risk. Clarifying that hedging instruments that are hedges of a net investment in a foreign operation may be held anywhere in the group not only by the parent. This includes the guidance on how an entity should determine the amount to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item.

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, provides the requirements for accounting treatment when the entity issues equity instruments to a creditor to extinguish all or part of a financial liability. The equity instruments issued shall be measured at fair value. The entity shall remove a financial liability (or part of a financial liability) from its statement of financial position when it is extinguished in accordance with TFRS 9. The difference between the carrying amount of the financial liability (or part of a financial liability) extinguished and the fair value of equity instruments issued shall be recognised in profit or loss.

The management is currently assessing the impact of initial adoption of these standards.

2.2.2.3.2 TFRS 16 Leases, the earlier application is permitted for entities that apply TFRS 15 Revenue from Contracts with Customers at or before the date of initial application of this Standard.

The new standard will supersede the following standards and interpretations:

TAS 17	Leases
TFRIC 4	Determining whether an arrangement contains a lease
TSIC 15	Operating leases - Incentives
TSIC 27	Evaluating the substance of transactions in the legal form of a lease

TFRS 16 Leases, a lessee shall recognise a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

2 Accounting policies (Cont'd)

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

2.2.2 New and revised financial reporting standards and interpretations which have been issued but not yet effective. (Cont'd)

2.2.2.3 New financial reporting standards and interpretations will become effective for annual periods beginning on or after 1 January 2020 and are relevant to the Company. The Company has not yet adopted these standards. (Cont'd)

2.2.2.3.2 TFRS 16 Leases, the earlier application is permitted for entities that apply TFRS 15 Revenue from Contracts with Customers at or before the date of initial application of this Standard. (Cont'd)

Key changes to current practice are:

- The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.
- The total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, operating expense will be replaced with interest and depreciation.
- Operating cash flows will be higher as cash payments for the principal portion of the lease liability are classified within financing activities. Only the part of the payments that reflects interest can continue to be presented as operating cash flows.
- The accounting by lessors will not significantly change. Some differences may arise as a result of the new guidance on the definition of a lease, a contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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 management is currently assessing the impact of initial adoption of this standard.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Thai Baht, which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. Conversely, when a gain or loss on a non-monetary item is recognised in profit and loss, any exchange component of that gain or loss is recognised in profit and loss.

2 Accounting policies (Cont'd)

2.4 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are not used as collateral.

2.5 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are recognised in the statement of income as part of administrative expenses.

2.6 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts and rebates. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads which are allocated based on normal capacity. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.7 Investments in associate and joint arrangement

(1) Associate

An associate is an entity over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. An investment in an associate is initially recognised at cost and accounted for using the equity method in the financial statements in which the equity method is applied.

(2) Joint arrangement

An investment in joint arrangement is classified as either joint operation or joint venture depending on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

Joint venture

A joint venture is a joint arrangement whereby the Company has a right to the net assets of the arrangement. An interest in a joint venture is accounted for using the equity method.

2 Accounting policies (Cont'd)

2.7 Investments in associate and joint arrangement (Cont'd)

(3) Accounting under equity method

Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Company's investments in associate and joint venture include goodwill identified on acquisition.

The Company's shares of its associate and joint venture's post-acquisition profits or losses are recognised in the statement of income and its shares of post-acquisition movements in reserves are recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments. When the Company's share of losses in associate and joint venture equals or exceeds its interest in the associate and joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate and joint venture.

Unrealised gains on transactions between the Company and its associate and joint venture are eliminated to the extent of the Company's interest in the associate and joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed, where necessary, to ensure consistency with the policies adopted by the Company.

In the Company financial statements, investments in associate and joint venture are accounted for using the cost method.

A list of the Company's associate and joint venture is disclosed in Notes 11 and 12, respectively.

2.8 Other investments

Investments other than investments in associate and joint venture are classified into the following three categories which are held-to-maturity, available-for-sale and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or they will need to be sold to raise operating capital, in which case they are included in current assets.
- Investments in non-marketable equity securities are classified as general investments.

Purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the investments. Cost of investment includes transaction costs.

Held-to-maturity investments are carried at amortised cost.

Available-for-sale investments are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity. The fair value of investments is based on the quoted bid price by reference to the Stock Exchange of Thailand. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of income as gains and losses from investment.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the Company's holding of a particular investment in equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2 Accounting policies (Cont'd)

2.9 Property, plant and equipment

Property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write off the cost of each asset, except for land which is considered to have indefinite life, to its residual value over the estimated useful lives.

	Useful life (years)
Buildings and other constructions	10 - 30
Land and building improvements	5 - 10
Machinery, equipment and factory tools	5 - 10
Molds	4
Motor vehicles	5
Furniture, fixtures and office equipment	3 - 5

The assets' useful lives, residual values and depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income.

2.10 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the direct costs incurred to acquire and bring to use the specific software. These costs are amortised on the straight-line method over their estimated useful lives of which between 5 and 10 years. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

Product design costs

Costs incurred on development projects relating to the design of new products are recognised as intangible assets when it is probable that the project will be successful considering its commercial and technological feasibility, and only if the cost can be measured reliably. Product design costs previously recognised as an expense are not recognised as an asset in a subsequent period. Product design costs are amortised from the commencement of the commercial production of the product based on the straight-line method over the period of its expected benefit which is 4 years.

