

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 2017, 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

I have audited the accompanying financial statements in which the equity method is applied and the separate financial statements of the Company, which comprise the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 March 2017, and the statement of income in which the equity method is applied and the separate statement of income, statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income, statement of changes in equity in which the equity method is applied and the separate statement of changes in equity and statement of cash flows in which the equity method is applied and the separate statement of cash flows for the year then ended, and notes to the financial statements in which the equity method is applied and the separate financial statements, including 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 in which the equity method is applied and the separate 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 in which the equity method is applied and the separate 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 in which the equity method is applied and the separate financial statements of the current period. I determine one key audit matter: Valuation of inventories. This matter was addressed in the context of my audit of the financial statements in which the equity method is applied and the separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this 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 and the allowances for obsolete and slow-moving inventories are subject to management's judgement. The appropriateness of the amount becomes subjective and is subject to potential bias in management's judgement, whether intentionally or unintentionally.</p> <p>The assessment for the allowances for obsolete and slow-moving inventories requires a degree of estimation from judgement. Management based their assessment on their experience and historical data. Inventories with no movement over 12 months are subject to 100% allowance. The level of the allowances is assessed by taking into account the historical and recent sales experience, the aging of inventories and other factors that affect obsolete and slow-moving inventories.</p>	<p>I updated my understanding of the entity's assumptions used to develop the allowances for obsolete and slow-moving inventories and determined that the accounting policies are consistent with prior years.</p> <p>I assessed the reasonableness of management's assumptions used in developing the allowances for obsolete and slow-moving inventories by considering historical data and prior years' experience including key inventory ratios. I also challenged management's assumption of specific periods as to whether they were appropriate to be used in determining 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 confirm that 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 derived from management's assumptions. No material variances arose from performing this work.</p> <p>I also assessed whether any obsolete and slow-moving inventories were omitted from the detailed analysis by examining the inventory aging analysis and tracing information obtained during inventory stock counts.</p> <p>Using the above procedures, I determined that management's assumption was properly applied. In addition, the estimation of the allowances for obsolete and slow-moving inventories was applied 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 in which the equity method is applied and the separate 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 in which the equity method is applied and the separate 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 in which the equity method is applied and the separate 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 in which the equity method is applied and the separate 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 in which the equity method is applied and the separate financial statements

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

In preparing the financial statements in which the equity method is applied and the separate 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 intend 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 in which the equity method is applied and the separate financial statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and the separate 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 in which the equity method is applied and the separate 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 in which the equity method is applied and the separate 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 in which the equity method is applied and the separate 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 in which the equity method is applied and the separate financial statements, including the disclosures, and whether the financial statements in which the equity method is applied and the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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 in which the equity method is applied and the separate 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.

Varaporn Vorathitikul
Certified Public Accountant (Thailand) No. 4474
Bangkok
18 May 2017

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 MARCH 2017

Thai Stanley Electric Public Company Limited
Statements of Financial Position
As at 31 March 2017

	Notes	Financial statements in which the equity method is applied		The Company only	
		31 March 2017 Baht	31 March 2016 Baht	31 March 2017 Baht	31 March 2016 Baht
Assets					
Current assets					
Cash and cash equivalents	6	1,085,634,900	1,839,887,555	1,085,634,900	1,839,887,555
Short-term investments held to maturity	7	3,836,983,912	2,120,000,000	3,836,983,912	2,120,000,000
Trade and other accounts receivable, net	8	2,052,024,750	2,262,189,201	2,052,024,750	2,262,189,201
Inventories, net	9	721,737,217	772,442,413	721,737,217	772,442,413
Current portion of loans to employees	10	33,874,533	20,695,496	33,874,533	20,695,496
Corporate income tax refundable		-	35,804,368	-	35,804,368
Other current assets		7,813,081	8,485,374	7,813,081	8,485,374
Total current assets		7,738,068,393	7,059,504,407	7,738,068,393	7,059,504,407
Non-current assets					
Loans to employees	10	36,891,950	14,858,090	36,891,950	14,858,090
Corporate income tax refundable		35,804,368	-	35,804,368	-
Investments in associates	11	1,048,232,284	931,423,285	57,176,689	57,176,689
Long-term investments, net	12	114,161,215	112,681,215	114,161,215	112,681,215
Property, plant and equipment, net	13	5,460,123,334	5,536,093,265	5,460,123,334	5,536,093,265
Intangible assets, net	14	720,008,805	731,687,189	720,008,805	731,687,189
Deferred tax assets, net	15	-	-	86,424,176	82,069,808
Other non-current assets, net		32,541,430	21,023,434	32,541,430	21,023,434
Total non-current assets		7,447,763,386	7,347,766,478	6,543,131,967	6,555,589,690
Total assets		15,185,831,779	14,407,270,885	14,281,200,360	13,615,094,097

Director _____
(Mr. Koichi Nagano)

Director _____
(Mr. Apichart Leeissaranukul)

Date _____

The notes to the financial statements on page 13 to 41 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Financial Position
As at 31 March 2017

	Notes	Financial statements in which the equity method is applied		The Company only	
		31 March 2017 Baht	31 March 2016 Baht	31 March 2017 Baht	31 March 2016 Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable - other companies		457,449,854	515,856,412	457,449,854	515,856,412
- related parties	27	423,590,332	428,296,463	423,590,332	428,296,463
Other accounts payable - other companies		151,035,576	176,226,229	151,035,576	176,226,229
- related parties	27	129,660,328	141,173,810	129,660,328	141,173,810
Accrued corporate income tax		126,654,342	124,546,267	126,654,342	124,546,267
Accrued expenses	16	259,845,713	257,133,327	259,845,713	257,133,327
Total current liabilities		1,548,236,145	1,643,232,508	1,548,236,145	1,643,232,508
Non-current liabilities					
Deferred tax liabilities, net	15	111,786,943	92,779,512	-	-
Provision for post-employment benefits	17	184,330,737	163,313,497	184,330,737	163,313,497
Total non-current liabilities		296,117,680	256,093,009	184,330,737	163,313,497
Total liabilities		1,844,353,825	1,899,325,517	1,732,566,882	1,806,546,005
Equity					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each	18	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	18	383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	18	504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve	20	38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		12,512,867,321	11,624,962,054	11,618,257,978	10,879,356,592
Other components of equity		(97,076,867)	(42,704,186)	4,688,000	3,504,000
Total equity		13,341,477,954	12,507,945,368	12,548,633,478	11,808,548,092
Total liabilities and equity		15,185,831,779	14,407,270,885	14,281,200,360	13,615,094,097

The notes to the financial statements on page 13 to 41 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Income
For the year ended 31 March 2017

