

**THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL INFORMATION  
(UNAUDITED)**

**31 DECEMBER 2019**

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

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

I have reviewed the interim financial information of Thai Stanley Electric Public Company Limited, which comprises the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 December 2019, the statement of income in which the equity method is applied and the separate statement of income, the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income for the three-month and nine-month periods then ended, and the related statement of changes in equity in which the equity method is applied and the separate statement of changes in equity, and the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the nine-month period then ended, and the condensed notes to the interim financial information in which the equity method is applied and the separate condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

PricewaterhouseCoopers ABAS Ltd.

**Varaporn Vorathitikul**

Certified Public Accountant (Thailand) No. 4474

Bangkok

30 January 2020

Thai Stanley Electric Public Company Limited  
Statement of Financial Position  
As at 31 December 2019

	Notes	Financial information in which the equity method is applied		Separate financial information	
		Unaudited 31 December 2019 Baht	Audited 31 March 2019 Baht	Unaudited 31 December 2019 Baht	Audited 31 March 2019 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		1,267,970,149	1,671,996,877	1,267,970,149	1,671,996,877
Short-term investments held to maturity	7	2,307,000,000	3,625,000,000	2,307,000,000	3,625,000,000
Trade and other accounts receivable, net	8, 9	2,718,685,898	2,549,177,679	2,718,685,898	2,549,177,679
Inventories, net	10	1,161,259,833	1,099,780,589	1,161,259,833	1,099,780,589
Current portion of loans to employees		35,981,628	41,877,305	35,981,628	41,877,305
Other current assets		9,909,180	45,970,733	9,909,180	45,970,733
<b>Total current assets</b>		<b>7,500,806,688</b>	<b>9,033,803,183</b>	<b>7,500,806,688</b>	<b>9,033,803,183</b>
<b>Non-current assets</b>					
Loans to employees		19,087,935	34,920,939	19,087,935	34,920,939
Investment in an associate	11	1,421,603,622	1,357,930,009	54,044,189	54,044,189
Investment in a joint venture	11	26,765,184	22,165,315	3,132,500	3,132,500
Long-term investments, net	12	128,101,155	112,401,215	128,101,155	112,401,215
Property, plant and equipment, net	13	9,048,931,327	7,703,011,731	9,048,931,327	7,703,011,731
Intangible assets, net	14	1,069,360,153	974,757,302	1,069,360,153	974,757,302
Deferred tax assets, net		-	-	119,182,857	94,132,292
Other non-current assets, net		15,142,431	15,514,089	15,142,431	15,514,089
<b>Total non-current assets</b>		<b>11,728,991,807</b>	<b>10,220,700,600</b>	<b>10,456,982,547</b>	<b>8,991,914,257</b>
<b>Total assets</b>		<b>19,229,798,495</b>	<b>19,254,503,783</b>	<b>17,957,789,235</b>	<b>18,025,717,440</b>

Director \_\_\_\_\_  
(Mr. Koichi Nagano)

Director \_\_\_\_\_  
(Mr. Apichart Leeissaranukul)

Date \_\_\_\_\_

The notes to the interim financial information on page 12 to 20 are an integral part of this interim financial information.

**Thai Stanley Electric Public Company Limited**  
**Statement of Financial Position**  
**As at 31 December 2019**

	Notes	Financial information in which the equity method is applied		Separate financial information	
		Unaudited 31 December 2019 Baht	Audited 31 March 2019 Baht	Unaudited 31 December 2019 Baht	Audited 31 March 2019 Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade accounts payable - other companies		522,990,360	601,416,601	522,990,360	601,416,601
Trade accounts payable - related parties	9	612,289,227	549,860,146	612,289,227	549,860,146
Other accounts payable - other companies		255,156,248	1,004,252,283	255,156,248	1,004,252,283
Other accounts payable - related parties	9	156,764,075	169,764,056	156,764,075	169,764,056
Accrued corporate income tax		79,622,346	218,376,783	79,622,346	218,376,783
Accrued expenses	15	427,871,925	339,438,086	427,871,925	339,438,086
<b>Total current liabilities</b>		<b>2,054,694,181</b>	<b>2,883,107,955</b>	<b>2,054,694,181</b>	<b>2,883,107,955</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities, net		159,055,566	170,451,435	-	-
Provision for post-employment benefits	16	374,394,377	234,385,053	374,394,377	234,385,053
<b>Total non-current liabilities</b>		<b>533,449,943</b>	<b>404,836,488</b>	<b>374,394,377</b>	<b>234,385,053</b>
<b>Total liabilities</b>		<b>2,588,144,124</b>	<b>3,287,944,443</b>	<b>2,429,088,558</b>	<b>3,117,493,008</b>
<b>Equity</b>					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each					
		<u>383,125,000</u>	<u>383,125,000</u>	<u>383,125,000</u>	<u>383,125,000</u>
Issued and paid-up share capital					
76,625,000 ordinary shares, paid-up of Baht 5 each					
		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital		504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve					
		38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated					
		15,993,394,143	15,229,792,248	14,629,378,493	13,979,256,932
Other components of equity		(277,427,272)	(188,920,408)	(26,365,316)	3,280,000
<b>Total equity</b>		<b>16,641,654,371</b>	<b>15,966,559,340</b>	<b>15,528,700,677</b>	<b>14,908,224,432</b>
<b>Total liabilities and equity</b>		<b>19,229,798,495</b>	<b>19,254,503,783</b>	<b>17,957,789,235</b>	<b>18,025,717,440</b>