2.11 Impairment of assets

Asset and intangible assets with a definite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2 Accounting policies (Cont'd)

2.12 Leases

Leases - where the Company is the lessee

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

2.13 Employee benefits

The Company has post-employment benefits both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

- Defined contribution plan

Provident fund

The Company operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Company. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

- Defined benefit plan

Retirement benefit

Under Labour Laws applicable in Thailand and Company's employment policy, the severance pay will be at the rate according to salary and number of years of service which will happen in the future. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bond interest rate that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Gain and loss from actuarial estimation for employee benefit is recognised as other comprehensive income (expenses) in the statement of comprehensive income.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.15 Revenue recognition

Revenue from sales comprises the fair value of the consideration received or receivable for the sales of goods net of rebates and discounts. Revenue from sales is recognised when significant risks and rewards of ownership of the goods are transferred to the buyers.

Revenue from rendering services is recognised when services are rendered.

Interest income is recognised on an accrual basis unless collectability is in doubt.

Dividend income is recognised when right to receive payment is established.

2 Accounting policies (Cont'd)

2.16 Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders and the Board of Directors.

2.18 Financial instruments

Financial assets carried in the statements of financial position include cash and cash equivalents, short-term investments held to maturity, and trade accounts receivable. Financial liabilities carried in the statements of financial position are trade accounts payable and other accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Company parties to financial instruments that reduce exposure to fluctuations in exchange rates by using foreign currency forward contracts to protect its exposure from movements in exchange rates. Foreign currency forward contracts established a predetermined exchange rate ("forward rate") at which the Company will receive/ pay foreign currency amounts on a predetermined future date. At the statement of financial position date, the foreign currency amounts receivable under these contracts are translated into Baht at the rates ruling at that date. Unrealised gains or losses that result from the translation are recognised in the statement of income. The foreign currency amounts payable under these contracts are translated into Baht at the forward rates. Any premiums or discounts equal to the difference between the exchange rates and the forward rates at the inception of the contracts are amortised over the lives of the contracts. The foreign currency amounts receivable and payable have been presented net in the statement of financial position.

Disclosures about financial instruments to which the Company is a party are provided in Note 27.

2.19 Segment reporting

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" that makes strategic decisions.

3 Critical accounting estimates, assumptions and judgments

Accounting estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During the year ended 31 March 2019, the significant accounting estimates of the Company are as follows:

Allowances for obsolete and slow-moving inventories

The Company has estimated the allowances for obsolete and slow-moving inventories to reflect their impairment. The allowances are taken into account inventory aging, recent sales experience and other factors that affecting obsolete and slow-moving inventories.

Plant, equipment and intangible assets

Management has determined the estimated useful lives and residual value of plant, equipment and intangible assets of which are principally based on technical information. The management will also review to write down technically obsolete or non-used assets by sales or abandon.

Post-employment benefits

The Company provides for post-employment benefits, payable to employees under the Thai Labour Law. The present value of post-employment benefit obligation is determined based on various assumptions which include the discount rate, the rate of salary inflation, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for provision for post-employment benefits.

4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5 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 reviews operating results in the same dimension as presented in the financial statements.

Revenues by product group

During the year ended 31 March 2019 and 2018, the revenues by product group are as follows:

	2019 Baht	2018 Baht
Auto bulbs and automotive lighting equipment	14,371,449,321	12,778,957,295
Molds & dies and product designs	263,171,978	441,488,403
	<u>14,634,621,299</u>	<u>13,220,445,698</u>

5 Segment information (Cont'd)

Major customers

During the year ended 31 March 2019, the Company has revenues from 2 major customer groups which each of them contributed equal or over 10% of the Company's total revenues (2018: 2 customer groups). The revenue from customer group no.1 is Baht 6,774 million (2018: Baht 5,590 million). The revenue from customer group no. 2 is Baht 4,268 million (2018: Baht 3,692 million). The customers under common control are considered as one customer and referred to as the customer group.

6 Cash and cash equivalents

	2019 Baht	2018 Baht
Cash and cheques on hand	862,767	832,923
Current accounts with banks	98,537,327	88,751,798
Savings accounts with banks	42,596,783	109,447,592
Fixed deposits at banks with less than 3-month term	1,530,000,000	1,813,000,000
	<u>1,671,996,877</u>	<u>2,012,032,313</u>

As at 31 March 2019, savings accounts with banks and fixed deposits at banks with less than 3-month term bear interest at the rates of 0.01% - 1.37% per annum (2018: 0.01% - 1.12% per annum).

7 Short-term investments held to maturity

As at 31 March 2019, short-term investments held to maturity represent fixed deposits at banks which have original maturities over 3 months but not over 12 months (2018: treasury bills and fixed deposits at banks which have original maturities over 3 months but not over 12 months).

Movements in short-term investments held to maturity are as follows:

	2019 Baht	2018 Baht
Opening book amount	4,212,450,217	3,836,983,912
Additions during the year	10,059,549,783	9,329,466,305
Redemptions during the year	<u>(10,647,000,000)</u>	<u>(8,954,000,000)</u>
Closing book amount	<u>3,625,000,000</u>	<u>4,212,450,217</u>

As at 31 March 2019, short-term investments held to maturity bear interest at the rates of 1.25% - 1.63% per annum (2018: 1.12% - 1.60% per annum).

As at 31 March 2019 and 2018, the fair value is based on discounted cash flows using a discount rate based upon the interest rates of treasury bills and fixed deposits as at 31 March 2019 and 2018 (Level 2 of fair value hierarchy). However, the fair value of short-term investments held to maturity is close to their carrying amount as the impact of discounting is not significant.