	Notes	Financial statements in which the equity method is applied		The Company only	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenues from sales and services	5, 25, 27	11,024,796,625	10,672,223,586	11,024,796,625	10,672,223,586
Cost of sales and services		(9,087,200,921)	(8,929,409,699)	(9,087,200,921)	(8,929,409,699)
Gross profit		1,937,595,704	1,742,813,887	1,937,595,704	1,742,813,887
Other income					
- Dividend income	11, 12	23,417,685	9,375,743	92,882,941	63,068,653
- Gain on exchange rates, net		21,100,465	19,371,111	21,100,465	19,371,111
- Gain on sale of long-term investment		-	261,911,319	-	261,911,319
- Others	21	141,456,441	146,642,537	141,456,441	146,642,537
Profit before expenses		2,123,570,295	2,180,114,597	2,193,035,551	2,233,807,507
Selling expenses		(464,056,579)	(472,130,882)	(464,056,579)	(472,130,882)
Administrative expenses		(334,950,203)	(302,723,021)	(334,950,203)	(302,723,021)
Total expenses		(799,006,782)	(774,853,903)	(799,006,782)	(774,853,903)
Operating profit	22	1,324,563,513	1,405,260,694	1,394,028,769	1,458,953,604
Share of profit from investments in associates	11	255,720,107	217,351,555	-	-
Profit before income tax		1,580,283,620	1,622,612,249	1,394,028,769	1,458,953,604
Income tax	23	(309,515,723)	(319,172,008)	(272,264,753)	(286,440,279)
Net profit for the year		1,270,767,897	1,303,440,241	1,121,764,016	1,172,513,325
Basic earnings per share	24				
Net profit for the year		16.58	17.01	14.64	15.30

The notes to the financial statements on page 13 to 41 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income
 For the year ended 31 March 2017

	Note	Financial statements in which the equity method is applied		The Company only	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Net profit for the year		1,270,767,897	1,303,440,241	1,121,764,016	1,172,513,325
Other comprehensive income (expenses) for the year after tax:					
Items that will be reclassified subsequently to profit or loss					
Unrealised gain on change in fair value of available-for-sale investment	23	1,184,000	1,184,000	1,184,000	1,184,000
Exchange differences relating to investments in associates	23	(55,556,681)	31,775,838	-	-
Other comprehensive income (expenses) for the year - net of tax	23	(54,372,681)	32,959,838	1,184,000	1,184,000
Total comprehensive income for the year		<u>1,216,395,216</u>	<u>1,336,400,079</u>	<u>1,122,948,016</u>	<u>1,173,697,325</u>

The notes to the financial statements on page 13 to 41 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 2017

Financial statements in which the equity method is applied									
Other components of equity									
Other comprehensive income									
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Unrealised gain on change in fair value of available-for-sale investment Baht	Exchange differences relating to investments in associates Baht	Total other components of equity Baht	Total equity Baht
				Legal reserve Baht	Unappropriated retained earnings Baht				
Opening balance as at 1 April 2016		383,125,000	504,250,000	38,312,500	11,624,962,054	3,504,000	(46,208,186)	(42,704,186)	12,507,945,368
Total comprehensive income for the year		-	-	-	1,270,767,897	1,184,000	(55,556,681)	(54,372,681)	1,216,395,216
Dividends paid	19	-	-	-	(382,862,630)	-	-	-	(382,862,630)
Closing balance as at 31 March 2017		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>12,512,867,321</u>	<u>4,688,000</u>	<u>(101,764,867)</u>	<u>(97,076,867)</u>	<u>13,341,477,954</u>
Opening balance as at 1 April 2015		383,125,000	504,250,000	38,312,500	10,689,307,893	2,320,000	(77,984,024)	(75,664,024)	11,539,331,369
Total comprehensive income for the year		-	-	-	1,303,440,241	1,184,000	31,775,838	32,959,838	1,336,400,079
Dividends paid	19	-	-	-	(367,786,080)	-	-	-	(367,786,080)
Closing balance as at 31 March 2016		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>11,624,962,054</u>	<u>3,504,000</u>	<u>(46,208,186)</u>	<u>(42,704,186)</u>	<u>12,507,945,368</u>

The notes to the financial statements on page 13 to 41 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 2017

								The Company only
					Other components of equity			
					Other comprehensive income			
					Unrealised gain on	Total		
					change in fair value	other		
					of available-for-sale	components		
					investment	of equity		
					Baht	Baht		
Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Unrealised gain on change in fair value of available-for-sale investment Baht	Total other components of equity Baht		Total equity Baht
	Baht	Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2016	383,125,000	504,250,000	38,312,500	10,879,356,592	3,504,000	3,504,000	11,808,548,092	
Total comprehensive income for the year	-	-	-	1,121,764,016	1,184,000	1,184,000	1,122,948,016	
Dividends paid	-	-	-	(382,862,630)	-	-	(382,862,630)	19
Closing balance as at 31 March 2017	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>11,618,257,978</u>	<u>4,688,000</u>	<u>4,688,000</u>	<u>12,548,633,478</u>	
Opening balance as at 1 April 2015	383,125,000	504,250,000	38,312,500	10,074,629,347	2,320,000	2,320,000	11,002,636,847	
Total comprehensive income for the year	-	-	-	1,172,513,325	1,184,000	1,184,000	1,173,697,325	
Dividends paid	-	-	-	(367,786,080)	-	-	(367,786,080)	19
Closing balance as at 31 March 2016	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>10,879,356,592</u>	<u>3,504,000</u>	<u>3,504,000</u>	<u>11,808,548,092</u>	

The notes to the financial statements on page 13 to 41 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the year ended 31 March 2017

	Notes	Financial statements in which the equity method is applied		The Company only	
		2017	2016	2017	2016
		Baht	Baht	Baht	Baht
Cash flows from operating activities:					
Profit before income tax for the year		1,580,283,620	1,622,612,249	1,394,028,769	1,458,953,604
Adjustments to reconcile profit before income tax for the year to net cash provided by operations:					
- Depreciation	13	1,020,514,275	1,045,341,281	1,020,514,275	1,045,341,281
- Amortisation	14	177,654,757	181,969,304	177,654,757	181,969,304
- Interest income	21	(64,876,186)	(55,112,043)	(64,876,186)	(55,112,043)
- Gain on sale of long-term investment		-	(261,911,319)	-	(261,911,319)
- Share of profit from investments in associates	11	(255,720,107)	(217,351,555)	-	-
- Dividend income					
- Investments in associates	11	-	-	(69,465,256)	(53,692,910)
- Long-term investments	12	(23,417,685)	(9,375,743)	(23,417,685)	(9,375,743)
- Gain on disposal of property, plant and equipment, net	21	(989,039)	(3,623,089)	(989,039)	(3,623,089)
- Loss on write-off of intangible assets	14	1	21	1	21
- (Reversal of) Allowance for doubtful account		26,755,769	9,514,111	26,755,769	9,514,111
- (Reversal of) Allowance for slow moving inventories and net realisable value lower than cost of inventories	9	7,533,106	(3,001,853)	7,533,106	(3,001,853)
- (Reversal of) Provision for post-employment benefits	17	22,843,440	23,120,520	22,843,440	23,120,520
- Unrealised loss (gain) on exchange rates, net		374,385	(184,330)	374,385	(184,330)
Cash flows before changes in operating assets and liabilities		2,490,956,336	2,331,997,554	2,490,956,336	2,331,997,554
Changes in operating assets and liabilities					
- Trade and other accounts receivable		192,193,260	(407,075,559)	192,193,260	(407,075,559)
- Inventories		43,172,090	169,739,399	43,172,090	169,739,399
- Other current assets		672,293	1,805,886	672,293	1,805,886
- Other non-current assets		(11,517,996)	(1,346,884)	(11,517,996)	(1,346,884)
- Trade accounts payable - other companies		(58,406,558)	16,031,273	(58,406,558)	16,031,273
- Trade accounts payable - related parties		(4,706,131)	57,386,261	(4,706,131)	57,386,261
- Other accounts payable - other companies		(14,430,536)	2,499,355	(14,430,536)	2,499,355
- Other accounts payable - related parties		(11,072,707)	(7,383,079)	(11,072,707)	(7,383,079)
- Accrued expenses		2,712,386	39,793,151	2,712,386	39,793,151
- Payment for post-employment benefit obligation	17	(1,826,200)	(3,015,307)	(1,826,200)	(3,015,307)
Cash generated from operations		2,627,746,237	2,200,432,050	2,627,746,237	2,200,432,050
Interest received		19,142,653	19,452,008	19,142,653	19,452,008
Income tax paid		(274,807,045)	(329,895,683)	(274,807,045)	(329,895,683)
Net cash received from operating activities		2,372,081,845	1,889,988,375	2,372,081,845	1,889,988,375