The notes to the interim financial information on page 12 to 20 are an integral part of this interim financial information.

**Thai Stanley Electric Public Company Limited**  
**Statements of Income (Unaudited)**  
**For the three-month period ended 31 December 2019**

	Financial information in which the equity method is applied		Separate financial information	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenues from sales and services	3,705,784,771	3,948,793,489	3,705,784,771	3,948,793,489
Costs of sales and services	(3,044,120,360)	(3,171,135,751)	(3,044,120,360)	(3,171,135,751)
<b>Gross profit</b>	661,664,411	777,657,738	661,664,411	777,657,738
Other income				
- Gain on exchange rates, net	10,301,478	3,842,276	10,301,478	3,842,276
- Interest income	12,551,485	17,565,980	12,551,485	17,565,980
- Others	24,782,376	28,947,433	24,782,376	28,947,433
<b>Profit before expenses</b>	709,299,750	828,013,427	709,299,750	828,013,427
Selling expenses	(146,337,460)	(153,377,237)	(146,337,460)	(153,377,237)
Administrative expenses	(88,840,215)	(89,892,092)	(88,840,215)	(89,892,092)
<b>Total expenses</b>	(235,177,675)	(243,269,329)	(235,177,675)	(243,269,329)
<b>Operating profit</b>	474,122,075	584,744,098	474,122,075	584,744,098
Share of profit from investments in associates	84,696,360	89,654,608	-	-
<b>Profit before income tax</b>	558,818,435	674,398,706	474,122,075	584,744,098
Income tax	(97,124,530)	(124,882,343)	(80,185,259)	(106,951,421)
<b>Net profit for the period</b>	461,693,905	549,516,363	393,936,816	477,792,677
<b>Basic earnings per share</b>				
Net profit for the period	6.03	7.17	5.14	6.24

The notes to the interim financial information on page 12 to 20 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited  
 Statements of Comprehensive Income (Unaudited)  
 For the three-month period ended 31 December 2019

	Financial information in which the equity method is applied		Separate financial information	
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
<b>Net profit for the period</b>	461,693,905	549,516,363	393,936,816	477,792,677
<b>Other comprehensive income (expenses) for the period after tax:</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Unrealised loss on change in fair value of available-for-sale investment	(520,000)	(160,000)	(520,000)	(160,000)
Exchange differences relating to investments in an associate and a joint venture	(20,759,753)	5,975,311	-	-
Income tax relating to items that will be reclassified	4,255,950	(1,163,062)	104,000	32,000
<b>Total items that will be reclassified subsequently to profit or loss</b>	<b>(17,023,803)</b>	<b>4,652,249</b>	<b>(416,000)</b>	<b>(128,000)</b>
<b>Other comprehensive income (expenses) for the period, net of tax</b>	<b>(17,023,803)</b>	<b>4,652,249</b>	<b>(416,000)</b>	<b>(128,000)</b>
<b>Total comprehensive income for the period</b>	<b>444,670,102</b>	<b>554,168,612</b>	<b>393,520,816</b>	<b>477,664,677</b>

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**Thai Stanley Electric Public Company Limited**  
**Statements of Income (Unaudited)**  
**For the nine-month period ended 31 December 2019**