8 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 31 March 2019 and 2018 are as follows:

	2019 Baht	2018 Baht
Trade accounts receivable - other companies	2,166,149,433	2,057,557,201
<u>Less</u> Allowance for doubtful account	<u>(20,446,001)</u>	<u>(23,859,076)</u>
Trade accounts receivable - other companies, net	2,145,703,432	2,033,698,125
Trade accounts receivable - related parties (Note 28)	233,322,287	206,516,522
Prepaid expenses	53,025,056	48,727,691
Accrued income, net	19,663,252	26,716,955
Value added tax receivable	64,601,020	23,335,262
Other receivables	32,862,632	8,810,397
	<u>2,549,177,679</u>	<u>2,347,804,952</u>

Trade accounts receivable as at 31 March 2019 and 2018 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current	2,122,815,979	2,005,630,823	174,739,248	197,682,647
Overdue:				
less than 3 months	24,556,963	21,089,398	58,583,039	8,218,924
3 - 6 months	1,380,000	6,686,761	-	13,185
6 - 12 months	280,081	-	-	591,331
more than 1 year	17,116,410	24,150,219	-	10,435
	<u>2,166,149,433</u>	<u>2,057,557,201</u>	<u>233,322,287</u>	<u>206,516,522</u>

9 Inventories, net

	2019 Baht	2018 Baht
Raw materials and packaging	249,139,873	240,711,873
Work in process	688,942,839	255,320,170
Finished goods	81,679,548	97,143,936
Goods in transit	85,484,823	89,566,795
	1,105,247,083	682,742,774
<u>Less</u> Allowance for net realisable value lower than cost and obsolete and slow moving inventories		
- Raw materials and packaging	(240,999)	(4,875,428)
- Work in process	(5,152,015)	(2,031,543)
- Finished goods	(73,480)	(1,108,102)
Inventories, net	<u>1,099,780,589</u>	<u>674,727,701</u>

During the year ended 31 March 2019, the Company recognised allowance for obsolete and slow-moving inventories amounting to Baht 6,648,257 and reversed allowance for obsolete and slow-moving inventories amounting to Baht 9,196,836 as a part of cost of sales in the statement of income (2018: the Company recognised allowance for obsolete and slow-moving inventories amounting to Baht 472,520 and reversed allowance for obsolete and slow-moving inventories amounting to Baht 22,274,883 as a part of cost of sales in the statement of income).

10 Loans to employees

Movements in loans to employees during the year are as follows:

	2019 Baht	2018 Baht
Opening balance	36,154,689	70,766,483
Additions	81,931,306	329,854
Received during the year	(41,287,751)	(34,941,648)
Closing balance	<u>76,798,244</u>	<u>36,154,689</u>

Loans to employees bear interest rate at 1.70% per annum (2018: 1.90% per annum). The repayment periods are between 2 months - 3 years.

The analysis of loans to employees is as follows:

	2019 Baht	2018 Baht
Current portion of loans to employees	41,877,305	25,348,038
Non-current portion of loans to employees	34,920,939	10,806,651
	<u>76,798,244</u>	<u>36,154,689</u>

11 Investment in an associate

The details of investment in an associate as at 31 March 2019 and 2018 are as follows:

Name	Business activity	Paid-up share capital	% of holding	Equity method			
				2019		2018	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	1,357,930,009	75,531,090	1,131,686,653	76,596,000
				<u>1,357,930,009</u>	<u>75,531,090</u>	<u>1,131,686,653</u>	<u>76,596,000</u>
Name	Business activity	Paid-up share capital	% of holding	Cost method			
				2019		2018	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
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>54,044,189</u>	<u>75,531,090</u>	<u>54,044,189</u>	<u>76,596,000</u>

Vietnam Stanley Electric Company Limited is a private company and there is no quoted market price available for it. There are no contingent liabilities relating to the Company's interest in an associate.

Movements in an investment in an associate are as follows:

For the years ended 31 March	Equity method		Cost method	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening book amount	1,131,686,653	1,027,730,997	54,044,189	54,044,189
Share of profit	307,596,290	284,288,718	-	-
Dividends received	(75,531,090)	(76,596,000)	-	-
Translation adjustments	(5,821,844)	(103,737,062)	-	-
Closing book amount	<u>1,357,930,009</u>	<u>1,131,686,653</u>	<u>54,044,189</u>	<u>54,044,189</u>

11 Investment in an associate (Cont'd)

Summarised statement of financial position and statement of income of Vietnam Stanley Electric Company Limited:

	As at 31 March	
	2019 Baht	2018 Baht
Current assets	6,415,086,429	5,342,521,329
Non-current assets	1,024,354,511	916,377,931
Total assets	7,439,440,940	6,258,899,260
Current liabilities	628,933,281	584,590,269
Non-current liabilities	20,857,614	15,875,725
Total liabilities	649,790,895	600,465,994
	For the year ended 31 March	
	2019 Baht	2018 Baht
Revenues from sales and services	5,908,674,110	5,574,641,366
Net profit for the year	1,537,981,446	1,421,443,589

12 Investment in a joint venture

The details of investment in a joint venture as at 31 March 2019 and 2018 are as follows:

Name	Business activity	Paid-up share capital	% of holding	Equity method			
				2019		2018	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	22,165,315	7,986,309	22,706,618	5,916,322
				22,165,315	7,986,309	22,706,618	5,916,322
				Cost method			
				2019		2018	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	3,132,500	7,986,309	3,132,500	5,916,322
				3,132,500	7,986,309	3,132,500	5,916,322

Lao Stanley Company Limited is a private company and there is no quoted market price available for it. There are no contingent liabilities relating to the Company's interest in a joint venture.