The notes to the financial statements on page 13 to 41 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited

Statements of Cash Flows
For the year ended 31 March 2017

	Notes	Financial statements in which the equity method is applied		The Company only	
		2017 Baht	2016 Baht	2017 Baht	2016 Baht
Cash flows from investing activities:					
Loans made to employees	10	(55,494,180)	(46,230,737)	(55,494,180)	(46,230,737)
Loans repayments from employees	10	20,281,283	29,785,424	20,281,283	29,785,424
Purchases of property, plant and equipment		(960,556,948)	(740,365,610)	(960,556,948)	(740,365,610)
Proceeds from disposals of property, plant and equipment		1,791,570	4,469,512	1,791,570	4,469,512
Interest received on short-term investments held to maturity		33,136,165	32,834,876	33,136,165	32,834,876
Cash receipts from sale of long-term investment		-	290,000,000	-	290,000,000
Dividends received					
- Investments in associates		73,278,046	59,880,120	73,278,046	59,880,120
- Long-term investments	12	23,417,685	9,375,743	23,417,685	9,375,743
Purchases of intangible assets		(161,967,194)	(279,920,000)	(161,967,194)	(279,920,000)
Cash receipts from short-term investments held to maturity	7	5,531,400,000	4,987,000,000	5,531,400,000	4,987,000,000
Cash payment on short-term investments held to maturity	7	(7,248,383,912)	(6,379,641,585)	(7,248,383,912)	(6,379,641,585)
Net cash used in investing activities		<u>(2,743,097,485)</u>	<u>(2,032,812,257)</u>	<u>(2,743,097,485)</u>	<u>(2,032,812,257)</u>
Cash flow from financing activity:					
Dividends paid	19	<u>(382,862,630)</u>	<u>(367,786,080)</u>	<u>(382,862,630)</u>	<u>(367,786,080)</u>
Net cash used in financing activity		<u>(382,862,630)</u>	<u>(367,786,080)</u>	<u>(382,862,630)</u>	<u>(367,786,080)</u>
Net decrease in cash and cash equivalents		(753,878,270)	(510,609,962)	(753,878,270)	(510,609,962)
Cash and cash equivalents at beginning of the year		1,839,887,555	2,350,313,187	1,839,887,555	2,350,313,187
Effects of exchange rate changes		<u>(374,385)</u>	<u>184,330</u>	<u>(374,385)</u>	<u>184,330</u>
Cash and cash equivalents at end of the year		<u><u>1,085,634,900</u></u>	<u><u>1,839,887,555</u></u>	<u><u>1,085,634,900</u></u>	<u><u>1,839,887,555</u></u>
Non-cash transaction:					
Outstanding liabilities arisen from purchases of plant, equipment and intangible assets		54,204,283	65,405,175	54,204,283	65,405,175
Accrued dividend income from investment in associate		-	3,812,790	-	3,812,790

The notes to the financial statements on page 13 to 41 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 Bangpooon-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 18 May 2017.

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.

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

a) Revised financial reporting standards which are effective from 1 January 2016 are as follows:

TAS 1 (revised 2015)	Presentation of financial statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of cash flows
TAS 8 (revised 2015)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2015)	Events after the reporting period
TAS 11 (revised 2015)	Construction contracts
TAS 12 (revised 2015)	Income taxes
TAS 16 (revised 2015)	Property, plant and equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 19 (revised 2015)	Employee benefits
TAS 20 (revised 2015)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2015)	The effects of changes in foreign exchange rates
TAS 23 (revised 2015)	Borrowing costs
TAS 24 (revised 2015)	Related party disclosures
TAS 26 (revised 2015)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2015)	Separate financial statements
TAS 28 (revised 2015)	Investments in associates and joint ventures
TAS 29 (revised 2015)	Financial reporting in hyperinflationary economies

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards (Cont'd)

a) Revised financial reporting standards which are effective from 1 January 2016 are as follows: (Cont'd)

TAS 33 (revised 2015)	Earnings per share
TAS 34 (revised 2015)	Interim financial reporting
TAS 36 (revised 2015)	Impairment of assets
TAS 37 (revised 2015)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2015)	Intangible assets
TAS 40 (revised 2015)	Investment property
TAS 41 (revised 2015)	Agriculture
TFRS 2 (revised 2015)	Share-based payment
TFRS 3 (revised 2015)	Business combinations
TFRS 4 (revised 2015)	Insurance contracts
TFRS 5 (revised 2015)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2015)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2015)	Operating segments
TFRS 10 (revised 2015)	Consolidated financial statements
TFRS 11 (revised 2015)	Joint arrangements
TFRS 12 (revised 2015)	Disclosure of interests in other entities
TFRS 13 (revised 2015)	Fair value measurement
TSIC 10 (revised 2015)	Government assistance - No specific relation to operating activities
TSIC 15 (revised 2015)	Operating leases - Incentives
TSIC 25 (revised 2015)	Income taxes - changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2015)	Evaluating the substance of transactions involving the legal form of a lease
TSIC 29 (revised 2015)	Service concession arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue - barter transactions involving advertising services
TSIC 32 (revised 2015)	Intangible assets - Web site costs
TFRIC 1 (revised 2015)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2015)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2015)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2015)	Applying the restatement approach under TAS29 Financial reporting in hyperinflationary economies
TFRIC 10 (revised 2015)	Interim financial reporting and impairment
TFRIC 12 (revised 2015)	Service concession arrangements
TFRIC 13 (revised 2015)	Customer loyalty programmes
TFRIC 14 (revised 2015)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2015)	Agreements for the construction of real estate
TFRIC 17 (revised 2015)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2015)	Transfers of assets from customers
TFRIC 20 (revised 2015)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2015)	Levies

The Company has applied the aforementioned financial reporting standards from 1 April 2016. However, the Company's management evaluated that the application of those financial reporting standards has no significant impacts to the financial statements.