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
Revenues from sales and services		11,211,019,932	10,837,378,785	11,211,019,932	10,837,378,785
Costs of sales and services		(9,273,024,110)	(8,835,920,393)	(9,273,024,110)	(8,835,920,393)
<b>Gross profit</b>		<b>1,937,995,822</b>	<b>2,001,458,392</b>	<b>1,937,995,822</b>	<b>2,001,458,392</b>
Other income					
- Dividend income	9,11	84,758,008	71,620,732	174,721,365	147,151,822
- Gain on exchange rates, net		20,729,384	11,156,050	20,729,384	11,156,050
- Interest income		43,171,156	54,067,591	43,171,156	54,067,591
- Others		85,141,588	77,689,676	85,141,588	77,689,676
<b>Profit before expenses</b>		<b>2,171,795,958</b>	<b>2,215,992,441</b>	<b>2,261,759,315</b>	<b>2,291,523,531</b>
Selling expenses		(443,219,629)	(431,682,230)	(443,219,629)	(431,682,230)
Administrative expenses		(281,103,575)	(266,419,349)	(281,103,575)	(266,419,349)
<b>Total expenses</b>		<b>(724,323,204)</b>	<b>(698,101,579)</b>	<b>(724,323,204)</b>	<b>(698,101,579)</b>
<b>Operating profit</b>		<b>1,447,472,754</b>	<b>1,517,890,862</b>	<b>1,537,436,111</b>	<b>1,593,421,952</b>
Share of profit from investments in associates	11	231,813,774	244,373,131	-	-
<b>Profit before income tax</b>		<b>1,679,286,528</b>	<b>1,762,263,993</b>	<b>1,537,436,111</b>	<b>1,593,421,952</b>
Income tax	17	(284,066,068)	(326,079,905)	(255,695,985)	(292,311,496)
<b>Net profit for the period</b>		<b>1,395,220,460</b>	<b>1,436,184,088</b>	<b>1,281,740,126</b>	<b>1,301,110,456</b>
<b>Basic earnings per share</b>					
Net profit for the period		18.21	18.74	16.73	16.98

The notes to the interim financial information on page 12 to 20 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited  
Statements of Comprehensive Income (Unaudited)  
For the nine-month period ended 31 December 2019

	Financial information in which		Separate financial information	
	the equity method is applied			
	2019	2018	2019	2018
	Baht	Baht	Baht	Baht
<b>Net profit for the period</b>	1,395,220,460	1,436,184,088	1,281,740,126	1,301,110,456
<b>Other comprehensive income (expenses)</b>				
<b>for the period after tax:</b>				
<b>Items that will not be reclassified</b>				
<b>to profit or loss</b>				
Remeasurements of post-employment benefit obligations	(35,776,646)	-	(35,776,646)	-
Income tax on items that will not be reclassified	7,155,330	-	7,155,330	-
<b>Total items that will not be reclassified</b>				
<b>to profit or loss</b>	(28,621,316)	-	(28,621,316)	-
<b>Items that will be reclassified subsequently</b>				
<b>to profit or loss</b>				
Unrealised loss on change in fair value of available-for-sale investment	(1,280,000)	(40,000)	(1,280,000)	(40,000)
Exchange differences relating to investments in an associate and a joint venture	(73,576,935)	19,302,916	-	-
Income tax relating to items that will be reclassified	14,971,387	(3,852,583)	256,000	8,000
<b>Total items that will be reclassified</b>				
<b>subsequently to profit or loss</b>	(59,885,548)	15,410,333	(1,024,000)	(32,000)
<b>Other comprehensive income (expenses)</b>				
<b>for the period, net of tax</b>	(88,506,864)	15,410,333	(29,645,316)	(32,000)
<b>Total comprehensive income for the period</b>	<u>1,306,713,596</u>	<u>1,451,594,421</u>	<u>1,252,094,810</u>	<u>1,301,078,456</u>

The notes to the interim financial information on page 12 to 20 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited  
 Statements of Changes in Equity (Unaudited)  
 For the nine-month period ended 31 December 2019

Financial information in which the equity method is applied									
					Other components of equity				
					Other comprehensive income (expenses)				
					Unrealised gain	Exchange			
					(loss) on change	differences			
					in fair value of	relating to	Remeasurements	Total	
					available-for-sale	an associate and	of post-employment	other	
					investment	a joint venture	benefit obligations	components	
					Baht	Baht	Baht	of equity	
Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Baht	Baht	Baht	Baht	
			Legal reserve Baht	Unappropriated retained earnings Baht			Baht	Baht	
								Total equity Baht	
<b>Opening balance as at 1 April 2019</b>	383,125,000	504,250,000	38,312,500	15,229,792,248	3,280,000	(192,200,408)	-	(188,920,408)	15,966,559,340
Total comprehensive income for the period	-	-	-	1,395,220,460	(1,024,000)	(58,861,548)	(28,621,316)	(88,506,864)	1,306,713,596
Dividends paid	-	-	-	(631,618,565)	-	-	-	-	(631,618,565)
<b>Closing balance as at 31 December 2019</b>	<b>383,125,000</b>	<b>504,250,000</b>	<b>38,312,500</b>	<b>15,993,394,143</b>	<b>2,256,000</b>	<b>(251,061,956)</b>	<b>(28,621,316)</b>	<b>(277,427,272)</b>	<b>16,641,654,371</b>
<b>Opening balance as at 1 April 2018</b>	383,125,000	504,250,000	38,312,500	13,788,404,424	3,920,000	(186,632,343)	-	(182,712,343)	14,531,379,581
Total comprehensive income for the period	-	-	-	1,436,184,088	(32,000)	15,442,333	-	15,410,333	1,451,594,421
Dividends paid	-	-	-	(536,374,300)	-	-	-	-	(536,374,300)
<b>Closing balance as at 31 December 2018</b>	<b>383,125,000</b>	<b>504,250,000</b>	<b>38,312,500</b>	<b>14,688,214,212</b>	<b>3,888,000</b>	<b>(171,190,010)</b>	<b>-</b>	<b>(167,302,010)</b>	<b>15,446,599,702</b>