Movements in an investment in a joint venture are as follows:

For the years ended 31 March	Equity method		Cost method	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening book amount	22,706,618	20,501,287	3,132,500	3,132,500
Share of profit	8,583,243	10,468,936	-	-
Dividends received	(7,986,309)	(5,916,322)	-	-
Translation adjustments	(1,138,237)	(2,347,283)	-	-
Closing book amount	22,165,315	22,706,618	3,132,500	3,132,500

12 Investment in a joint venture (Cont'd)

Summarised statement of financial position and statement of income of Lao Stanley Company Limited:

	As at 31 March	
	2019 Baht	2018 Baht
Current assets	95,178,497	135,266,442
Non-current assets	10,870,984	12,479,345
Total assets	106,049,481	147,745,787
Current liabilities	58,641,582	99,967,323
Non-current liabilities	3,077,267	2,365,227
Total liabilities	61,718,849	102,332,550
	For the year ended 31 March	
	2019 Baht	2018 Baht
Revenues from sales and services	478,093,052	453,364,727
Net profit for the year	17,166,487	20,937,872

13 Long-term investments, net

Long-term investments, net as at 31 March 2019 and 2018 are as follows:

As at 31 March 2019	Available- for-sale investments Baht	General investments Baht	Total Baht
	Equity securities		
- Related parties	7,480,000	104,921,215	112,401,215
- Other companies	-	-	-
Long-term investments, net	<u>7,480,000</u>	<u>104,921,215</u>	<u>112,401,215</u>
As at 31 March 2018	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>

Thai Stanley Electric Public Company Limited
Notes to the Financial Statements
For the year ended 31 March 2019

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

The details of long-term investments, net as at 31 March 2019 and 2018 are as follows:

Name	Business activity	Paid-up share capital	% of holding	2019		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	358,600	3,380,000	339,040
Change in fair value of investments				4,100,000	-	4,900,000	-
				<u>7,480,000</u>	<u>358,600</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	59,860,882	60,000,000	-
Sirivil 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	1,769,156	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	5,881,118	33,127,500	7,241,465
				<u>104,921,215</u>	<u>71,620,732</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><u>112,401,215</u></u>	<u><u>71,979,332</u></u>	<u><u>113,201,215</u></u>	<u><u>10,303,166</u></u>

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

Thai Stanley Electric Public Company Limited
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14 Property, plant and equipment, net

	Land Baht	Land and building improvements Baht	Buildings Baht	Machinery, equipment and factory tools Baht	Molds Baht	Motor vehicles Baht	Furniture, fixtures and office equipment Baht	Machinery under installation and construction in progress Baht	Total Baht
As at 1 April 2017									
Cost	1,197,990,309	1,794,028,995	1,444,125,997	6,553,353,236	5,008,550,919	68,182,779	132,428,874	418,798,488	16,617,459,597
Less Accumulated depreciation	-	(1,234,195,489)	(643,825,150)	(5,008,316,420)	(4,130,553,285)	(49,518,941)	(90,926,978)	-	(11,157,336,263)
Net book amount	<u>1,197,990,309</u>	<u>559,833,506</u>	<u>800,300,847</u>	<u>1,545,036,816</u>	<u>877,997,634</u>	<u>18,663,838</u>	<u>41,501,896</u>	<u>418,798,488</u>	<u>5,460,123,334</u>
For the year ended 31 March 2018									
Opening net book amount	1,197,990,309	559,833,506	800,300,847	1,545,036,816	877,997,634	18,663,838	41,501,896	418,798,488	5,460,123,334
Additions	6,090,000	161,860	-	38,594,197	19,281,013	10,269,565	1,623,469	1,081,127,638	1,157,147,742
Disposals / write-offs, net	-	-	-	(673,942)	(22)	(7,852)	(59)	-	(681,875)
Transfers	-	31,466,496	43,961,884	529,484,365	213,918,035	-	8,446,532	(827,277,312)	-
Depreciation charge (Note 23)	-	(133,325,317)	(61,279,401)	(476,248,054)	(358,659,050)	(8,181,906)	(14,088,785)	-	(1,051,782,513)
Closing net book amount	<u>1,204,080,309</u>	<u>458,136,545</u>	<u>782,983,330</u>	<u>1,636,193,382</u>	<u>752,537,610</u>	<u>20,743,645</u>	<u>37,483,053</u>	<u>672,648,814</u>	<u>5,564,806,688</u>
As at 31 March 2018									
Cost	1,204,080,309	1,825,657,351	1,488,087,881	6,977,157,059	5,234,186,734	67,246,344	140,449,612	672,648,814	17,609,514,104
Less Accumulated depreciation	-	(1,367,520,806)	(705,104,551)	(5,340,963,677)	(4,481,649,124)	(46,502,699)	(102,966,559)	-	(12,044,707,416)
Net book amount	<u>1,204,080,309</u>	<u>458,136,545</u>	<u>782,983,330</u>	<u>1,636,193,382</u>	<u>752,537,610</u>	<u>20,743,645</u>	<u>37,483,053</u>	<u>672,648,814</u>	<u>5,564,806,688</u>
For the year ended 31 March 2019									
Opening net book amount	1,204,080,309	458,136,545	782,983,330	1,636,193,382	752,537,610	20,743,645	37,483,053	672,648,814	5,564,806,688
Additions	127,803,329	111,000	-	154,476,664	19,636,923	6,958,720	4,165,720	2,845,650,906	3,158,803,262
Disposals / write-offs, net	-	(6)	-	(29,904)	(21)	-	(5,279)	-	(35,210)
Transfers	-	509,490,447	229,980,892	590,468,375	223,259,964	-	12,471,110	(1,565,670,788)	-
Depreciation charge (Note 23)	-	(131,245,980)	(65,569,797)	(459,155,635)	(342,909,840)	(7,328,149)	(14,353,608)	-	(1,020,563,009)
Closing net book amount	<u>1,331,883,638</u>	<u>836,492,006</u>	<u>947,394,425</u>	<u>1,921,952,882</u>	<u>652,524,636</u>	<u>20,374,216</u>	<u>39,760,996</u>	<u>1,952,628,932</u>	<u>7,703,011,731</u>
As at 31 March 2019									
Cost	1,331,883,638	2,333,021,434	1,718,068,773	7,440,945,496	5,465,619,277	74,205,064	155,187,940	1,952,628,932	20,471,560,554
Less Accumulated depreciation	-	(1,496,529,428)	(770,674,348)	(5,518,992,614)	(4,813,094,641)	(53,830,848)	(115,426,944)	-	(12,768,548,823)
Net book amount	<u>1,331,883,638</u>	<u>836,492,006</u>	<u>947,394,425</u>	<u>1,921,952,882</u>	<u>652,524,636</u>	<u>20,374,216</u>	<u>39,760,996</u>	<u>1,952,628,932</u>	<u>7,703,011,731</u>