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards (Cont'd)

b) Revised financial reporting standards which are effective from 1 January 2017 and the Company has not yet early adopted these revised standards are as follows:

TAS 1 (revised 2016)	Presentation of financial statements
TAS 2 (revised 2016)	Inventories
TAS 7 (revised 2016)	Statement of cash flows
TAS 8 (revised 2016)	Accounting policies, changes in accounting estimates and errors
TAS 10 (revised 2016)	Events after the reporting period
TAS 11 (revised 2016)	Construction contracts
TAS 12 (revised 2016)	Income taxes
TAS 16 (revised 2016)	Property, plant and equipment
TAS 17 (revised 2016)	Leases
TAS 18 (revised 2016)	Revenue
TAS 19 (revised 2016)	Employee benefits
TAS 20 (revised 2016)	Accounting for government grants and disclosure of government assistance
TAS 21 (revised 2016)	The effects of changes in foreign exchange rates
TAS 23 (revised 2016)	Borrowing costs
TAS 24 (revised 2016)	Related party disclosures
TAS 26 (revised 2016)	Accounting and reporting by retirement benefit plans
TAS 27 (revised 2016)	Separate financial statements
TAS 28 (revised 2016)	Investments in associates and joint ventures
TAS 29 (revised 2016)	Financial reporting in hyper-inflationary economies
TAS 33 (revised 2016)	Earnings per share
TAS 34 (revised 2016)	Interim financial reporting
TAS 36 (revised 2016)	Impairment of assets
TAS 37 (revised 2016)	Provisions, contingent liabilities and contingent assets
TAS 38 (revised 2016)	Intangible assets
TAS 40 (revised 2016)	Investment property
TAS 41 (revised 2016)	Agriculture
TFRS 2 (revised 2016)	Share-based payment
TFRS 3 (revised 2016)	Business combinations
TFRS 4 (revised 2016)	Insurance contracts
TFRS 5 (revised 2016)	Non-current assets held for sale and discontinued operations
TFRS 6 (revised 2016)	Exploration for and evaluation of mineral resources
TFRS 8 (revised 2016)	Operating segments
TFRS 10 (revised 2016)	Consolidated financial statements
TFRS 11 (revised 2016)	Joint arrangements
TFRS 12 (revised 2016)	Disclosure of interests in other entities
TFRS 13 (revised 2016)	Fair value measurement
TSIC 10 (revised 2016)	Government Assistance - No specific relation to operating activities
TSIC 15 (revised 2016)	Operating leases - Incentives
TSIC 25 (revised 2016)	Income taxes - Changes in the tax status of an entity or its shareholders
TSIC 27 (revised 2016)	Evaluating the substance of transactions in the legal form of a lease
TSIC 29 (revised 2016)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2016)	Revenue - Barter transactions involving advertising services
TSIC 32 (revised 2016)	Intangible assets - Web site costs
TFRIC 1 (revised 2016)	Changes in existing decommissioning, restoration and similar liabilities
TFRIC 4 (revised 2016)	Determining whether an arrangement contains a lease
TFRIC 5 (revised 2016)	Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds
TFRIC 7 (revised 2016)	Applying the restatement approach under TAS 29 Financial reporting in hyper-inflationary economies
TFRIC 10 (revised 2016)	Interim financial reporting and impairment
TFRIC 12 (revised 2016)	Service concession arrangements
TFRIC 13 (revised 2016)	Customer loyalty programmes
TFRIC 14 (revised 2016)	TAS 19 - The limit on a defined benefit asset, minimum funding requirements and their interaction
TFRIC 15 (revised 2016)	Agreements for the construction of real estate
TFRIC 17 (revised 2016)	Distributions of non-cash assets to owners
TFRIC 18 (revised 2016)	Transfers of assets from customers

2 Accounting policies (Cont'd)

2.2 Revised financial reporting standards (Cont'd)

b) Revised financial reporting standards which are effective from 1 January 2017 and the Company has not yet early adopted these revised standards are as follows: (Cont'd)

TFRIC 20 (revised 2016)	Stripping costs in the production phase of a surface mine
TFRIC 21 (revised 2016)	Levies
TAS 104 (revised 2016)	Accounting for Troubled Debt Restructurings
TAS 105 (revised 2016)	Accounting for Investments in Debt and Equity Securities
TAS 107 (revised 2016)	Financial Instruments: Disclosure and Presentation

The Company's management evaluated that the revised financial reporting standards has no significant impacts to the financial statements.

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.

2.4 Cash and cash equivalents

Cash and cash equivalents include cash in 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 Accounting policies (Cont'd)

2.7 Investments in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are initially recognised at cost and accounted for using the equity method in the financial statements in which the equity method is applied.

The Company's shares of its associates' 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 an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. 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 associates are accounted for using the cost method.

A list of the Company's associates is disclosed in Note 11.

2.8 Other Investments

Investments other than investments in associates 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 unless 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	30
Land and building improvements	5 - 20
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 Accounting policies (Cont'd)

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.

2.12 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.

2.13 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.

2.14 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)

2.15 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.

2.16 Dividends

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

2.17 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 26.

2.18 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 2017, 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 take 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, mold & dies and product designs. The Company does not prepare segment information of mold & dies and product designs business because the Company's management considers that the revenues, assets and profit of mold & dies and product designs segment do not meet quantitative thresholds of reportable segment. The chief operating decision-maker review operating results in the same dimension as presented on the financial statements.

Revenues by product group

During the year ended 31 March 2017 and 2016, the revenues by product group are as follows:

	2017 Baht	2016 Baht
Auto bulbs and automotive lighting equipment	10,493,677,557	9,910,883,009
Molds & dies and product designs	531,119,068	761,340,577
	<u>11,024,796,625</u>	<u>10,672,223,586</u>

5 Segment information (Cont'd)

Major customers

During the year ended 31 March 2017, the Company has revenues from 2 major customer groups which each of them contributed equal or over 10% of the Company's total revenues (2016 : 2 customer groups). The revenue from customer group no.1 is Baht 4,037 million (2016 : Baht 3,899 million). The revenue from customer group no. 2 is Baht 2,000 million (2016 : Baht 2,070 million). The customers under common control are considered as one customer and referred to as the customer group.

6 Cash and cash equivalents

	2017	2016
	Baht	Baht
Cash and cheques on hand	974,006	2,404,896
Current accounts with banks	73,942,342	75,823,471
Savings accounts with banks	89,218,552	81,659,188
Short-term investments in bills of exchange	921,500,000	1,680,000,000
	<u>1,085,634,900</u>	<u>1,839,887,555</u>

Savings accounts with banks and short-term investments bear interest at the rates of 0.01% - 1.23% per annum (2016 : 0.01% - 1.58% per annum).

7 Short-term investments held to maturity

As at 31 March 2017 and 2016, short-term investments held to maturity represent bills of exchange and fixed deposits which have original maturities over 3 months but not over 12 months.

