

**THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL INFORMATION**

**30 SEPTEMBER 2018**



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

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

I have reviewed the interim financial information of Thai Stanley Electric Public Company Limited, which comprises the statement of financial position in which the equity method is applied and the separate statement of financial position as at 30 September 2018, and the statement of income in which the equity method is applied and the separate statement of income, the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income for the three-month and six-month periods then ended, the related statement of changes in equity in which the equity method is applied and the separate statement of changes in equity, and the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the six-month period then ended, and the condensed notes to the interim financial information in which the equity method is applied and the separate condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

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

### Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read 'Varaporn Vorathitikul', is written over a faint, circular watermark of the Thai Stanley Electric Public Company Limited logo.

**Varaporn Vorathitikul**  
Certified Public Accountant (Thailand) No. 4474  
Bangkok  
5 November 2018

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

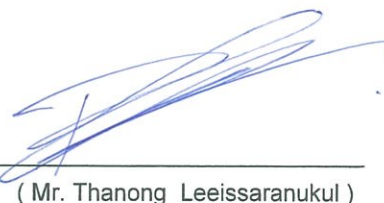
	Notes	Financial information in which the equity method is applied		Separate financial information	
		Unaudited 30 September 2018 Baht	Audited 31 March 2018 Baht	Unaudited 30 September 2018 Baht	Audited 31 March 2018 Baht
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		990,673,919	2,012,032,313	990,673,919	2,012,032,313
Short-term investments held to maturity	4	4,746,000,000	4,212,450,217	4,746,000,000	4,212,450,217
Trade and other accounts receivable, net	5, 6	2,398,589,355	2,347,804,952	2,398,589,355	2,347,804,952
Inventories, net	7	929,029,920	674,727,701	929,029,920	674,727,701
Current portion of loans to employees		44,201,129	25,348,038	44,201,129	25,348,038
Other current assets		8,838,606	17,692,303	8,838,606	17,692,303
<b>Total current assets</b>		<b>9,117,332,929</b>	<b>9,290,055,524</b>	<b>9,117,332,929</b>	<b>9,290,055,524</b>
<b>Non-current assets</b>					
Loans to employees		55,186,388	10,806,651	55,186,388	10,806,651
Investments in associates	8	1,246,908,309	1,154,393,271	57,176,689	57,176,689
Long-term investments, net	9	113,321,215	113,201,215	113,321,215	113,201,215
Property, plant and equipment, net	10	5,994,898,659	5,564,806,688	5,994,898,659	5,564,806,688
Intangible assets, net	11	891,119,235	775,113,671	891,119,235	775,113,671
Deferred tax assets, net		-	-	92,993,907	87,036,833
Other non-current assets, net		27,604,036	30,394,712	27,604,036	30,394,712
<b>Total non-current assets</b>		<b>8,329,037,842</b>	<b>7,648,716,208</b>	<b>7,232,300,129</b>	<b>6,638,536,459</b>
<b>Total assets</b>		<b>17,446,370,771</b>	<b>16,938,771,732</b>	<b>16,349,633,058</b>	<b>15,928,591,983</b>

Director

  
 ( Mr. Koichi Nagano )



Director

  
 ( Mr. Thanong Leeissaranukul )

Date

05 NOV 2018

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

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

	Notes	Financial information in which the equity method is applied		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		30 September 2018 Baht	31 March 2018 Baht	30 September 2018 Baht	31 March 2018 Baht
<b>Liabilities and equity</b>					
<b>Current liabilities</b>					
Trade accounts payable - other companies		537,804,987	514,745,721	537,804,987	514,745,721
- related parties	6	531,131,642	498,282,289	531,131,642	498,282,289
Other accounts payable - other companies		229,164,090	322,204,024	229,164,090	322,204,024
- related parties	6	221,159,151	223,210,120	221,159,151	223,210,120
Accrued corporate income tax		188,107,404	181,649,546	188,107,404	181,649,546
Accrued expenses	12	480,015,870	326,088,616	480,015,870	326,088,616
<b>Total current liabilities</b>		<b>2,187,383,144</b>	<b>2,066,180,316</b>	<b>2,187,383,144</b>	<b>2,066,180,316</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities, net		144,952,417	132,406,483	-	-
Provision for post-employment benefits		221,604,120	208,805,352	221,604,120	208,805,352
<b>Total non-current liabilities</b>		<b>366,556,537</b>	<b>341,211,835</b>	<b>221,604,120</b>	<b>208,805,352</b>
<b>Total liabilities</b>		<b>2,553,939,681</b>	<b>2,407,392,151</b>	<b>2,408,987,264</b>	<b>2,274,985,668</b>
<b>Equity</b>					
<b>Share capital</b>					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, paid-up of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital		504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve		38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		14,138,697,849	13,788,404,424	13,010,942,294	12,723,998,815
Other components of equity		(171,954,259)	(182,712,343)	4,016,000	3,920,000
<b>Total equity</b>		<b>14,892,431,090</b>	<b>14,531,379,581</b>	<b>13,940,645,794</b>	<b>13,653,606,315</b>
<b>Total liabilities and equity</b>		<b>17,446,370,771</b>	<b>16,938,771,732</b>	<b>16,349,633,058</b>	<b>15,928,591,983</b>

