

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

**INTERIM FINANCIAL INFORMATION IN WHICH THE EQUITY
METHOD IS APPLIED AND SEPARATE FINANCIAL INFORMATION
(UNAUDITED)**

30 SEPTEMBER 2021

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 in which the equity method is applied of Thai Stanley Electric Public Company Limited, and the interim separate financial information of Thai Stanley Electric Public Company Limited. These comprise the statement of financial position in which the equity method is applied and the separate statement of financial position as at 30 September 2021, 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 six-month periods then ended, the statement of changes in equity in which the equity method is applied and the separate statement of changes in equity, and the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in which the equity method is applied and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information in which the equity method is applied and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Vichien Khingmontri

Certified Public Accountant (Thailand) No. 3977

Bangkok

29 October 2021

Thai Stanley Electric Public Company Limited
Statement of Financial Position
As at 30 September 2021

	Notes	Equity method financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September 2021 Baht	31 March 2021 Baht	30 September 2021 Baht	31 March 2021 Baht
Assets					
Current assets					
Cash and cash equivalents		2,003,435,195	2,663,330,410	2,003,435,195	2,663,330,410
Short-term investments	6	3,332,000,000	2,258,000,000	3,332,000,000	2,258,000,000
Trade and other accounts receivable, net	7	2,169,233,791	2,550,248,111	2,169,233,791	2,550,248,111
Inventories, net	9	765,975,751	476,679,563	765,975,751	476,679,563
Current portion of loans to employees	10	65,587,500	44,380,610	65,587,500	44,380,610
Derivatives assets	5	288,246	-	288,246	-
Other current assets		8,949,766	7,524,762	8,949,766	7,524,762
Total current assets		8,345,470,249	8,000,163,456	8,345,470,249	8,000,163,456
Non-current assets					
Loans to employees	10	65,103,081	18,738,098	65,103,081	18,738,098
Financial assets measured at fair value through other comprehensive income	5	1,447,332,291	1,336,747,660	1,447,332,291	1,336,747,660
Investment in an associate	11	1,767,471,155	1,710,120,028	54,044,189	54,044,189
Investment in a joint venture	11	28,370,775	23,267,369	3,132,500	3,132,500
Property, plant and equipment, net	12	9,150,230,629	9,402,862,077	9,150,230,629	9,402,862,077
Intangible assets, net		992,683,005	1,027,622,470	992,683,005	1,027,622,470
Other non-current assets, net		19,242,391	23,089,165	19,242,391	23,089,165
Total non-current assets		13,470,433,327	13,542,446,867	11,731,768,086	11,866,236,159
Total assets		21,815,903,576	21,542,610,323	20,077,238,335	19,866,399,615

Director _____
(Mr. Koichi Nagano)

Director _____
(Mr. Apichart Leeissaranukul)

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

Thai Stanley Electric Public Company Limited
Statement of Financial Position
As at 30 September 2021

	Notes	Equity method financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September 2021 Baht	31 March 2021 Baht	30 September 2021 Baht	31 March 2021 Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable - other companies		441,799,102	498,067,977	441,799,102	498,067,977
- related parties	8	448,040,470	538,340,036	448,040,470	538,340,036
Other accounts payable - other companies		174,385,625	177,455,506	174,385,625	177,455,506
- related parties	8	137,720,544	253,230,209	137,720,544	253,230,209
Derivatives liabilities	5	-	239,190	-	239,190
Accrued corporate income tax		153,826,462	153,387,880	153,826,462	153,387,880
Accrued expenses	13	377,287,045	346,716,922	377,287,045	346,716,922
Total current liabilities		1,733,059,248	1,967,437,720	1,733,059,248	1,967,437,720
Non-current liabilities					
Deferred tax liabilities, net		520,368,720	472,244,504	172,635,672	137,002,362
Employee benefit obligations		403,140,358	385,147,496	403,140,358	385,147,496
Total non-current liabilities		923,509,078	857,392,000	575,776,030	522,149,858
Total liabilities		2,656,568,326	2,824,829,720	2,308,835,278	2,489,587,578
Equity					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, paid-up of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital		504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve		38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		17,254,051,617	17,024,855,642	15,787,985,110	15,484,861,795
Other components of equity		979,596,133	767,237,461	1,054,730,447	966,262,742
Total equity		19,159,335,250	18,717,780,603	17,768,403,057	17,376,812,037
Total liabilities and equity		21,815,903,576	21,542,610,323	20,077,238,335	19,866,399,615