The notes to the interim financial information on page 12 to 20 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited  
 Statements of Changes in Equity (Unaudited)  
 For the nine-month period ended 31 December 2019

Separate financial information								
					Other components of equity			
					Other comprehensive income (expenses)			Total
					Unrealised gain (loss) on change in fair value of available-for-sale investment	Remeasurements of post-employment benefit obligations	Total other components of equity	
					Retained earnings		Total equity	
					Legal reserve	Unappropriated retained earnings		
Note	Issued and paid-up share capital	Premium on share capital	Legal reserve	Unappropriated retained earnings	in fair value of available-for-sale investment	Remeasurements of post-employment benefit obligations	of equity	Total equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Opening balance as at 1 April 2019</b>	383,125,000	504,250,000	38,312,500	13,979,256,932	3,280,000	-	3,280,000	14,908,224,432
Total comprehensive income for the period	-	-	-	1,281,740,126	(1,024,000)	(28,621,316)	(29,645,316)	1,252,094,810
Dividends paid	18	-	-	(631,618,565)	-	-	-	(631,618,565)
<b>Closing balance as at 31 December 2019</b>	<b>383,125,000</b>	<b>504,250,000</b>	<b>38,312,500</b>	<b>14,629,378,493</b>	<b>2,256,000</b>	<b>(28,621,316)</b>	<b>(26,365,316)</b>	<b>15,528,700,677</b>
<b>Opening balance as at 1 April 2018</b>	383,125,000	504,250,000	38,312,500	12,723,998,815	3,920,000	-	3,920,000	13,653,606,315
Total comprehensive income for the period	-	-	-	1,301,110,456	(32,000)	-	(32,000)	1,301,078,456
Dividends paid	-	-	-	(536,374,300)	-	-	-	(536,374,300)
<b>Closing balance as at 31 December 2018</b>	<b>383,125,000</b>	<b>504,250,000</b>	<b>38,312,500</b>	<b>13,488,734,971</b>	<b>3,888,000</b>	<b>-</b>	<b>3,888,000</b>	<b>14,418,310,471</b>

The notes to the interim financial information on page 12 to 20 are an integral part of this interim financial information.

**Thai Stanley Electric Public Company Limited**  
**Statements of Cash Flows (Unaudited)**  
**For the nine-month period ended 31 December 2019**

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Cash flows from operating activities:</b>					
Profit before income tax for the period		1,679,286,528	1,762,263,993	1,537,436,111	1,593,421,952
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation	13	903,285,902	757,685,928	903,285,902	757,685,928
- Amortisation	14	184,295,993	172,090,504	184,295,993	172,090,504
- Interest income		(43,171,156)	(54,067,591)	(43,171,156)	(54,067,591)
- Share of profit from investments in an associate and a joint venture	11	(231,813,774)	(244,373,131)	-	-
- Dividend income					
- Investment in an associate	11	-	-	(89,963,357)	(75,531,090)
- Long-term investments	12	(84,758,008)	(71,620,732)	(84,758,008)	(71,620,732)
- Gain on disposal of equipment		(6,675,208)	(3,987,252)	(6,675,208)	(3,987,252)
- Allowance for doubtful account		-	1,130,895	-	1,130,895
- Allowance for slow-moving inventories and net realisable value lower than cost of inventories		2,358,859	4,019,738	2,358,859	4,019,738
- Provision for post-employment benefits		110,263,280	21,633,057	110,263,280	21,633,057
- Unrealised loss (gain) on exchange rates		(326,843)	298,230	(326,843)	298,230
Cash flows before changes in operating assets and liabilities		2,512,745,573	2,345,073,639	2,512,745,573	2,345,073,639
Changes in operating assets and liabilities					
- Trade and other accounts receivable		(168,830,281)	(357,375,613)	(168,830,281)	(357,375,613)
- Inventories		(63,838,103)	(330,438,173)	(63,838,103)	(330,438,173)
- Other current assets		36,061,553	6,512,606	36,061,553	6,512,606
- Other non-current assets		371,658	14,685,686	371,658	14,685,686
- Trade accounts payable - other companies		(78,426,241)	88,284,070	(78,426,241)	88,284,070
- Trade accounts payable - related parties		62,429,081	40,958,676	62,429,081	40,958,676
- Other accounts payable - other companies		(99,207,832)	3,943,442	(99,207,832)	3,943,442
- Other accounts payable - related parties		892,431	83,435,638	892,431	83,435,638
- Accrued expenses		88,433,839	120,409,379	88,433,839	120,409,379
- Payment for post-employment benefits		(6,030,602)	(2,101,870)	(6,030,602)	(2,101,870)
Cash generated from operations		2,284,601,076	2,013,387,480	2,284,601,076	2,013,387,480
Interest received		13,411,919	12,677,878	13,411,919	12,677,878
Income tax paid		(412,089,657)	(374,243,041)	(412,089,657)	(374,243,041)
Net cash received from operating activities		1,885,923,338	1,651,822,317	1,885,923,338	1,651,822,317

The notes to the interim financial information on page 12 to 20 are an integral part of this interim financial information.