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

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

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2018	2017	2018	2017
		Baht	Baht	Baht	Baht
Revenues from sales and services		3,586,251,634	3,220,337,406	3,586,251,634	3,220,337,406
Costs of sales and services		(2,938,553,733)	(2,636,088,861)	(2,938,553,733)	(2,636,088,861)
<b>Gross profit</b>		<b>647,697,901</b>	<b>584,248,545</b>	<b>647,697,901</b>	<b>584,248,545</b>
Other income					
- Dividend income	6	67,511,156	8,385,555	67,511,156	8,385,555
- Gain on exchange rates, net		10,179,739	5,725,044	10,179,739	5,725,044
- Interest income		17,741,159	16,461,508	17,741,159	16,461,508
- Others		20,816,253	20,490,083	20,816,253	20,490,083
<b>Profit before expenses</b>		<b>763,946,208</b>	<b>635,310,735</b>	<b>763,946,208</b>	<b>635,310,735</b>
Selling expenses		(140,638,443)	(130,343,749)	(140,638,443)	(130,343,749)
Administrative expenses		(92,883,976)	(96,747,329)	(92,883,976)	(96,747,329)
<b>Total expenses</b>		<b>(233,522,419)</b>	<b>(227,091,078)</b>	<b>(233,522,419)</b>	<b>(227,091,078)</b>
<b>Operating profit</b>		<b>530,423,789</b>	<b>408,219,657</b>	<b>530,423,789</b>	<b>408,219,657</b>
Share of profit from investments in associates		83,155,412	66,131,748	-	-
<b>Profit before income tax</b>		<b>613,579,201</b>	<b>474,351,405</b>	<b>530,423,789</b>	<b>408,219,657</b>
Income tax		(108,893,971)	(92,234,308)	(92,262,888)	(79,007,958)
<b>Net profit for the period</b>		<b>504,685,230</b>	<b>382,117,097</b>	<b>438,160,901</b>	<b>329,211,699</b>
<b>Basic earnings per share</b>	13				
Net profit for the period		6.59	4.99	5.72	4.30

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

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

	Financial information in which the equity method is applied		Separate financial information	
	2018	2017	2018	2017
	Baht	Baht	Baht	Baht
<b>Net profit for the period</b>	504,685,230	382,117,097	438,160,901	329,211,699
<b>Other comprehensive income for the period after tax:</b>				
<b>Items that will be reclassified subsequently to profit or loss</b>				
Unrealised gain (loss) on change in fair value of available-for-sale investment	256,000	(384,000)	256,000	(384,000)
Exchange differences relating to investments in associates	(41,094,217)	(196,213)	-	-
<b>Other comprehensive income (expenses) for the period, net of tax</b>	(40,838,217)	(580,213)	256,000	(384,000)
<b>Total comprehensive income for the period</b>	<u>463,847,013</u>	<u>381,536,884</u>	<u>438,416,901</u>	<u>328,827,699</u>