15 Intangible assets, net

	Computer software Baht	Product design cost Baht	Product design cost under development Baht	Total Baht
As at 1 April 2017				
Cost	239,538,169	924,898,147	232,955,985	1,397,392,301
<u>Less</u> Accumulated amortisation	(197,236,354)	(480,147,142)	-	(677,383,496)
Net book amount	<u>42,301,815</u>	<u>444,751,005</u>	<u>232,955,985</u>	<u>720,008,805</u>
For the year ended 31 March 2018				
Opening net book amount	42,301,815	444,751,005	232,955,985	720,008,805
Additions	15,356,790	-	254,238,060	269,594,850
Transfers	-	228,976,620	(228,976,620)	-
Amortisation charge (Note 23)	(18,535,285)	(195,954,699)	-	(214,489,984)
Closing net book amount	<u>39,123,320</u>	<u>477,772,926</u>	<u>258,217,425</u>	<u>775,113,671</u>
As at 31 March 2018				
Cost	254,894,959	1,012,509,569	258,217,425	1,525,621,953
<u>Less</u> Accumulated amortisation	(215,771,639)	(534,736,643)	-	(750,508,282)
Net book amount	<u>39,123,320</u>	<u>477,772,926</u>	<u>258,217,425</u>	<u>775,113,671</u>
For the year ended 31 March 2019				
Opening net book amount	39,123,320	477,772,926	258,217,425	775,113,671
Additions	33,398,310	-	395,233,954	428,632,264
Transfers	-	153,251,117	(153,251,117)	-
Amortisation charge (Note 23)	(17,452,800)	(211,535,833)	-	(228,988,633)
Closing net book amount	<u>55,068,830</u>	<u>419,488,210</u>	<u>500,200,262</u>	<u>974,757,302</u>
As at 31 March 2019				
Cost	288,293,269	1,018,993,696	500,200,262	1,807,487,227
<u>Less</u> Accumulated amortisation	(233,224,439)	(599,505,486)	-	(832,729,925)
Net book amount	<u>55,068,830</u>	<u>419,488,210</u>	<u>500,200,262</u>	<u>974,757,302</u>

16 Deferred tax

The analysis of deferred tax assets and liabilities is as follows:

	Financial statements in which the equity method is applied		The Company only	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Deferred tax assets:				
Deferred tax assets to be utilised within 12 months	4,426,445	4,384,210	4,426,445	4,384,210
Deferred tax assets to be utilised more than 12 months	102,797,523	95,797,036	102,797,523	95,797,036
	<u>107,223,968</u>	<u>100,181,246</u>	<u>107,223,968</u>	<u>100,181,246</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(107,263)	(173,610)	(107,263)	(173,610)
Deferred tax liabilities to be settled more than 12 months	(277,568,140)	(232,414,119)	(12,984,413)	(12,970,803)
	<u>(277,675,403)</u>	<u>(232,587,729)</u>	<u>(13,091,676)</u>	<u>(13,144,413)</u>
Deferred tax assets (liabilities) (net)	<u>(170,451,435)</u>	<u>(132,406,483)</u>	<u>94,132,292</u>	<u>87,036,833</u>

The gross movement of the deferred tax is as follows:

	Financial statements in which the equity method is applied		The Company only	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening balance	(132,406,483)	(111,786,943)	87,036,833	86,424,176
Credited/ (charged) to profit or loss (Note 24)	(39,596,968)	(42,028,409)	6,935,459	420,657
Credited to other comprehensive income (Note 24)	1,552,016	21,408,869	160,000	192,000
Closing balance	<u>(170,451,435)</u>	<u>(132,406,483)</u>	<u>94,132,292</u>	<u>87,036,833</u>

16 Deferred tax (Cont'd)

The movements in deferred tax assets and liabilities during the year are as follows:

	Financial statements in which the equity method is applied and the Company only					Total Baht
	Inventories Baht	Equipment Baht	Intangible assets Baht	Employee benefit liabilities Baht	Others Baht	
Deferred tax assets :						
As at 1 April 2017	5,963,487	34,995,752	17,599,185	36,866,147	4,162,408	99,586,979
Credited/(charged) to profit or loss	(4,360,472)	(1,584,858)	1,644,675	4,894,922	-	594,267
As at 31 March 2018	1,603,015	33,410,894	19,243,860	41,761,069	4,162,408	100,181,246
Credited/(charged) to profit or loss	(509,716)	679,630	1,756,867	5,115,941	-	7,042,722
As at 31 March 2019	1,093,299	34,090,524	21,000,727	46,877,010	4,162,408	107,223,968

16 Deferred tax (Cont'd)

	Financial statements in which the equity method is applied			Total Baht
	Investments in an associate and a joint venture Baht	Long-term investment Baht	Buildings Baht	
Deferred tax liabilities :				
As at 1 April 2017	(198,211,119)	(1,172,000)	(11,990,803)	(211,373,922)
Charged to profit or loss	(42,449,066)	-	(173,610)	(42,622,676)
Credited to other comprehensive income	21,216,869	192,000	-	21,408,869
As at 31 March 2018	(219,443,316)	(980,000)	(12,164,413)	(232,587,729)
Charged to profit or loss	(46,532,427)	-	(107,263)	(46,639,690)
Credited to other comprehensive income	1,392,016	160,000	-	1,552,016
As at 31 March 2019	<u>(264,583,727)</u>	<u>(820,000)</u>	<u>(12,271,676)</u>	<u>(277,675,403)</u>