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

	2017	2016
	Baht	Baht
Opening book amount	2,120,000,000	727,358,415
Additions during the year	7,248,383,912	6,379,641,585
Redemptions during the year	(5,531,400,000)	(4,987,000,000)
Closing book amount	<u>3,836,983,912</u>	<u>2,120,000,000</u>

Short-term investments held to maturity bear interest at the rates of 1.23% - 1.65% per annum (2016 : 1.38% - 2.00% per annum).

8 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 31 March 2017 and 2016 are as follows:

	2017	2016
	Baht	Baht
Trade accounts receivable - other companies	1,767,680,327	1,892,424,946
<u>Less</u> Allowance for doubtful account	<u>(24,259,403)</u>	<u>(11,972,198)</u>
Trade accounts receivable - other companies, net	1,743,420,924	1,880,452,748
Trade accounts receivable - related parties (Note 27)	219,476,915	274,364,191
Prepaid expenses	47,525,692	42,929,076
Accrued income, net	25,669,254	29,618,917
Value added tax receivable	9,417,726	22,703,743
Other receivables	6,514,239	12,120,526
	<u>2,052,024,750</u>	<u>2,262,189,201</u>

8 Trade and other accounts receivable, net (Cont'd)

Trade accounts receivable as at 31 March 2017 and 2016 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current	1,734,347,477	1,852,861,451	217,547,362	203,115,095
Overdue:				
less than 3 months	7,806,621	9,512,405	1,655,383	69,944,903
3 - 6 months	9,070	3,946,286	253,485	616,223
6 - 12 months	-	52,478	20,685	687,970
more than 1 year	25,517,159	26,052,326	-	-
	<u>1,767,680,327</u>	<u>1,892,424,946</u>	<u>219,476,915</u>	<u>274,364,191</u>

9 Inventories, net

	2017 Baht	2016 Baht
Raw materials and packaging	259,443,568	217,430,648
Work in process	316,283,260	406,452,992
Finished goods	81,741,447	91,455,481
Goods in transit	94,086,378	79,387,622
	751,554,653	794,726,743
<u>Less</u> Allowance for net realisable value lower than cost and obsolete and slow moving inventories		
- Raw materials and packaging	(19,702,705)	(14,837,725)
- Work in process	(3,169,432)	(1,221,964)
- Finished goods	(6,945,299)	(6,224,641)
Inventories, net	<u>721,737,217</u>	<u>772,442,413</u>

During the year ended 31 March 2017, the Company recognised allowance for obsolete and slow-moving inventories amounting to Baht 10,655,761 and reversed allowance for obsolete and slow-moving inventories amounting to Baht 3,122,655 as a part of cost of sales in the statement of income (2016 : the Company reversed allowance for obsolete and slow-moving inventories and recognised allowance for inventories cost in excess of net realisable value amounting to Baht 3,157,333 and Baht 155,480 respectively. Inventories value of Baht 1,492,480 are carried at net realisable value lower than cost).

10 Loans to employees

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

	2017 Baht	2016 Baht
Opening balance	35,553,586	19,108,273
Additions	55,494,180	46,230,737
Received during the year	(20,281,283)	(29,785,424)
Closing balance	<u>70,766,483</u>	<u>35,553,586</u>

Loans to employees bear interest rate at 1.90% per annum (2016 : 2.00% per annum). The repayment periods are between 2 months - 3 years.

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10 Loans to employees (Cont'd)

The analysis of loans to employees is as follows:

	2017 Baht	2016 Baht
Current portion of loans to employees	33,874,533	20,695,496
Non-current portion of loans to employees	36,891,950	14,858,090
	<u>70,766,483</u>	<u>35,553,586</u>

11 Investments in associates

The details of investments in associates as at 31 March 2017 and 2016 are as follows:

Name	Business activity	Paid-up share capital	% of holding	Equity method			
				2017		2016	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	20,501,287	7,194,886	24,203,192	3,812,790
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	1,027,730,997	62,270,370	907,220,093	49,880,120
				<u>1,048,232,284</u>	<u>69,465,256</u>	<u>931,423,285</u>	<u>53,692,910</u>
Name	Business activity	Paid-up share capital	% of holding	Cost method			
				2017		2016	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	3,132,500	7,194,886	3,132,500	3,812,790
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	54,044,189	62,270,370	54,044,189	49,880,120
				<u>57,176,689</u>	<u>69,465,256</u>	<u>57,176,689</u>	<u>53,692,910</u>

The Company has classified investment in Lao Stanley Company Limited as investment in an associate because the Company's voting right in Lao Stanley Company Limited is not more than 50% of the total voting right.

Movements in investments in associates are as follows:

For the years ended 31 March	Equity method		Cost method	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening book amount	931,423,285	728,044,842	57,176,689	57,176,689
Share of profit	255,720,107	217,351,555	-	-
Dividends received	(69,465,256)	(53,692,910)	-	-
Translation adjustments	(69,445,852)	39,719,798	-	-
Closing book amount	<u>1,048,232,284</u>	<u>931,423,285</u>	<u>57,176,689</u>	<u>57,176,689</u>

11 Investments in associates (Cont'd)

Summarised statement of financial position and statement of income of the associates:

	Lao Stanley Company Limited		Vietnam Stanley Electric Company Limited	
	As at 31 March		As at 31 March	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Current assets	110,483,620	103,533,600	4,740,729,395	3,866,909,586
Non-current assets	17,508,898	21,761,477	1,146,043,382	1,272,300,050
Total assets	127,992,518	125,295,077	5,886,772,777	5,139,209,636
Current liabilities	86,040,492	75,645,363	714,441,718	586,570,720
Non-current liabilities	949,452	1,243,330	33,676,073	16,538,451
Total liabilities	86,989,944	76,888,693	748,117,791	603,109,171
	Lao Stanley Company Limited		Vietnam Stanley Electric Company Limited	
	For the year ended 31 March		For the year ended 31 March	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Revenues from sales and services	411,118,669	375,288,549	5,989,888,208	4,928,757,905
Net profit for the year	14,903,230	19,113,974	1,241,342,457	1,026,923,809

12 Long-term investments, net

Long-term investments, net as at 31 March 2017 and 2016 are as follows:

As at 31 March 2017	Available- for-sale investments	General investments	Total
	Baht	Baht	
Equity securities			
- Related parties	9,240,000	104,921,215	114,161,215
- Other companies	-	-	-
Long-term investments, net	9,240,000	104,921,215	114,161,215
As at 31 March 2016			
Equity securities			
- Related parties	7,760,000	104,921,215	112,681,215
- Other companies	-	-	-
Long-term investments, net	7,760,000	104,921,215	112,681,215

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

The details of long-term investments, net as at 31 March 2017 and 2016 are as follows:

Name	Business activity	Paid-up share capital	% of holding	2017		2016	
				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	410,920	3,380,000	353,200
Change in fair value of investments				5,860,000	-	4,380,000	-
				<u>9,240,000</u>	<u>410,920</u>	<u>7,760,000</u>	<u>353,200</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	16,183,642	60,000,000	-
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting equipment	Baht 21 million	15.0	3,000,000	2,788,586	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	1,440,580
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting equipment	USD 7.5 million	10.0	33,127,500	4,034,537	33,127,500	7,581,963
				<u>104,921,215</u>	<u>23,006,765</u>	<u>104,921,215</u>	<u>9,022,543</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>114,161,215</u>	<u>23,417,685</u>	<u>112,681,215</u>	<u>9,375,743</u>

Thai Stanley Electric Public Company Limited
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13 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 2015									
Cost	1,173,182,237	1,679,518,763	1,385,469,239	6,291,161,353	4,188,962,385	64,910,201	99,517,606	352,066,090	15,234,787,874
Less Accumulated depreciation	-	(967,080,154)	(527,191,066)	(4,305,507,376)	(3,494,027,796)	(43,664,980)	(74,168,338)	-	(9,411,639,710)
Net book amount	<u>1,173,182,237</u>	<u>712,438,609</u>	<u>858,278,173</u>	<u>1,985,653,977</u>	<u>694,934,589</u>	<u>21,245,221</u>	<u>25,349,268</u>	<u>352,066,090</u>	<u>5,823,148,164</u>
For the year ended 31 March 2016									
Opening net book amount	1,173,182,237	712,438,609	858,278,173	1,985,653,977	694,934,589	21,245,221	25,349,268	352,066,090	5,823,148,164
Additions	4,142,072	150,000	-	76,448,592	967,122	8,889,862	1,361,199	667,173,958	759,132,805
Disposals / write-offs, net	-	(36,932)	-	(702,581)	(87,403)	(11)	(19,496)	-	(846,423)
Transfers	-	72,547,972	45,806,925	241,063,217	370,568,992	-	11,264,142	(741,251,248)	-
Depreciation charge (Note 22)	-	(141,392,787)	(57,510,053)	(478,849,746)	(347,895,054)	(9,265,247)	(10,428,394)	-	(1,045,341,281)
Closing net book amount	<u>1,177,324,309</u>	<u>643,706,862</u>	<u>846,575,045</u>	<u>1,823,613,459</u>	<u>718,488,246</u>	<u>20,869,825</u>	<u>27,526,719</u>	<u>277,988,800</u>	<u>5,536,093,265</u>
As at 31 March 2016									
Cost	1,177,324,309	1,751,873,323	1,431,276,164	6,487,018,434	4,536,968,196	63,669,289	111,662,192	277,988,800	15,837,780,707
Less Accumulated depreciation	-	(1,108,166,461)	(584,701,119)	(4,663,404,975)	(3,818,479,950)	(42,799,464)	(84,135,473)	-	(10,301,687,442)
Net book amount	<u>1,177,324,309</u>	<u>643,706,862</u>	<u>846,575,045</u>	<u>1,823,613,459</u>	<u>718,488,246</u>	<u>20,869,825</u>	<u>27,526,719</u>	<u>277,988,800</u>	<u>5,536,093,265</u>
For the year ended 31 March 2017									
Opening net book amount	1,177,324,309	643,706,862	846,575,045	1,823,613,459	718,488,246	20,869,825	27,526,719	277,988,800	5,536,093,265
Additions	20,666,000	1,168,000	-	71,357,507	-	6,877,991	2,359,797	842,917,581	945,346,876
Disposals / write-offs, net	-	(268,260)	-	(530,437)	(25)	(4)	(3,806)	-	(802,532)
Transfers	-	53,548,115	13,449,833	128,835,036	481,988,156	160,000	24,126,753	(702,107,893)	-
Depreciation charge (Note 22)	-	(138,321,211)	(59,724,031)	(478,238,749)	(322,478,743)	(9,243,974)	(12,507,567)	-	(1,020,514,275)
Closing 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>
As at 31 March 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>

14 Intangible assets, net

	Computer software Baht	Product design cost Baht	Total Baht
As at 1 April 2015			
Cost	258,508,524	850,195,257	1,108,703,781
<u>Less</u> Accumulated amortisation	(184,386,696)	(290,616,891)	(475,003,587)
Net book amount	<u>74,121,828</u>	<u>559,578,366</u>	<u>633,700,194</u>
For the year ended 31 March 2016			
Opening net book amount	74,121,828	559,578,366	633,700,194
Additions	935,220	279,021,100	279,956,320
Write-offs, net	(21)	-	(21)
Amortisation charge (Note 22)	(24,685,498)	(157,283,806)	(181,969,304)
Closing net book amount	<u>50,371,529</u>	<u>681,315,660</u>	<u>731,687,189</u>
As at 31 March 2016			
Cost	245,639,208	1,077,529,027	1,323,168,235
<u>Less</u> Accumulated amortisation	(195,267,679)	(396,213,367)	(591,481,046)
Net book amount	<u>50,371,529</u>	<u>681,315,660</u>	<u>731,687,189</u>
For the year ended 31 March 2017			
Opening net book amount	50,371,529	681,315,660	731,687,189
Additions	9,948,400	156,027,974	165,976,374
Write-offs, net	(1)	-	(1)
Amortisation charge (Note 22)	(18,018,113)	(159,636,644)	(177,654,757)
Closing net book amount	<u>42,301,815</u>	<u>677,706,990</u>	<u>720,008,805</u>
As at 31 March 2017			
Cost	239,538,169	1,157,854,132	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>677,706,990</u>	<u>720,008,805</u>

15 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Deferred tax assets:				
Deferred tax assets to be utilised within 12 months	17,082,747	1,747,961	17,082,747	1,747,961
Deferred tax assets to be utilised more than 12 months	82,504,232	92,529,059	82,504,232	92,529,059
	<u>99,586,979</u>	<u>94,277,020</u>	<u>99,586,979</u>	<u>94,277,020</u>
Deferred tax liabilities:				
Deferred tax liabilities to be settled within 12 months	(11,331,213)	(586,323)	(11,331,213)	(586,323)
Deferred tax liabilities to be settled more than 12 months	(200,042,709)	(186,470,209)	(1,831,590)	(11,620,889)
	<u>(211,373,922)</u>	<u>(187,056,532)</u>	<u>(13,162,803)</u>	<u>(12,207,212)</u>
Deferred tax assets (liabilities) (net)	<u>(111,786,943)</u>	<u>(92,779,512)</u>	<u>86,424,176</u>	<u>82,069,808</u>

The gross movement of the deferred tax is as follows:

	Financial statements in which the equity method is applied		The Company only	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Opening balance	(92,779,512)	(59,977,352)	82,069,808	74,196,279
Credited/ (charged) to profit or loss (Note 23)	(32,600,602)	(24,562,200)	4,650,368	8,169,529
Credited/ (charged) to other comprehensive income (Note 23)	13,593,171	(8,239,960)	(296,000)	(296,000)
Closing balance	<u>(111,786,943)</u>	<u>(92,779,512)</u>	<u>86,424,176</u>	<u>82,069,808</u>