**Thai Stanley Electric Public Company Limited**  
**Statements of Cash Flows (Unaudited)**  
**For the nine-month period ended 31 December 2019**

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2019 Baht	2018 Baht	2019 Baht	2018 Baht
<b>Cash flows from investing activities:</b>					
Loans made to employees		(460,000)	(81,184,082)	(460,000)	(81,184,082)
Loans repayments from employees		22,188,681	29,316,728	22,188,681	29,316,728
Purchases of property, plant and equipment		(2,911,146,411)	(1,837,390,662)	(2,911,146,411)	(1,837,390,662)
Proceeds from disposals of equipment		6,675,506	3,997,950	6,675,506	3,997,950
Interest received on short-term investments held to maturity		29,081,299	42,605,189	29,081,299	42,605,189
Purchase of long-term investments		(16,979,940)	-	(16,979,940)	-
Dividends received from investments					
- Investment in an associate	11	89,963,357	75,531,090	89,963,357	75,531,090
- Long-term investments	12	84,758,008	71,620,732	84,758,008	71,620,732
Purchases of intangible assets		(280,738,844)	(335,692,742)	(280,738,844)	(335,692,742)
Cash receipts from short-term investments held to maturity	7	3,665,000,000	7,799,000,000	3,665,000,000	7,799,000,000
Cash payments on short-term investments held to maturity	7	(2,347,000,000)	(8,180,549,783)	(2,347,000,000)	(8,180,549,783)
Net cash used in investing activities		(1,658,658,344)	(2,412,745,580)	(1,658,658,344)	(2,412,745,580)
<b>Cash flow from financing activity:</b>					
Dividends paid	18	(631,618,565)	(536,374,300)	(631,618,565)	(536,374,300)
Net cash used in financing activity		(631,618,565)	(536,374,300)	(631,618,565)	(536,374,300)
<b>Net decrease in cash and cash equivalents</b>					
		(404,353,571)	(1,297,297,563)	(404,353,571)	(1,297,297,563)
Cash and cash equivalents at beginning of the period		1,671,996,877	2,012,032,313	1,671,996,877	2,012,032,313
Effects of exchange rate changes		326,843	(298,230)	326,843	(298,230)
Cash and cash equivalents at end of the period		1,267,970,149	714,436,520	1,267,970,149	714,436,520
<b>Non-cash transactions:</b>					
Outstanding liabilities arisen from purchase of plant, equipment and intangible assets		94,459,397	224,655,519	94,459,397	224,655,519
Outstanding liabilities arisen from purchase of plant, equipment and intangible assets from related parties		63,035	3,826,414	63,035	3,826,414

The notes to the interim financial information on page 12 to 20 are an integral part of this interim financial information.

## 1 General information

Thai Stanley Electric Public Company Limited ('the Company') is a public limited company which is listed on the Stock Exchange of Thailand and is incorporated and domiciled in Thailand. The address of the Company's registered office is as follows:

29/3 Moo 1 Bangpoon-Rungsit Road, Banklang, Amphur Muang, Pathumthanee, Thailand 12000.

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

The interim financial information in which the equity method is applied and interim separate financial information are presented in Thai Baht, unless otherwise stated.

The interim financial information in which the equity method is applied and interim separate financial information have been approved by the Company's Board of directors on 30 January 2020.

## 2 Basis of preparation

The interim financial information in which the equity method is applied and interim separate financial information have been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting and other financial reporting requirements issued under the Securities and Exchange Act.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2019.

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

## 3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2019.

The Company has not early adopted the new and amended Thai Financial Reporting Standards effective for annual periods beginning on or after 1 January 2020. The management is currently assessing the impact of adoption of these standards.

New and amended Thai Financial Reporting Standards effective for annual periods beginning on or after 1 January 2019 do not have a significant impact on the Company.

## 4 Change in accounting policies

The Company has adopted the new Thai Financial Reporting Standards (TFRS) no. 15, Revenue from contracts with customers from 1 April 2019 under the modified retrospective approach and the comparative figures have not been restated.

The adoption of TFRS 15 does not have a significant impact on the Company's accounting treatment.

## 5 Estimates

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

On 1 April 2019, the Company changed the estimated useful life of machinery from 10 years to 15 years because of a technological improvement of machinery that made extension of useful life. The change in estimation resulted to the decrease in depreciation expenses of machinery for the nine-month period ended 31 December 2019 of Baht 43 million.