	The Company only		
	Long-term investment Baht	Buildings Baht	Total Baht
Deferred tax liabilities :			
As at 1 April 2017	(1,172,000)	(11,990,803)	(13,162,803)
Charged to profit or loss	-	(173,610)	(173,610)
Credited to other comprehensive income	192,000	-	192,000
As at 31 March 2018	(980,000)	(12,164,413)	(13,144,413)
Charged to profit or loss	-	(107,263)	(107,263)
Credited to other comprehensive income	160,000	-	160,000
As at 31 March 2019	<u>(820,000)</u>	<u>(12,271,676)</u>	<u>(13,091,676)</u>

17 Accrued expenses

	2019 Baht	2018 Baht
Accrued staff costs	242,453,382	214,531,614
Accrued electricity expense	32,179,796	28,698,989
Accrued rebate	24,000,000	43,270,000
Others	40,804,908	39,588,013
	<u>339,438,086</u>	<u>326,088,616</u>

18 Provision for post-employment benefits

The amounts recognised in the statement of financial position are determined as follows:

	2019 Baht	2018 Baht
Present value of defined benefit obligations	234,385,053	208,805,352
Liability in the statement of financial position	<u>234,385,053</u>	<u>208,805,352</u>

Movements in provision for post-employment benefits are as follows:

	2019 Baht	2018 Baht
Opening balance	208,805,352	184,330,737
Current service cost	23,715,441	21,226,027
Interest cost	5,128,605	5,390,693
Benefits paid	<u>(3,264,345)</u>	<u>(2,142,105)</u>
Closing balance	<u>234,385,053</u>	<u>208,805,352</u>

The amounts recognised in the statement of income are as follows:

	2019 Baht	2018 Baht
Current service cost	23,715,441	21,226,027
Interest cost	5,128,605	5,390,693
Total	<u>28,844,046</u>	<u>26,616,720</u>

These expenses are included in cost of sales, selling and administrative expenses as follows:

	2019 Baht	2018 Baht
Cost of sales	26,161,732	23,857,560
Selling expenses	884,689	846,480
Administrative expenses	<u>1,797,625</u>	<u>1,912,680</u>
Total	<u>28,844,046</u>	<u>26,616,720</u>

The principal actuarial assumptions used are as follows:

Discount rate	2.45%	3.01%
Salary increase rate	5.00%	5.00%

18 Provision for post-employment benefits (Cont'd)

Sensitivity analysis for each principal actuarial assumptions used were as follows:

	Impact on defined benefit obligation - Post-employment benefits		
	Change in assumption %	Increase in obligation Baht	Decrease in obligation Baht
Discount rate			
Increase	1.00	-	23,052,313
Decrease	1.00	26,952,512	-
Salary growth rate			
Increase	1.00	29,558,509	-
Decrease	1.00	-	25,624,168

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

19 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 March 2019 and 2018	76,625,000	383,125,000	504,250,000	887,375,000

The total authorised number of ordinary shares is 76,625,000 shares with a par value of Baht 5 per share (2018: 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid.

20 Dividends

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. There were 100 shares that were not entitled to receive the dividends, totalling Baht 700 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 536,374,300 in the financial statements. The Company paid the dividends to the shareholders on 26 July 2018.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 7 July 2017, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2017 for 76,625,000 shares of Baht 5 per share, totalling Baht 383,125,000. There were 100 shares that were not entitled to receive the dividends, totalling Baht 500 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 383,124,500 in the financial statements. The Company paid the dividends to the shareholders on 27 July 2017.

21 Legal reserve

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after the accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The reserve is non-distributable.

22 Other income - others

	2019 Baht	2018 Baht
Scrap sales	71,190,217	46,357,157
Tax rebate income	6,836,529	12,897,362
Royalty income	10,022,094	640,718
Gain on disposals of property, plant and equipment, net	4,118,553	4,184,100
Others	15,924,576	35,250,793
	<u>108,091,969</u>	<u>99,330,130</u>

23 Expenses by nature

The following expenditure items have been charged in arriving at operating profit:

	2019 Baht	2018 Baht
Changes in finished goods and work in process	(418,158,281)	45,560,601
Raw materials and consumables used	7,291,371,572	6,276,803,136
Staff costs	1,503,564,260	1,361,983,492
Depreciation of plant and equipment (Note 14)	1,020,563,009	1,051,782,513
Amortisation of intangible assets (Note 15)	228,988,633	214,489,984
Utility expenses	346,058,147	322,462,055
Subcontract service costs	165,024,074	187,376,696
Repairs and maintenance expenses	343,542,291	302,087,758

24 Income tax

	Financial statements in which the equity method is applied		The Company only	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current tax :				
Current tax on profit for the year	413,556,213	347,857,159	413,556,213	347,857,159
Deferred tax :				
Origination and reversal of temporary differences (Note 16)	39,596,968	42,028,409	(6,935,459)	(420,657)
Total income tax expense	<u>453,153,181</u>	<u>389,885,568</u>	<u>406,620,754</u>	<u>347,436,502</u>

24 Income tax (Cont'd)

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Financial statements in which the equity method is applied		The Company only	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Profit before income tax	2,430,915,305	2,048,547,171	2,198,253,171	1,836,301,839
Tax calculated at a tax rate of 20% (2018: 20%)	486,183,061	409,709,434	439,650,634	367,260,368
Tax effect of:				
Income not subject to tax	(12,865,812)	(383,522)	(12,865,812)	(383,522)
Expenses not deductible for tax purpose	1,794,055	8,556,415	1,794,055	8,556,415
Additional expenses deductible for tax purpose	(8,143,278)	(7,646,636)	(8,143,278)	(7,646,636)
Profit from BOI business	(13,814,845)	(24,990,319)	(13,814,845)	(24,990,319)
Under recorded prior year accrued corporate income tax	-	4,640,196	-	4,640,196
Tax charge	453,153,181	389,885,568	406,620,754	347,436,502
Average effective tax rate (%)	18.64	19.03	18.50	18.92