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

Thai Stanley Electric Public Company Limited
Statements of Income
For the three-month period ended 30 September 2021

	Equity method		Separate financial information	
	financial information			
	Unaudited 2021 Baht	Unaudited 2020 Baht	Unaudited 2021 Baht	Unaudited 2020 Baht
Revenues from sales and services	3,017,624,995	2,531,966,542	3,017,624,995	2,531,966,542
Costs of sales and services	(2,535,996,273)	(2,231,603,413)	(2,535,996,273)	(2,231,603,413)
Gross profit	481,628,722	300,363,129	481,628,722	300,363,129
Other income				
- Dividend income	23,946,190	60,170,029	23,946,190	60,170,029
- Gain on exchange rates, net	2,075,431	6,400,119	2,075,431	6,400,119
- Interest income	5,938,271	4,566,346	5,938,271	4,566,346
- Others	17,270,735	9,190,250	17,270,735	9,190,250
Profit before expenses	530,859,349	380,689,873	530,859,349	380,689,873
Selling expenses	(155,642,507)	(99,211,543)	(155,642,507)	(99,211,543)
Administrative expenses	(90,476,955)	(76,680,687)	(90,476,955)	(76,680,687)
Total expenses	(246,119,462)	(175,892,230)	(246,119,462)	(175,892,230)
Operating profit	284,739,887	204,797,643	284,739,887	204,797,643
Share of profit from investments in an associate and a joint venture	40,967,868	61,121,040	-	-
Profit before income tax	325,707,755	265,918,683	284,739,887	204,797,643
Income tax	(58,559,706)	(11,756,105)	(50,366,133)	468,103
Net profit for the period	267,148,049	254,162,578	234,373,754	205,265,746
Earnings per share				
Basic earnings per share	3.49	3.32	3.06	2.68

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

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income
 For the three-month period ended 30 September 2021

	Equity method		Separate financial information	
	financial information		financial information	
	Unaudited	Unaudited	Unaudited	Unaudited
	2021	2020	2021	2020
	Baht	Baht	Baht	Baht
Net profit for the period	267,148,049	254,162,578	234,373,754	205,265,746
Other comprehensive income (expenses)				
for the period after tax:				
Items that will not be reclassified				
subsequently to profit or loss				
Changes in fair value of investments in equity instruments through other comprehensive income	68,424,329	18,630,991	68,424,329	18,630,991
Income tax on items that will not be reclassified to profit or loss	(13,684,866)	(3,726,198)	(13,684,866)	(3,726,198)
Total items that will not be reclassified subsequently to profit or loss	54,739,463	14,904,793	54,739,463	14,904,793
Items that will be reclassified subsequently to profit or loss				
Exchange differences relating to investments in an associate and a joint venture	114,893,343	37,250,847	-	-
Income tax on items that will be reclassified to profit or loss	(22,978,669)	(7,450,169)	-	-
Total items that will be reclassified subsequently to profit or loss	91,914,674	29,800,678	-	-
Other comprehensive income for the period, net of tax	146,654,137	44,705,471	54,739,463	14,904,793
Total comprehensive income for the period	413,802,186	298,868,049	289,113,217	220,170,539

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

Thai Stanley Electric Public Company Limited
Statements of Income
For the six-month period ended 30 September 2021