## 6 Segment information

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as 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 on the interim financial information.

## 7 Short-term investments held to maturity

Short-term investments held to maturity represent fixed deposits which have original maturities over 3 months but not over 12 months.

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

<b>For the nine-month period ended 31 December</b>	<b>2019 Baht</b>
Opening balance	3,625,000,000
Additions during the period	2,347,000,000
Redemptions during the period	(3,665,000,000)
Closing balance	<u>2,307,000,000</u>

As at 31 December 2019, short-term investments held to maturity bore interest at the average rate of 1.35% - 1.63% per annum (31 March 2019 : 1.25% - 1.63% per annum).

## 8 Trade and other accounts receivable, net

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

	<b>31 December 2019 Baht</b>	<b>31 March 2019 Baht</b>
Trade accounts receivable - other companies	2,272,732,183	2,166,149,433
<u>Less</u> Allowance for doubtful account	(20,446,001)	(20,446,001)
Trade accounts receivable - other companies, net	2,252,286,182	2,145,703,432
Trade accounts receivable - related parties (Note 9)	173,084,811	233,322,287
Prepaid expenses	38,197,737	53,025,056
Accrued income, net	19,252,217	19,663,252
Value added tax receivable	209,427,896	64,601,020
Other receivables	26,437,055	32,862,632
	<u>2,718,685,898</u>	<u>2,549,177,679</u>

**Thai Stanley Electric Public Company Limited**  
**Unaudited Condensed Notes to the Interim Financial Information**  
**For the nine-month period ended 31 December 2019**

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

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	31 December 2019 Baht	31 March 2019 Baht	31 December 2019 Baht	31 March 2019 Baht
Current	2,239,716,855	2,122,815,979	172,781,436	174,739,248
Overdue				
- less than 3 months	14,108,004	24,556,963	303,375	58,583,039
- 3 - 6 months	1,494,159	1,380,000	-	-
- 6 - 12 months	-	280,081	-	-
- more than 1 year	17,413,165	17,116,410	-	-
	<u>2,272,732,183</u>	<u>2,166,149,433</u>	<u>173,084,811</u>	<u>233,322,287</u>

## 9 Related party transactions

The Company had the significant transactions with its major shareholder, Stanley Electric Company Limited, 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 29.57% interest in the Company's share capital. Stanley Electric Group comprises Stanley Electric Company Limited and related companies.

The following significant transactions were carried out with related parties:

### For the nine-month period ended 31 December

	2019 Baht	2018 Baht
<b>Sales</b>		
Stanley Electric Group companies	332,446,892	353,096,862
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	104,754,773	113,479,626
Associate	87,077,405	18,808,941
Joint venture	294,185,467	261,370,070
	<u>818,464,537</u>	<u>746,755,499</u>
<b>Dividend income</b>		
Stanley Electric Group companies	76,533,436	67,511,156
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	8,224,572	4,109,576
Associate	89,963,357	75,531,090
	<u>174,721,365</u>	<u>147,151,822</u>
<b>Purchases of goods and services</b>		
Stanley Electric Group companies	2,350,945,604	2,225,457,383
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	367,007,963	300,822,279
Associate	385,279,655	370,982,749
	<u>3,103,233,222</u>	<u>2,897,262,411</u>

**Thai Stanley Electric Public Company Limited**  
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**For the nine-month period ended 31 December 2019**

For the nine-month period ended 31 December

	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Royalty fee</b>		
Stanley Electric Group companies	248,992,835	250,228,142
<b>Design and development fee</b>		
Stanley Electric Group companies	115,053,935	222,924,567
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	2,167,769	256,656
Associates	28,287	36,153
	<b>117,249,991</b>	<b>223,217,376</b>
<b>Directors' and managements' remuneration</b>		
Short-term benefits	37,657,688	38,078,534

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

	<b>31 December 2019 Baht</b>	<b>31 March 2019 Baht</b>
<b>Trade accounts receivable - related parties</b>		
Stanley Electric Group companies	50,176,664	124,225,417
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	53,450,582	56,256,556
Associate	24,816,824	2,182,252
Joint venture	44,640,741	50,658,062
	<b>173,084,811</b>	<b>233,322,287</b>
<b>Trade accounts payable - related parties</b>		
Stanley Electric Group companies	448,896,491	382,151,845
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	42,876,518	33,278,213
Associate	120,516,218	134,430,088
	<b>612,289,227</b>	<b>549,860,146</b>
<b>Other accounts payable - related parties</b>		
Stanley Electric Group companies	156,764,075	169,764,056