The tax credit relating to components of other comprehensive income is as follows:

	Financial statements in which the equity method is applied					
	2019			2018		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit Baht	After tax Baht
Unrealised loss on change in fair value of available-for-sale investment	(800,000)	160,000	(640,000)	(960,000)	192,000	(768,000)
Exchange differences relating to investments in an associate and a joint venture	(6,960,081)	1,392,016	(5,568,065)	(106,084,345)	21,216,869	(84,867,476)
Other comprehensive expenses for the year	(7,760,081)	1,552,016	(6,208,065)	(107,044,345)	21,408,869	(85,635,476)
	2019			2018		
	Before tax Baht	Tax credit Baht	After tax Baht	Before tax Baht	Tax credit Baht	After tax Baht
Unrealised loss on change in fair value of available-for-sale investment	(800,000)	160,000	(640,000)	(960,000)	192,000	(768,000)
Other comprehensive expenses for the year	(800,000)	160,000	(640,000)	(960,000)	192,000	(768,000)

25 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares issued and paid up during the year.

	Financial statements in which the equity method is applied		The Company only	
	2019	2018	2019	2018
Net profit attributable to shareholders (Baht)	1,977,762,124	1,658,661,603	1,791,632,417	1,488,865,337
Weighted average number of ordinary share in issue (Shares)	76,625,000	76,625,000	76,625,000	76,625,000
Basic earnings per share (Baht)	25.81	21.65	23.38	19.43

There are no dilutive potential ordinary shares in issue during the year presented, so no diluted earnings per share is presented.

26 Promotional privileges

The Company has received promotional privileges from the Office of the Board of Investment for the production of molds, mold repairs and production of Eco-car lamps. Under these privileges, the Company will be exempted from corporate income tax for a period of 8 years from the date of commencement of earning revenue. As a promoted entity, the Company is required to comply with the terms and conditions as specified in the promotion certificates.

	2019		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	323,656,336	3,969,304,852	4,292,961,188
Domestic sales	262,232,533	10,079,427,578	10,341,660,111
	<u>585,888,869</u>	<u>14,048,732,430</u>	<u>14,634,621,299</u>
Domestic service income - mold repairs	670,000	-	670,000
	<u>670,000</u>	<u>-</u>	<u>670,000</u>
	2018		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	424,485,034	3,602,402,106	4,026,887,140
Domestic sales	449,454,822	8,744,103,736	9,193,558,558
	<u>873,939,856</u>	<u>12,346,505,842</u>	<u>13,220,445,698</u>
Domestic service income - mold repairs	506,000	-	506,000
	<u>506,000</u>	<u>-</u>	<u>506,000</u>

27 Financial instruments

The principal financial risks faced by the Company are foreign currency exchange rate risk and credit risk. Foreign currency exposure relates to raw materials imported in foreign currencies and certain export sales in foreign currencies. The business transactions are generally on a short-term period which are between 1 and 3 month terms. The foreign currency exchange rate risk of the Company occurs mostly in Japanese Yen and US Dollars. Credit risk arises when sales are made on credit terms.

The objectives of using financial instruments are to reduce the uncertainty over future cash flows arising from movements in exchange rates, and to manage the liquidity of the cash resources. Foreign currency forward contracts are entered into to manage the currency risks. Decisions on the level of risk undertaken are confined to the management which has established limits by transaction type and by counterparty.

Trading for speculative purposes is not allowed. Derivative transactions are subject to approval by the Company's Board of directors.

Fair value estimation

When a financial instrument is traded in an active market, its quoted market price provides the best evidence of fair value. The quoted market price for an asset held or liability to be issued is usually the current bid price and, for an asset to be acquired or liability held, it is the current offer or asking price. When the current bid and offer prices are unavailable, the price of the most recent transaction may provide evidence of the current fair value provided that there has not been a significant change in economic circumstances between the transaction date and the reporting date. When the Company has matching asset and liability positions, it may appropriately use mid-market prices as a basis for establishing fair values.

The fair values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Company for similar financial instruments.

Information on the fair values of long-term investments is included in Note 13.

The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

a) Financial assets and liabilities

As at 31 March 2019 and 2018, the Company has outstanding foreign currency assets and liabilities as details below.

	2019		2018	
	Currency Million	Baht Million	Currency Million	Baht Million
Assets				
Japanese Yen	2.58	0.73	2.19	0.63
US Dollars	6.30	199.31	6.90	214.14
		<u>200.04</u>		<u>214.77</u>
Liabilities				
Japanese Yen	528.48	153.63	166.40	49.55
US Dollars	13.49	431.44	14.89	467.48
		<u>585.07</u>		<u>517.03</u>

Objectives and significant terms and conditions

The Company enters into financial instruments which are foreign currency forward contracts to manage the risks arising from fluctuations in foreign currency exchange rates.