	Notes	Equity method			
		financial information		Separate financial information	
		Unaudited 2021 Baht	Unaudited 2020 Baht	Unaudited 2021 Baht	Unaudited 2020 Baht
Revenues from sales and services		6,236,391,318	4,250,608,923	6,236,391,318	4,250,608,923
Costs of sales and services		(5,133,337,123)	(4,024,703,539)	(5,133,337,123)	(4,024,703,539)
Gross profit		1,103,054,195	225,905,384	1,103,054,195	225,905,384
Other income					
- Dividend income	8	23,946,190	60,170,029	229,002,676	154,749,696
- Gain on exchange rates, net		10,116,735	11,134,139	10,116,735	11,134,139
- Interest income		10,667,609	12,371,625	10,667,609	12,371,625
- Others		32,738,406	18,216,323	32,738,406	18,216,323
Profit before expenses		1,180,523,135	327,797,500	1,385,579,621	422,377,167
Selling expenses		(317,734,835)	(181,424,839)	(317,734,835)	(181,424,839)
Administrative expenses		(170,391,231)	(155,512,448)	(170,391,231)	(155,512,448)
Total expenses		(488,126,066)	(336,937,287)	(488,126,066)	(336,937,287)
Operating profit (loss)		692,397,069	(9,139,787)	897,453,555	85,439,880
Share of profit from investments in an associate and a joint venture	11	112,647,310	81,266,314	-	-
Profit before income tax		805,044,379	72,126,527	897,453,555	85,439,880
Income tax	14	(154,411,454)	(2,014,963)	(172,893,290)	(4,677,633)
Net profit for the period		650,632,925	70,111,564	724,560,265	80,762,247
Earnings per share					
Basic earnings per share		8.49	0.91	9.46	1.05

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

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income
 For the six-month period ended 30 September 2021

	Equity method		Separate financial information	
	financial information		Separate financial information	
	Unaudited 2021 Baht	Unaudited 2020 Baht	Unaudited 2021 Baht	Unaudited 2020 Baht
Net profit for the period	650,632,925	70,111,564	724,560,265	80,762,247
Other comprehensive income (expenses) for the period after tax:				
Items that will not be reclassified subsequently to profit or loss				
Changes in fair value of investments in equity instruments through other comprehensive income	110,584,631	30,454,950	110,584,631	30,454,950
Income tax on items that will not be reclassified to profit or loss	(22,116,926)	(6,090,990)	(22,116,926)	(6,090,990)
Total items that will not be reclassified subsequently to profit or loss	88,467,705	24,363,960	88,467,705	24,363,960
Items that will be reclassified subsequently to profit or loss				
Exchange differences relating to investments in an associate and a joint venture	154,863,709	(21,378,123)	-	-
Income tax on items that will be reclassified to profit or loss	(30,972,742)	4,275,625	-	-
Total items that will be reclassified subsequently to profit or loss	123,890,967	(17,102,498)	-	-
Other comprehensive income for the period, net of tax	212,358,672	7,261,462	88,467,705	24,363,960
Total comprehensive income for the period	862,991,597	77,373,026	813,027,970	105,126,207

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

Thai Stanley Electric Public Company Limited
 Statements of Changes in Equity
 For the six-month period ended 30 September 2021