15 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					
	Inventories Baht	Equipment Baht	Intangible assets Baht	Employee benefit liabilities Baht	Others Baht	Total Baht
Deferred tax assets :						
As at 1 April 2015	5,057,236	34,109,603	15,381,589	28,641,657	1,268,694	84,458,779
Credited/(charged) to profit or loss	(600,370)	5,332,285	1,065,284	4,021,042	-	9,818,241
As at 31 March 2016	4,456,866	39,441,888	16,446,873	32,662,699	1,268,694	94,277,020
Credited/(charged) to profit or loss	1,506,621	(4,446,136)	1,152,312	4,203,448	2,893,714	5,309,959
As at 31 March 2017	<u>5,963,487</u>	<u>34,995,752</u>	<u>17,599,185</u>	<u>36,866,147</u>	<u>4,162,408</u>	<u>99,586,979</u>

15 Deferred tax (Cont'd)

	Financial statements in which the equity method is applied			
	Investments in associates Baht	Long-term investment Baht	Buildings Baht	Total Baht
Deferred tax liabilities :				
As at 1 April 2015	(134,173,631)	(580,000)	(9,682,500)	(144,436,131)
Credited/(charged) to profit or loss	(32,731,729)	-	(1,648,712)	(34,380,441)
Credited/(charged) to other comprehensive income	(7,943,960)	(296,000)	-	(8,239,960)
As at 31 March 2016	(174,849,320)	(876,000)	(11,331,212)	(187,056,532)
Credited/(charged) to profit or loss	(37,250,970)	-	(659,591)	(37,910,561)
Credited/(charged) to other comprehensive income	13,889,171	(296,000)	-	13,593,171
As at 31 March 2017	(198,211,119)	(1,172,000)	(11,990,803)	(211,373,922)

	The Company only		
	Long-term investment Baht	Buildings Baht	Total Baht
Deferred tax liabilities :			
As at 1 April 2015	(580,000)	(9,682,500)	(10,262,500)
Credited/(charged) to profit or loss	-	(1,648,712)	(1,648,712)
Credited/(charged) to other comprehensive income	(296,000)	-	(296,000)
As at 31 March 2016	(876,000)	(11,331,212)	(12,207,212)
Credited/(charged) to profit or loss	-	(659,591)	(659,591)
Credited/(charged) to other comprehensive income	(296,000)	-	(296,000)
As at 31 March 2017	(1,172,000)	(11,990,803)	(13,162,803)

16 Accrued expenses

	2017 Baht	2016 Baht
Accrued staff costs	189,255,369	185,528,621
Accrued electricity expense	26,660,971	29,778,158
Others	43,929,373	41,826,548
	<u>259,845,713</u>	<u>257,133,327</u>

17 Provision for post-employment benefits

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

	2017 Baht	2016 Baht
Present value of defined benefit obligations	184,330,737	163,313,497
Liability in the statement of financial position	<u>184,330,737</u>	<u>163,313,497</u>

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

	2017 Baht	2016 Baht
Opening balance	163,313,497	143,208,284
Current service cost	18,057,958	18,886,077
Interest cost	4,785,482	4,234,443
Benefits paid	<u>(1,826,200)</u>	<u>(3,015,307)</u>
Closing balance	<u>184,330,737</u>	<u>163,313,497</u>

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

	2017 Baht	2016 Baht
Current service cost	18,057,958	18,886,077
Interest cost	<u>4,785,482</u>	<u>4,234,443</u>
Total	<u>22,843,440</u>	<u>23,120,520</u>

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

	2017 Baht	2016 Baht
Cost of sales	20,215,560	20,734,560
Selling expenses	770,040	687,960
Administrative expenses	<u>1,857,840</u>	<u>1,698,000</u>
Total	<u>22,843,440</u>	<u>23,120,520</u>

The principal actuarial assumptions used are as follows:

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

17 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	-	18,537,940
Decrease	1.00	21,672,029	-
Salary growth rate			
Increase	1.00	21,921,766	-
Decrease	1.00	-	19,102,222

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.

Expected maturity analysis of employee benefit obligations:

	Employee benefit obligations			Total Baht
	Less than a year Baht	Between 1-5 years Baht	More than 5 years Baht	
Post-employment benefits	1,748,455	38,656,616	143,925,666	184,330,737
Total	1,748,455	38,656,616	143,925,666	184,330,737

18 Share capital and premium on share capital

	Number of shares	Ordinary shares Baht	Premium on share capital Baht	Total Baht
As at 31 March 2017 and 2016	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 (2016 : 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid.

19 Dividends

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 8 July 2016, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2016 for 76,625,000 shares of Baht 5 per share, totalling Baht 383,125,000. There were 52,474 shares that were not entitled to receive the dividends, totalling Baht 262,370 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 382,862,630 in the financial statements. The Company paid the dividends to the shareholders on 29 July 2016.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 3 July 2015, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2015 for 76,625,000 shares of Baht 4.8 per share, totalling Baht 367,800,000. There were 2,900 shares that were not entitled to receive the dividends, totalling Baht 13,920 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 367,786,080 in the financial statements. The Company paid the dividends to the shareholders on 29 July 2015.

20 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.

21 Other income - others

	2017	2016
	Baht	Baht
Scrap sales	36,680,716	46,626,851
Interest income	64,876,186	55,112,043
Tax rebate income	15,578,382	16,879,491
Royalty income	861,708	877,881
Gain on disposals of property, plant and equipment, net	989,039	3,623,089
Others	22,470,410	23,523,182
	<u>141,456,441</u>	<u>146,642,537</u>

22 Expenses by nature

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

	2017	2016
	Baht	Baht
Changes in finished goods and work in process	99,883,766	166,634,900
Raw materials and consumables used	5,022,258,656	4,911,026,414
Staff costs	1,314,294,032	1,287,518,568
Depreciation of plant and equipment (Note 13)	1,020,514,275	1,045,341,281
Amortisation of intangible assets (Note 14)	177,654,757	181,969,304
Utility expenses	299,472,440	325,449,744
Subcontract service costs	210,904,279	228,863,487
Repairs and maintenance expenses	249,466,619	219,167,547

23 Income tax

	Financial statements in which the equity method is applied		The Company only	
	2017	2016	2017	2016
	Baht	Baht	Baht	Baht
Current tax :				
Current tax on profit for the year	276,915,121	294,609,808	276,915,121	294,609,808
Deferred tax :				
Origination and reversal of temporary differences (Note 15)	32,600,602	24,562,200	(4,650,368)	(8,169,529)
Total income tax expense	<u>309,515,723</u>	<u>319,172,008</u>	<u>272,264,753</u>	<u>286,440,279</u>