## 10 Inventories, net

	<b>31 December 2019 Baht</b>	<b>31 March 2019 Baht</b>
Raw materials and packaging	272,386,197	249,139,873
Work in process	681,125,294	688,942,839
Finished goods	107,270,246	81,679,548
Goods in transit	108,303,449	85,484,823
	<b>1,169,085,186</b>	<b>1,105,247,083</b>
<b>Less</b> Allowance for net realisable value lower than cost and obsolete and slow moving inventories		
- Raw materials and packaging	(1,383,805)	(240,999)
- Work in process	(6,151,066)	(5,152,015)
- Finished goods	(290,482)	(73,480)
Inventories, net	<b>1,161,259,833</b>	<b>1,099,780,589</b>

**Thai Stanley Electric Public Company Limited**  
**Unaudited Condensed Notes to the Interim Financial Information**  
**For the nine-month period ended 31 December 2019**

**11 Investments in an associate and a joint venture**

- a) **Movements in investments in an associate and a joint venture for the nine-month period ended 31 December 2019 and 2018 are as follows:**

	Equity Method		Cost Method	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Opening net book amount	1,380,095,324	1,154,393,271	57,176,689	57,176,689
Share of profit	231,813,774	244,373,131	-	-
Dividends received	(89,963,357)	(75,531,090)	-	-
Translation adjustments	(73,576,935)	19,302,916	-	-
Closing net book amount	1,448,368,806	1,342,538,228	57,176,689	57,176,689

- b) **The details of investments in an associate and a joint venture as at 31 December 2019 and 31 March 2019 are as follows:**

Name	Business activity	Paid-up share capital	% of holding	Equity Method		Cost Method	
				31 December 2019	31 March 2019	31 December 2019	31 March 2019
				Amount Baht	Amount Baht	Amount Baht	Amount Baht
<b>Associate</b>							
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	1,421,603,622	1,357,930,009	54,044,189	54,044,189
<b>Joint venture</b>							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	26,765,184	22,165,315	3,132,500	3,132,500
				1,448,368,806	1,380,095,324	57,176,689	57,176,689

- c) **The details of dividends received from investments in an associate and a joint venture for the nine-month period ended 31 December 2019 and 2018 are as follows:**

Name	Business activity	Paid-up share capital	% of holding	Equity Method		Cost Method	
				2019	2018	2019	2018
				Dividends Baht	Dividends Baht	Dividends Baht	Dividends Baht
<b>Associate</b>							
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	89,963,357	75,531,090	89,963,357	75,531,090
<b>Joint venture</b>							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	-	-	-	-
				89,963,357	75,531,090	89,963,357	75,531,090

**Thai Stanley Electric Public Company Limited**  
**Unaudited Condensed Notes to the Interim Financial Information**  
**For the nine-month period ended 31 December 2019**

**12 Long-term investments, net**

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

**As at 31 December 2019**

	Available- for-sale investments Baht	General investments Baht	Total Baht
<b>Equity securities</b>			
- Related parties	6,200,000	121,901,155	128,101,155
- Other companies	-	-	-
Long-term investments, net	6,200,000	121,901,155	128,101,155

**As at 31 March 2019**

	Available- for-sale investments Baht	General investments Baht	Total Baht
<b>Equity securities</b>			
- Related parties	7,480,000	104,921,215	112,401,215
- Other companies	-	-	-
Long-term investments, net	7,480,000	104,921,215	112,401,215

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

Name	Business activity	Paid-up share capital	% of holding	31 December 2019	31 March 2019
				Amount Baht	Amount Baht
<b>Related parties - available-for-sale</b>					
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	3,380,000	3,380,000
Change in fair value of investments				2,820,000	4,100,000
				6,200,000	7,480,000
<b>Related parties - general investments (at cost)</b>					
Asian Stanley International Company Limited	Manufacture of small bulbs, LED and electronic components	Baht 400 million	15.0	60,000,000	60,000,000
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting equipment	Baht 21 million	15.0	3,000,000	3,000,000
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	8,793,715
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting equipment	USD 7.5 million	10.0	33,127,500	33,127,500
Electropolymers (Private) Limited	Manufacture of automotive lighting equipment and auto parts	PKR 79.05 million	10.06	16,979,940	-
				121,901,155	104,921,215
<b>Other companies - general investments (at cost)</b>					
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				(5,000,000)	(5,000,000)
				-	-
Total long-term investments, net				128,101,155	112,401,215

**Thai Stanley Electric Public Company Limited**  
**Unaudited Condensed Notes to the Interim Financial Information**  
**For the nine-month period ended 31 December 2019**

The details of dividends received from long-term investments, net for the nine-month period ended 31 December 2019 and 2018 are as follows:

Name	Business activity	Paid-up share capital	% of holding	2019	2018
				Dividends Baht	Dividends Baht
<b>Related parties - available-for-sale</b>					
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	-	-
Change in fair value of investments				-	-
				-	-
<b>Related parties - general investments (at cost)</b>					
Asian Stanley International Company Limited	Manufacture of small bulbs, LED and electronic components	Baht 400 million	15.0	72,014,601	59,860,882
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting equipment	Baht 21 million	15.0	8,224,571	4,109,576
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	2,255,210	1,769,156
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting equipment	USD 7.5 million	10.0	2,263,626	5,881,118
Electropolymers (Private) Limited	Manufacture of automotive lighting equipment and auto parts	PKR 79.05 million	10.06	-	-
				84,758,008	71,620,732
<b>Other companies - general investments (at cost)</b>					
Top Hitech (Thailand) Company Limited	Manufacture of plastic products and molds	Baht 35.9 million	13.9	-	-
<u>Less</u> Impairment of investments				-	-
				-	-
Total long-term investments, net				84,758,008	71,620,732

On 31 October 2019, the Company invested in ordinary shares of Electropolymers (Private) Limited ("EPL") totalling PKR 79,050,000 (equivalent to Baht 16,979,940), representing 10.06% of total issued share capital of EPL. This investment was approved by the Board of Directors on 11 January 2019.

### 13 Property, plant and equipment, net

For the nine-month period ended 31 December

	<b>2019 Baht</b>
Opening net book amount	7,703,011,731
Additions	2,249,205,796
Disposals/write - offs, net	(298)
<u>Less</u> Depreciation charge	<u>(903,285,902)</u>
Closing net book amount	<u>9,048,931,327</u>

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

As at 31 December 2019, the Company has capital commitments not recorded in the financial information amounting of Baht 753 million (31 March 2019 : Baht 1,972 million).

### 14 Intangible assets, net

For the nine-month period ended 31 December

	<b>2019 Baht</b>
Opening net book amount	974,757,302
Additions	278,898,844
<u>Less</u> Amortisation charge	<u>(184,295,993)</u>
Closing net book amount	<u>1,069,360,153</u>

The additions during the period mainly compose of product designs.

### 15 Accrued expenses

	<b>31 December 2019 Baht</b>	<b>31 March 2019 Baht</b>
Accrued staff cost	200,822,094	242,453,382
Accrued electricity expense	25,167,177	32,179,796
Accrued rebate	161,472,509	24,000,000
Others	40,410,145	40,804,908
	<u>427,871,925</u>	<u>339,438,086</u>

### 16 Provision for post-employment benefits

	<b>31 December 2019 Baht</b>	<b>31 March 2019 Baht</b>
Statement of financial position: Retirement benefits	<u>374,394,377</u>	<u>234,385,053</u>
<b>For the nine-month period ended 31 December</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
Loss charge included in operating profit for: Retirement benefits	<u>110,263,280</u>	<u>21,633,057</u>
Remeasurement in other comprehensive expense	<u>35,776,646</u>	<u>-</u>

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On 5 April 2019, an amendment bill to the Labour Protection Law was published in the Government Gazette. The amended law became 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 effects of the amendment on the interim financial information in which the equity method is applied and interim separate financial information are Baht 80 million.

During the nine-month period ended 31 December 2019, the discount rate which was the principal actuarial assumption for employee benefit obligations decreased due to significant change in interest rate on government bond and resulted to increase in the employee benefit obligations in the interim financial information in which the equity method is applied and interim separate financial information as at 31 December 2019 by Baht 36 million.

## 17 Income tax

Income tax expense for the nine-month periods ended 31 December 2019 and 2018 are as follows:

	Equity Method		Cost Method	
	2019 Baht	2018 Baht	2019 Baht	2018 Baht
Current income tax	273,335,220	299,264,463	273,335,220	299,264,463
Deferred income tax	10,730,848	26,815,442	(17,639,235)	(6,952,967)
	284,066,068	326,079,905	255,695,985	292,311,496

The interim income tax is accrued based on management's estimate using the tax rate that would be applicable to expected total annual earnings. The estimated average annual tax rate used is 16.63% and 16.92% for cost method and equity method, respectively. (For the nine-month period ended 31 December 2018: 18.34% and 18.50% for cost method and equity method, respectively).

## 18 Dividends paid

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 5 July 2019, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2019 for 76,625,000 shares of Baht 8.25 per share, totalling Baht 632,156,250. However, there are 65,174 shares that are not entitled to receive the dividends, totalling Baht 537,685 as the depository terms are not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company paid the dividends amounting to Baht 631,618,565 to the shareholders on 26 July 2019.

## 19 Commitments and contingent liabilities

For the nine-month period ended 31 December 2019, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 March 2019, except the capital commitment as mentioned in Note 12 and the following item:

### Forward exchange contracts

As at 31 December 2019 and 31 March 2019, the Company has the outstanding foreign currency forward contracts which the foreign currency contract amounts and settlement dates on the contracts are as follows:

	31 December 2019	31 March 2019
Forward exchange contracts	Yen 60 million USD 2 million	Yen 40 million USD 2 million
Maturity of forward exchange contracts	1-2 months	1-2 months