Separate financial information (Unaudited)											
	Note	Other components of equity								Total equity Baht	
		Retained earnings					Other comprehensive income (expenses)				Total other components of equity Baht
		Issued and paid-up share capital Baht	Premium on share capital Baht	Appropriated - Legal reserve Baht	Unappropriated retained earnings Baht	Measurement of available-for- sale investment Baht	Measurement of investments in equity instruments at fair value through other comprehensive income Baht	Remeasurements of post-employment benefit obligations Baht			
Opening balance as at 1 April 2020											
- as reported		383,125,000	504,250,000	38,312,500	15,168,253,176	448,000	-	(23,200,047)	(22,752,047)	16,071,188,629	
Impact of first-time adoption of new financial reporting standards		-	-	-	-	(448,000)	952,053,219	-	951,605,219	951,605,219	
Opening balance as at 1 April 2020											
- restated		383,125,000	504,250,000	38,312,500	15,168,253,176	-	952,053,219	(23,200,047)	928,853,172	17,022,793,848	
Total comprehensive income for the period		-	-	-	80,762,247	-	24,363,960	-	24,363,960	105,126,207	
Dividends paid		-	-	-	(632,155,425)	-	-	-	-	(632,155,425)	
Closing balance as at 30 September 2020		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>14,616,859,998</u>	<u>-</u>	<u>976,417,179</u>	<u>(23,200,047)</u>	<u>953,217,132</u>	<u>16,495,764,630</u>	
Opening balance as at 1 April 2021		383,125,000	504,250,000	38,312,500	15,484,861,795	-	969,173,204	(2,910,462)	966,262,742	17,376,812,037	
Total comprehensive income for the period		-	-	-	724,560,265	-	88,467,705	-	88,467,705	813,027,970	
Dividends paid	15	-	-	-	(421,436,950)	-	-	-	-	(421,436,950)	
Closing balance as at 30 September 2021		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>15,787,985,110</u>	<u>-</u>	<u>1,057,640,909</u>	<u>(2,910,462)</u>	<u>1,054,730,447</u>	<u>17,768,403,057</u>	

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

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the six-month period ended 30 September 2021

	Notes	Equity method		Separate financial information	
		financial information		financial information	
		Unaudited 2021 Baht	Unaudited 2020 Baht	Unaudited 2021 Baht	Unaudited 2020 Baht
Cash flows from operating activities:					
Profit before income tax for the period		805,044,379	72,126,527	897,453,555	85,439,880
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation	12	633,285,629	617,261,861	633,285,629	617,261,861
- Amortisation		141,386,872	131,851,011	141,386,872	131,851,011
- Interest income		(10,667,609)	(12,371,625)	(10,667,609)	(12,371,625)
- Share of profit from investments in an associate and a joint venture	11	(112,647,310)	(81,266,314)	-	-
- Dividend income					
- Investments in equity instruments measured at fair value through other comprehensive income	8	(23,946,190)	(60,170,029)	(23,946,190)	(60,170,029)
- Investments in an associate	8, 11	-	-	(205,056,486)	(94,579,667)
- (Gain) loss on disposal of equipment		(693,071)	587,437	(693,071)	587,437
- (Gain) loss from changes in fair value of derivatives		(527,436)	550,182	(527,436)	550,182
- Allowance for obsolete and slow moving inventories		828,792	5,787,814	828,792	5,787,814
- Reversal of allowance for net realisable value lower than cost of inventories		-	(1,559,056)	-	(1,559,056)
- Employee benefit obligations		21,353,866	31,504,492	21,353,866	31,504,492
- Unrealised gain on exchange rates		(4,726,820)	(3,884,122)	(4,726,820)	(3,884,122)
Cash flows before changes in operating assets and liabilities		1,448,691,102	700,418,178	1,448,691,102	700,418,178
Changes in operating assets and liabilities					
- Trade and other accounts receivable		382,773,643	811,367,134	382,773,643	811,367,134
- Inventories		(290,124,980)	268,109,095	(290,124,980)	268,109,095
- Other current assets		(1,425,004)	32,006,853	(1,425,004)	32,006,853
- Other non-current assets		3,846,774	892,487	3,846,774	892,487
- Trade accounts payable - other companies		(56,268,875)	(161,632,300)	(56,268,875)	(161,632,300)
- Trade accounts payable - related parties		(90,299,566)	(126,148,599)	(90,299,566)	(126,148,599)
- Other accounts payable - other companies		(29,628,099)	(66,767,675)	(29,628,099)	(66,767,675)
- Other accounts payable - related parties		(115,509,665)	(60,583,798)	(115,509,665)	(60,583,798)
- Accrued expenses		30,570,123	(43,834,250)	30,570,123	(43,834,250)
- Payment for employee benefit obligations		(3,361,004)	(25,791,049)	(3,361,004)	(25,791,049)
Cash generated from operations		1,279,264,449	1,328,036,076	1,279,264,449	1,328,036,076