23 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	
	2017 Baht	2016 Baht	2017 Baht	2016 Baht
Profit before income tax	1,580,283,620	1,622,612,249	1,394,028,769	1,458,953,604
Tax calculated at a tax rate of 20% (2016: 20%)	316,056,724	324,522,450	278,805,754	291,790,721
Tax effect of :				
Income not subject to tax	(3,876,630)	(70,640)	(3,876,630)	(70,640)
Expenses not deductible for tax purpose	2,583,578	1,950,683	2,583,578	1,950,683
Additional expenses deductible for tax purpose	(5,471,751)	(1,121,554)	(5,471,751)	(1,121,554)
Profit from BOI business	(3,716,998)	(9,636,799)	(3,716,998)	(9,636,799)
Under recorded prior year accrued corporate income tax	3,940,800	3,527,868	3,940,800	3,527,868
Tax charge	309,515,723	319,172,008	272,264,753	286,440,279
Average effective tax rate (%)	19.59	19.67	19.53	19.63

The tax credit/(charge) relating to components of other comprehensive income is as follows:

	Financial statements in which the equity method is applied					
	2017			2016		
	Before tax Baht	Tax credit (charge) Baht	After tax Baht	Before tax Baht	Tax credit (charge) Baht	After tax Baht
Unrealised gain (loss) on change in fair value of available-for-sale investment	1,480,000	(296,000)	1,184,000	1,480,000	(296,000)	1,184,000
Exchange differences relating to investments in associates	(69,445,852)	13,889,171	(55,556,681)	39,719,798	(7,943,960)	31,775,838
Other comprehensive income (expenses) for the year	(67,965,852)	13,593,171	(54,372,681)	41,199,798	(8,239,960)	32,959,838
	2017			2016		
	Before tax Baht	Tax credit (charge) Baht	After tax Baht	Before tax Baht	Tax credit (charge) Baht	After tax Baht
Unrealised gain (loss) on change in fair value of available-for-sale investment	1,480,000	(296,000)	1,184,000	1,480,000	(296,000)	1,184,000
Other comprehensive income (expenses) for the year	1,480,000	(296,000)	1,184,000	1,480,000	(296,000)	1,184,000

24 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	
	2017	2016	2017	2016
Net profit attributable to shareholders (Baht)	1,270,767,897	1,303,440,241	1,121,764,016	1,172,513,325
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)	16.58	17.01	14.64	15.30

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

25 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.

	2017		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	514,688,662	3,081,126,120	3,595,814,782
Domestic sales	386,886,391	7,042,095,452	7,428,981,843
	<u>901,575,053</u>	<u>10,123,221,572</u>	<u>11,024,796,625</u>
Domestic service income - mold repairs	<u>3,908,636</u>	<u>-</u>	<u>3,908,636</u>
	2016		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	494,793,453	2,547,663,223	3,042,456,676
Domestic sales	616,507,515	7,013,259,395	7,629,766,910
	<u>1,111,300,968</u>	<u>9,560,922,618</u>	<u>10,672,223,586</u>
Domestic service income - mold repairs	<u>222,000</u>	<u>-</u>	<u>222,000</u>

26 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 12.

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 2017 and 2016, the Company has outstanding foreign currency assets and liabilities as details below.

	2017		2016	
	Currency Million	Baht Million	Currency Million	Baht Million
Assets				
Japanese Yen	2.74	0.83	2.32	0.72
US Dollars	6.48	222.22	8.22	288.16
		223.05		288.88
Liabilities				
Japanese Yen	133.53	41.56	259.62	82.22
US Dollars	10.55	365.29	10.79	381.88
		406.85		464.10

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.

26 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 2017 and 2016, 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:

	2017 Baht	2016 Baht
USD 1 million at average rate Baht 35.14 = USD 1 (2016 : USD 1 million at average rate Baht 35.24 = USD 1)	35,135,000	35,235,000
JPY 50 million at average rate Baht 30.98 = JPY 100 (2016 : JPY 60 million at average rate Baht 31.28 = JPY 100)	15,490,000	18,769,500
	<u>50,625,000</u>	<u>54,004,500</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:

	2017 Baht	2016 Baht
Differences - favourable (unfavourable)	(771,008)	46,289

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 investments.

27 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 31.88% 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 the normal course of 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	2017 Baht	2016 Baht
Sales		
Stanley Electric Group companies	591,412,576	694,942,634
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	175,393,207	171,307,785
Associates	373,921,605	358,982,779
	<u>1,140,727,388</u>	<u>1,225,233,198</u>
Dividend income		
Stanley Electric Group companies	20,218,179	9,022,543
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	3,199,506	353,200
Associates	69,465,256	53,692,910
	<u>92,882,941</u>	<u>63,068,653</u>
Purchases of goods and services		
Stanley Electric Group companies	1,825,882,987	1,707,994,305
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	361,469,221	343,820,286
Associates	274,972,233	195,137,665
	<u>2,462,324,441</u>	<u>2,246,952,256</u>

27 Related party transactions (Cont'd)

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

For the years ended 31 March	2017 Baht	2016 Baht
Royalty fees		
Stanley Electric Group companies	<u>262,385,977</u>	<u>255,208,888</u>
Design and development fee		
Stanley Electric Group companies	<u>59,720,490</u>	<u>138,136,094</u>
Technical fee		
Stanley Electric Group companies	<u>8,381,395</u>	<u>6,430,674</u>
Training fee		
Stanley Electric Group companies	<u>13,768,883</u>	<u>14,371,150</u>
Commission		
Stanley Electric Group companies	<u>20,031,672</u>	<u>20,033,595</u>
Directors' and managements' remuneration		
Short-term benefits	<u>48,009,730</u>	<u>47,911,212</u>

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 2017 and 2016 are as follows:

	2017 Baht	2016 Baht
Trade accounts receivable - related parties		
Stanley Electric Group companies	88,612,128	158,338,651
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	45,641,910	43,214,874
Associates	<u>85,222,877</u>	<u>72,810,666</u>
	<u>219,476,915</u>	<u>274,364,191</u>
Trade accounts payable - related parties		
Stanley Electric Group companies	310,060,361	338,431,495
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	36,112,969	38,940,993
Associates	<u>77,417,002</u>	<u>50,923,975</u>
	<u>423,590,332</u>	<u>428,296,463</u>
Other accounts payable - related parties		
Stanley Electric Group companies	<u>129,660,328</u>	<u>141,173,810</u>

28 Significant commitments

a) Bank guarantees

As at 31 March 2017, 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 (2016 : income tax payment and electricity supply of Baht 18 million and Baht 16 million respectively).

b) Capital commitments

As at 31 March 2017, the Company has capital commitments of Baht 79 million (2016 : Baht 45 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

29 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 and currently the case is being considered by the Central Tax Court of Thailand. The Company has asked the Revenue Department for tax payment relief until the central tax court has made a final resolution, and has asked the bank to issue a letter of guarantee for this tax amount as mentioned in Note 28 (a).

In 2016, the Central Tax Court of Thailand judged to dismiss the Company's plaint. 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 Court granted the Company permission to extend time for filing an appeal to 1 June 2017. The Company is now preparing an appeal against the Court's judgment before submitting this to the Court of Appeal for Specialized Cases - Tax Case Division.

30 Subsequent event after the reporting period

At the Board of Directors' meeting held on 18 May 2017, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2017 for a total 76,625,000 shares of Baht 5.00 per share totaling Baht 383.13 million to the Annual General Shareholders' meeting which will be held on 7 July 2017.