27 Financial instruments (Cont'd)

a) Financial assets and liabilities (Cont'd)

Foreign currency forward contracts

Foreign currency forward contracts are entered into to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

At 31 March 2019 and 2018, the settlement dates on foreign currency forward contracts were ranged between 1 and 3 months from the statement of financial position date. The equivalent Thai Baht to be paid at the contractual exchange rates of the outstanding contracts were:

	2019 Baht	2018 Baht
USD 2 million at average rate Baht 31.52 = USD 1 (2018: USD 1 million at average rate Baht 31.29 = USD 1)	63,040,000	31,290,000
JPY 40 million at average rate Baht 28.74 = JPY 100 (2018: JPY 40 million at average rate Baht 29.50 = JPY 100)	11,496,000	11,800,000
	<u>74,536,000</u>	<u>43,090,000</u>

Fair values

The favourable (unfavourable) differences arising from fair value valuation of the derivative financial instruments at the statement of financial position date were:

	2019 Baht	2018 Baht
Differences - favourable (unfavourable)	557,875	(105,591)

The fair values of foreign currency forward contracts were calculated using the rates quoted by the Company's bankers which were based on market conditions existing at the statement of financial position date (Level 2).

b) Credit risk

The Company has no significant concentrations of credit risk. The Company has policy in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institution.

c) Fair values

The carrying amounts of the following financial assets and financial liabilities approximate their fair values: cash and cash equivalents, short-term investments held to maturity, trade accounts receivable, trade accounts payable and other accounts payable due to short maturities of these instruments.

28 Related party transactions

Individuals or enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The Company had the significant transactions with its major shareholder, Stanley Electric Company Limited Group, incorporated in Japan which holds 35.66% 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 29.08% interest in the Company's share capital. Stanley Electric Group comprises Stanley Electric Company Limited and related companies.

Purchases from related parties are specific materials or materials which are manufactured on a large scale at one source for cost saving benefits. Sales to related parties mainly represent export sales, and selling price is determined based on manufacturing cost plus a certain margin. A royalty fee is charged at 3% of sales less materials cost imported from a related party in accordance with the agreement. A design and development fee and other fees are charged in normal course of a business and are presented as other accounts payable - related parties.

The following significant transactions were carried out with related parties:

For the years ended 31 March	2019 Baht	2018 Baht
Sales		
Stanley Electric Group companies	463,849,038	523,408,361
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	153,683,650	161,147,625
Associate	22,557,910	18,639,031
Joint venture	409,808,713	402,605,897
	<u>1,049,899,311</u>	<u>1,105,800,914</u>
Other income		
Stanley Electric Group companies	8,090,688	7,830,924
Associate	1,096,799	-
Joint venture	193,790	159,979
	<u>9,381,277</u>	<u>7,990,903</u>
Dividend income		
Stanley Electric Group companies	67,511,156	8,385,555
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	4,468,176	1,917,611
Associate	75,531,090	76,596,000
Joint venture	7,986,309	5,916,322
	<u>155,496,731</u>	<u>92,815,488</u>
Royalty income		
Joint venture	820,108	640,718
Purchases of goods and services		
Stanley Electric Group companies	2,918,824,259	2,527,588,725
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	391,102,484	396,219,737
Associate	504,076,007	377,949,201
	<u>3,814,002,750</u>	<u>3,301,757,663</u>

28 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

For the years ended 31 March	2019 Baht	2018 Baht
Royalty fees		
Stanley Electric Group companies	338,491,769	302,570,359
Design and development fee		
Stanley Electric Group companies	252,944,299	124,439,993
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	348,114	63,422
Associate	36,153	46,058
	<u>253,328,566</u>	<u>124,549,473</u>
Technical assistance fee		
Stanley Electric Group companies	18,216,604	10,663,658
Training fee		
Stanley Electric Group companies	9,367,916	9,942,854
Commission		
Stanley Electric Group companies	20,000,000	20,000,000
Directors' and managements' remuneration		
Short-term benefits	49,515,941	47,433,823

Short-term benefits comprise salary, bonus and other welfares.

The amounts due to and from related parties are mainly denominated in foreign currencies and relate to purchases and sales transactions. The outstanding balances as at 31 March 2019 and 2018 are as follows:

	2019 Baht	2018 Baht
Trade accounts receivable - related parties		
Stanley Electric Group companies	124,225,417	45,981,000
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	56,256,556	63,003,538
Associate	2,182,252	2,395,677
Joint venture	50,658,062	95,136,307
	<u>233,322,287</u>	<u>206,516,522</u>
Trade accounts payable - related parties		
Stanley Electric Group companies	382,151,845	311,539,905
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	33,278,213	36,166,563
Associate	134,430,088	150,575,821
	<u>549,860,146</u>	<u>498,282,289</u>
Other accounts payable - related parties		
Stanley Electric Group companies	169,764,056	223,210,120

29 Significant commitments

a) Bank guarantees

As at 31 March 2019, the Company has bank guarantees of Baht 34 million with respect to income tax payment and electricity supply of Baht 18 million and Baht 16 million, respectively (2018: income tax payment and electricity supply of Baht 18 million and Baht 16 million, respectively).

b) Capital commitments

As at 31 March 2019, the Company has capital commitments of Baht 1,972 million (2018: Baht 535 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

30 Contingent liability

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 as mentioned in Note 29 (a).

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.

On 22 April 2019, the Supreme Court ordered to dismiss the Company's petition. As a result, the final outcome of this case is following the judgment of the Court of Appeal for Specialized cases - Tax Case Division and the Company has to pay the additional tax to the Revenue Department within 22 May 2019.

The Company already recorded liabilities in this financial statements.

31 Subsequent event after the reporting period

At the Board of Directors' meeting held on 17 May 2019, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2019 for a total 76,625,000 shares of Baht 8.25 per share totaling Baht 632.16 million to the Annual General Shareholders' meeting which will be held on 5 July 2019.

On 5 April 2019, an amendment to the Labour Protection Act was published in the Government Gazette. The amended law will become effective 30 days after its publication. The main amendment is that the compensation for employees who have retired and have more than or equal to 20 years of service has changed from 300 day's pay to 400 day's pay. The management has assessed the effects of the amendment on the financial statements and expects the impact to be Baht 79,931,057.