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

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the six-month period ended 30 September 2021

	Notes	Equity method financial information		Separate financial information	
		Unaudited 2021 Baht	Unaudited 2020 Baht	Unaudited 2021 Baht	Unaudited 2020 Baht
Cash generated from operations		1,279,264,449	1,328,036,076	1,279,264,449	1,328,036,076
- Interest received		4,612,416	5,845,674	4,612,416	5,845,674
- Income tax paid		(158,938,324)	(218,806,093)	(158,938,324)	(218,806,093)
Net cash received from operating activities		1,124,938,541	1,115,075,657	1,124,938,541	1,115,075,657
Cash flows from investing activities:					
Loans made to employees	10	(93,035,578)	(98,430,089)	(93,035,578)	(98,430,089)
Loans repayments from employees	10	25,463,705	59,365,889	25,463,705	59,365,889
Purchases of property, plant and equipment		(354,096,092)	(1,182,730,101)	(354,096,092)	(1,182,730,101)
Proceeds from disposals of equipment		693,200	138,700	693,200	138,700
Interest received on short-term investments		4,295,870	13,516,836	4,295,870	13,516,836
Dividends received					
- Investments in equity instruments measured at fair value through other comprehensive income	8	23,946,190	60,170,029	23,946,190	60,170,029
- Investments in an associate	8, 11	205,056,486	94,579,667	205,056,486	94,579,667
Purchases of intangible assets		(106,447,407)	(85,047,343)	(106,447,407)	(85,047,343)
Cash receipts from short-term investments	6	2,781,000,000	1,166,000,000	2,781,000,000	1,166,000,000
Cash payments on short-term investments	6	(3,855,000,000)	(1,066,000,000)	(3,855,000,000)	(1,066,000,000)
Net cash used in investing activities		(1,368,123,626)	(1,038,436,412)	(1,368,123,626)	(1,038,436,412)
Cash flow from financing activity:					
Dividends paid	15	(421,436,950)	(632,155,425)	(421,436,950)	(632,155,425)
Net cash used in financing activity		(421,436,950)	(632,155,425)	(421,436,950)	(632,155,425)
Net decrease in cash and cash equivalents		(664,622,035)	(555,516,180)	(664,622,035)	(555,516,180)
Cash and cash equivalents at beginning of the period		2,663,330,410	3,177,436,049	2,663,330,410	3,177,436,049
Effects of exchange rate changes		4,726,820	3,884,122	4,726,820	3,884,122
Cash and cash equivalents at end of the period		2,003,435,195	2,625,803,991	2,003,435,195	2,625,803,991
Non-cash transactions:					
Outstanding liabilities arisen from purchase of plant and equipment and intangible assets		55,254,365	82,321,715	55,254,365	82,321,715

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

1 Significant events during the current period

The outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020 has adverse effects on the Company’s operating results both the demand and supply of manufacturing chain. The Company’s management is now paying close attention to the development of the COVID-19 situation and evaluating its impact on the operation.

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 2021.

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 2021.

New and amended Thai Financial Reporting Standards effective for the accounting period beginning from 1 January 2021 do not have material impact on the Company.

4 Segment information

The Company’s strategic steering committee, consisting of board of directors, examines the Company’s performance from a product group perspective.

Business segment

The Company manufactures and sells auto bulbs, automotive lighting equipment, molds & dies and product designs. The chief operating decision-maker reviews operating results in the same dimension as presented on the interim financial information.

For the period ended 30 September 2021, total revenue from sales and services has timing of revenue recognition as point in time.