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

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
Revenues from sales and services		6,888,585,296	6,188,887,740	6,888,585,296	6,188,887,740
Costs of sales and services		(5,664,784,642)	(5,154,059,591)	(5,664,784,642)	(5,154,059,591)
<b>Gross profit</b>		<b>1,223,800,654</b>	<b>1,034,828,149</b>	<b>1,223,800,654</b>	<b>1,034,828,149</b>
Other income					
- Dividend income	6, 8, 9	71,620,732	9,964,126	147,151,822	86,560,126
- Gain on exchange rates, net		7,313,774	10,511,195	7,313,774	10,511,195
- Interest income		36,501,611	34,254,626	36,501,611	34,254,626
- Others		48,742,243	42,169,275	48,742,243	42,169,275
<b>Profit before expenses</b>		<b>1,387,979,014</b>	<b>1,131,727,371</b>	<b>1,463,510,104</b>	<b>1,208,323,371</b>
Selling expenses		(278,304,993)	(255,620,215)	(278,304,993)	(255,620,215)
Administrative expenses		(176,527,257)	(173,199,008)	(176,527,257)	(173,199,008)
<b>Total expenses</b>		<b>(454,832,250)</b>	<b>(428,819,223)</b>	<b>(454,832,250)</b>	<b>(428,819,223)</b>
<b>Operating profit</b>		<b>933,146,764</b>	<b>702,908,148</b>	<b>1,008,677,854</b>	<b>779,504,148</b>
Share of profit from investments in associates	8	154,718,523	138,975,057	-	-
<b>Profit before income tax</b>		<b>1,087,865,287</b>	<b>841,883,205</b>	<b>1,008,677,854</b>	<b>779,504,148</b>
Income tax		(201,197,562)	(164,221,176)	(185,360,075)	(151,745,364)
<b>Net profit for the period</b>		<b>886,667,725</b>	<b>677,662,029</b>	<b>823,317,779</b>	<b>627,758,784</b>
<b>Basic earnings per share</b>	13				
Net profit for the period		11.57	8.84	10.74	8.19

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

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

	Financial information in which the equity method is applied		Separate financial information	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
Net profit for the period	886,667,725	677,662,029	823,317,779	627,758,784
Other comprehensive income for the period after tax:				
Items that will be reclassified subsequently to profit or loss				
Unrealised gain on change in fair value of available-for-sale investment	96,000	160,000	96,000	160,000
Exchange differences relating to investments in associates	10,662,084	7,857,619	-	-
Other comprehensive income (expenses) for the period, net of tax	10,758,084	8,017,619	96,000	160,000
Total comprehensive income for the period	<u>897,425,809</u>	<u>685,679,648</u>	<u>823,413,779</u>	<u>627,918,784</u>

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.



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

	Financial information in which the equity method is applied								
	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	Other components of equity		Total equity Baht
				Legal reserve Baht	Unappropriated retained earnings Baht		Cumulative exchange differences relating to investments in associates Baht	Total other components of equity Baht	
<b>Opening balance as at 1 April 2018</b>		383,125,000	504,250,000	38,312,500	13,788,404,424	3,920,000	(186,632,343)	(182,712,343)	14,531,379,581
Total comprehensive income for the period		-	-	-	886,667,725	96,000	10,662,084	10,758,084	897,425,809
Dividends paid	14	-	-	-	(536,374,300)	-	-	-	(536,374,300)
<b>Closing balance as at 30 September 2018</b>		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>14,138,697,849</u>	<u>4,016,000</u>	<u>(175,970,259)</u>	<u>(171,954,259)</u>	<u>14,892,431,090</u>
<b>Opening balance as at 1 April 2017</b>		383,125,000	504,250,000	38,312,500	12,512,867,321	4,688,000	(101,764,867)	(97,076,867)	13,341,477,954
Total comprehensive income for the period		-	-	-	677,662,029	160,000	7,857,619	8,017,619	685,679,648
Dividends paid	14	-	-	-	(383,124,500)	-	-	-	(383,124,500)
<b>Closing balance as at 30 September 2017</b>		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>12,807,404,850</u>	<u>4,848,000</u>	<u>(93,907,248)</u>	<u>(89,059,248)</u>	<u>13,644,033,102</u>

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

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

Separate financial information								
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other components of equity		Total equity Baht
				Legal reserve Baht	Unappropriated retained earnings Baht	Unrealised gain on change in fair value of available-for-sale investment Baht	Total other components of equity Baht	
<b>Opening balance as at 1 April 2018</b>		383,125,000	504,250,000	38,312,500	12,723,998,815	3,920,000	3,920,000	13,653,606,315
Total comprehensive income for the period		-	-	-	823,317,779	96,000	96,000	823,413,779
Dividends paid	14	-	-	-	(536,374,300)	-	-	(536,374,300)
<b>Closing balance as at 30 September 2018</b>		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>13,010,942,294</u>	<u>4,016,000</u>	<u>4,016,000</u>	<u>13,940,645,794</u>
<b>Opening balance as at 1 April 2017</b>		383,125,000	504,250,000	38,312,500	11,618,257,978	4,688,000	4,688,000	12,548,633,478
Total comprehensive income for the period		-	-	-	627,758,784	160,000	160,000	627,918,784
Dividends paid	14	-	-	-	(383,124,500)	-	-	(383,124,500)
<b>Closing balance as at 30 September 2017</b>		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>11,862,892,262</u>	<u>4,848,000</u>	<u>4,848,000</u>	<u>12,793,427,762</u>