Revenues by product group

During the six-month period ended 30 September 2021 and 2020, the revenues by product group are as follows:

	2021	2020
	Baht	Baht
Auto bulbs and automotive lighting equipment	6,179,253,921	3,888,910,187
Molds & dies and product designs	57,137,397	361,698,736
	6,236,391,318	4,250,608,923

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the six-month period ended 30 September 2021

Revenues by geographic region

During the six-month period ended 30 September 2021 and 2020, the revenues by geographic region are as follows:

	2021 Baht	2020 Baht
Domestic	3,727,986,761	2,914,270,524
Export	2,508,404,557	1,336,338,399
	6,236,391,318	4,250,608,923

Major customers

During the six-month period ended 30 September 2021, the Company has revenues from 3 major customer groups which each of them contributed equal or over 10% of the Company's total revenues (30 September 2020: 3 customer groups).

	2021 Million Baht	2020 Million Baht
Customer group no.1	2,107	1,720
Customer group no.2	1,850	829
Customer group no.3	739	573
	4,696	3,122

The customer group means the customers under common control.

5 Fair value

The following table presents financial assets and liabilities that are measured at fair value, excluding where its fair value is approximating the carrying amount.

	Equity method and separate financial information							
	Level 1		Level 1		Level 1		Level 1	
	30 September 2021	31 March 2021	30 September 2021	31 March 2021	30 September 2021	31 March 2021	30 September 2021	31 March 2021
Assets								
Financial assets measured at fair value through other comprehensive income								
Derivatives assets								
- Foreign exchange forward contracts	-	-	288,246	-	-	-	288,246	-
Investments in equity instruments	109,365,263	111,530,569	-	-	1,337,967,028	1,225,217,091	1,447,332,291	1,336,747,660
Total assets	109,365,263	111,530,569	288,246	-	1,337,967,028	1,225,217,091	1,447,620,537	1,336,747,660
Liabilities								
Financial liabilities measured at fair value through profit or loss								
Derivatives liabilities								
- Foreign exchange forward contracts	-	-	-	239,190	-	-	-	239,190
Total liabilities	-	-	-	239,190	-	-	-	239,190

Valuation techniques used to measure fair value level 1

The fair value of financial instruments in level one is based on the closing price by reference to the Stock Exchange.

Valuation techniques used to measure fair value level 2

Fair value of foreign exchange forward contracts is determined using forward exchange rate that are quoted in an active market. The effects of discounting are generally insignificant for level 2 derivatives.

Valuation techniques used to measure fair value level 3

Non-listed equity investments were appraised for its fair value using valuation techniques of input from unobservable market data (Level 3). The management also made adjustments to reflect the risk and nature of the equity instruments.

Changes in level 3 financial instruments for the six-month period ended 30 September 2021 is as follows:

	Non-listed equity investments
	Unaudited
	Baht
Opening balance as at 1 April 2021	1,225,217,091
Gains recognised in other comprehensive income	112,749,937
Closing balance as at 30 September 2021	<u>1,337,967,028</u>

The Company's valuation processes

Chief Financial Officer (CFO), Audit Committee (AC) and a valuation team discuss valuation processes and results at least every quarter.

Significant unobservable input of fair value hierarchy level 3 is Discount for Lack of Marketability. The Company estimates by using the mid-range of information and referred to International Valuation Standards.

6 Short-term investments

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

Movement in short-term investments is as follows:

For the six-month period ended 30 September	2021
	Baht
Opening balance	2,258,000,000
Additions during the period	3,855,000,000
Redemptions during the period	<u>(2,781,000,000)</u>
Closing balance	<u>3,332,000,000</u>

As at 30 September 2021, short-term investments bore interest at the rates of 0.25% - 0.63% per annum (31 March 2021 : 0.21% - 0.63% per annum).

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7 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 30 September 2021 and 31 March 2021 are as follows:

	30 September 2021 Baht	31 March 2021 Baht
Trade accounts receivable - other companies	1,887,573,983	2,119,220,891
Less Loss allowance	(20,446,001)	(20,446,001)
Trade accounts receivable - other companies, net	1,867,127,982	2,098,774,890
Trade accounts receivable - related parties (Note 8)	168,929,440	296,457,727
Other accounts receivable - related party (Note 8)	11,603,334	39,163,203
Prepaid expenses	32,049,675	56,389,044
Value added tax receivable	62,629,232	14,976,949
Other receivables	26,894,128	44,486,298
	2,169,233,791	2,550,248,111

Trade accounts receivable as at 30 September 2021 and 31 March 2021 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	30 September 2021 Baht	31 March 2021 Baht	30 September 2021 Baht	31 March 2021 Baht
Current	1,857,667,830	2,095,505,182	167,406,401	292,676,858
Overdue				
- less than 3 months	9,460,152	3,241,708	1,523,039	3,780,869
- 3 - 6 months	-	28,000	-	-
- 6 - 12 months	-	-	-	-
- more than 1 year	20,446,001	20,446,001	-	-
	1,887,573,983	2,119,220,891	168,929,440	296,457,727

8 Related party transactions

The Company had the significant transactions with its major shareholder, Stanley Electric 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 29.57% 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 six-month period ended 30 September

	2021 Baht	2020 Baht
Sales		
Stanley Electric Group companies	265,772,201	358,120,041
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	62,643,546	57,595,927
Associate	142,067,564	117,293,528
Joint venture	160,109,182	94,944,765
	630,592,493	627,954,261
Other income		
Stanley Electric Group companies	465,711	480,830
Associate	7,842	-
Joint venture	24,600	98,640
	498,153	579,470

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For the six-month period ended 30 September

	2021 Baht	2020 Baht
Dividend income		
Stanley Electric Group companies	23,946,190	60,170,029
Associate	205,056,486	94,579,667
	229,002,676	154,749,696
Royalty income		
Stanley Electric Group companies	937,930	-
Joint venture	247,695	219,967
	1,185,625	219,967
Purchases of goods and services		
Stanley Electric Group companies	1,613,548,304	848,324,260
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	226,427,244	123,571,734
Associate	19,581,687	227,219,318
	1,859,557,235	1,199,115,312
Royalty fee		
Stanley Electric Group companies	139,735,690	95,490,368
Design and development fee		
Stanley Electric Group companies	13,983,836	26,771,806
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	24,094	-
Associate	3,863	801,555
	14,011,793	27,573,361
Commission		
Stanley Electric Group companies	63,745,709	7,220,626
Directors' and managements' remuneration		
Short-term benefits	23,879,923	22,709,942

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The outstanding balances as at 30 September 2021 and 31 March 2021 are as follows:

	30 September 2021 Baht	31 March 2021 Baht
Trade accounts receivable - related parties		
Stanley Electric Group companies	60,794,787	159,786,768
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	34,808,930	35,187,083
Associate	33,344,328	51,677,957
Joint venture	39,981,395	49,805,919
	168,929,440	296,457,727
Other accounts receivable - related party		
Stanley Electric Group company	11,603,334	39,163,203
Trade accounts payable - related parties		
Stanley Electric Group companies	399,095,199	479,505,986
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	40,934,184	43,576,418
Associate	8,011,087	15,257,632
	448,040,470	538,340,036
Other accounts payable - related parties		
Stanley Electric Group companies	137,720,544	253,230,209

9 Inventories, net

	30 September 2021 Baht	31 March 2021 Baht
Raw materials and packaging	343,375,393	239,155,015
Work in process	247,152,094	84,138,194
Finished goods	107,367,908	88,634,062
Goods in transit	71,068,045	66,911,189
	768,963,440	478,838,460
<u>Less</u> Allowance for obsolete and slow-moving inventories		
- Raw materials and packaging	(2,552,296)	(1,865,897)
- Work in process	(309,302)	(185,171)
- Finished goods	(126,091)	(107,829)
Inventories, net	765,975,751	476,679,563

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10 Loans to employees

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

	2021 Baht
Opening balance	63,118,708
Additions	93,035,578
Received during the year	(25,463,705)
Closing balance	<u>130,690,581</u>

Loans to employees bear interest rate at 0.99% - 1.00% per annum (31 March 2021: 0.99% - 1.70% per annum). The repayment periods are between 1 month - 3 years (31 March 2021: 1 month - 2 years).

The analysis of loans to employees is as follows:

	30 September 2021 Baht	31 March 2021 Baht
Current portion of loans to employees	65,587,500	44,380,610
Non-current portion of loans to employees	65,103,081	18,738,098
	<u>130,690,581</u>	<u>63,118,708</u>

The Company has no reconciliations of loss allowance for loans to employees for the period ended 30 September 2021 and 31 March 2021.

11 Investments in an associate and a joint venture

a) **The details of investments in an associate and a joint venture as at 30 September 2021 and 31 March 2021 are as follows:**

Name	Business activity	Paid-up share capital	% of holding	Equity Method		Cost Method	
				30 September 2021	31 March 2021	30 September 2021	31 March 2021
				Amount Baht	Amount Baht	Amount Baht	Amount Baht
Associate							
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	1,767,471,155	1,710,120,028	54,044,189	54,044,189
Joint venture							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	28,370,775	23,267,369	3,132,500	3,132,500
				<u>1,795,841,930</u>	<u>1,733,387,397</u>	<u>57,176,689</u>	<u>57,176,689</u>

b) **Movements in investments in an associate and a joint venture for the six-month period ended 30 September 2021 are as follows:**

	Equity Method Baht	Cost Method Baht
Opening net book amount	1,733,387,397	57,176,689
Share of profit	112,647,310	-
Dividends received	(205,056,486)	-
Translation adjustments	154,863,709	-
Closing net book amount	<u>1,795,841,930</u>	<u>57,176,689</u>

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12 Property, plant and equipment, net

For the six-month period ended 30 September

	2021 Baht
Opening net book amount	9,402,862,077
Additions	380,654,310
Disposals/write - offs, net	(129)
<u>Less</u> Depreciation charge	<u>(633,285,629)</u>
Closing net book amount	<u>9,150,230,629</u>

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

As at 30 September 2021, the Company has capital commitments not recognised in the financial information amounting of Baht 244 million (31 March 2021: Baht 110 million).

13 Accrued expenses

	30 September 2021 Baht	31 March 2021 Baht
Accrued staff cost	184,925,431	221,403,575
Accrued electricity expense	28,241,829	34,096,640
Accrued rebate	130,517,133	57,280,000
Others	33,602,652	33,936,707
	<u>377,287,045</u>	<u>346,716,922</u>

14 Income tax

Income tax expense for the six-month period ended 30 September 2021 and 2020 are as follows:

	Equity method financial information		Separate financial information	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current income tax	159,376,906	-	159,376,906	-
Deferred income tax	(4,965,452)	2,014,963	13,516,384	4,677,633
	<u>154,411,454</u>	<u>2,014,963</u>	<u>172,893,290</u>	<u>4,677,633</u>

The interim income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 30 September 2021 is 19.26 % and 19.18 % for cost method and equity method, respectively, compared to 5.47% and 2.79% respectively, for the six months ended 30 September 2020. The tax rate was lower in 2020 due to the Company occurred loss from operation in the first quarter in 2020.

15 Dividends paid

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 2 July 2021, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2021 for 76,625,000 shares of Baht 5.50 per share, totalling Baht 421,437,500. However, there are 100 shares that are not entitled to receive the dividends, totalling Baht 550 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 421,436,950 to the shareholders on 29 July 2021.

16 Commitments and contingent liabilities

For the six-month period ended 30 September 2021, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 March 2021, except the capital commitment as mentioned in Note 12.

17 Bank guarantees

As at 30 September 2021, the Company has bank guarantees of Baht 20 million (31 March 2021: Baht 20 million) with respect to electricity supply.

18 Authorisation of financial information

The interim financial information in which the equity method is applied and interim separate financial information were authorised by the Company's Board of Directors on 29 October 2021.