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

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

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Cash flows from operating activities:</b>					
Profit before income tax for the period		1,087,865,287	841,883,205	1,008,677,854	779,504,148
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation	10	510,321,995	534,974,886	510,321,995	534,974,886
- Amortisation	11	114,404,582	103,229,753	114,404,582	103,229,753
- Interest income		(36,501,611)	(34,254,626)	(36,501,611)	(34,254,626)
- Share of profit from investments in associates	8	(154,718,523)	(138,975,057)	-	-
- Dividend income					
- Investments in associates	8	-	-	(75,531,090)	(76,596,000)
- Long-term investments	9	(71,620,732)	(9,964,126)	(71,620,732)	(9,964,126)
- (Gain) loss on disposal of equipment		(2,195,591)	(1,750,875)	(2,195,591)	(1,750,875)
- (Reversal of) allowance for doubtful account		2,586,000	(298,800)	2,586,000	(298,800)
- (Reversal of) allowance for slow-moving inventories and net realisable value lower than cost of inventories		1,131,901	2,327,382	1,131,901	2,327,382
- Corporate income tax refund offset against withholding tax on dividend and surcharge		-	17,159,436	-	17,159,436
- (Reversal of) provision for post-employment benefits		14,422,038	13,308,360	14,422,038	13,308,360
- Unrealised loss (gain) on exchange rates		(204,055)	(1,732,779)	(204,055)	(1,732,779)
Cash flows before changes in operating assets and liabilities		1,465,491,291	1,325,906,759	1,465,491,291	1,325,906,759
Changes in operating assets and liabilities					
- Trade and other accounts receivable		(55,066,653)	(155,366,129)	(55,066,653)	(155,366,129)
- Inventories		(255,434,120)	(152,000,289)	(255,434,120)	(152,000,289)
- Other current assets		8,853,697	1,163,200	8,853,697	1,163,200
- Other non-current assets		2,790,676	2,648,922	2,790,676	2,648,922
- Trade accounts payable - other companies		23,059,266	33,425,740	23,059,266	33,425,740
- Trade accounts payable - related parties		32,849,353	46,420,579	32,849,353	46,420,579
- Other accounts payable - other companies		(3,470,596)	32,131,856	(3,470,596)	32,131,856
- Other accounts payable - related parties		53,069,617	14,342,441	53,069,617	14,342,441
- Accrued expenses		153,927,254	122,946,435	153,927,254	122,946,435
- Payment for post-employment benefits		(1,623,270)	(1,785,455)	(1,623,270)	(1,785,455)
Cash generated from operations		1,424,446,515	1,269,834,059	1,424,446,515	1,269,834,059
Interest received		9,537,480	8,661,592	9,537,480	8,661,592
Income tax paid		(184,883,291)	(132,186,803)	(184,883,291)	(132,186,803)
Net cash received from operating activities		1,249,100,704	1,146,308,848	1,249,100,704	1,146,308,848

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

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

	Notes	Financial information in which the equity method is applied		Separate financial information	
		2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Cash flows from investing activities:</b>					
Loans made to employees		(89,697,738)	(329,854)	(89,697,738)	(329,854)
Loans repayments from employees		26,464,910	18,347,765	26,464,910	18,347,765
Purchases of property, plant and equipment		(1,085,114,399)	(308,222,930)	(1,085,114,399)	(308,222,930)
Proceeds from disposals of equipment		2,206,100	1,778,321	2,206,100	1,778,321
Interest received on short-term investments held to maturity		28,660,381	26,953,866	28,660,381	26,953,866
Dividends received from investments					
- Investments in associates	8	75,531,090	76,596,000	75,531,090	76,596,000
- Long-term investments	9	71,620,732	9,964,126	71,620,732	9,964,126
Purchases of intangible assets	11	(230,410,146)	(124,779,944)	(230,410,146)	(124,779,944)
Cash receipts from short-term investments held to maturity	4	5,310,000,000	4,350,000,000	5,310,000,000	4,350,000,000
Cash payments on short-term investments held to maturity	4	(5,843,549,783)	(4,247,016,088)	(5,843,549,783)	(4,247,016,088)
Net cash used in investing activities		(1,734,288,853)	(196,708,738)	(1,734,288,853)	(196,708,738)
<b>Cash flow from financing activity:</b>					
Dividends paid	14	(536,374,300)	(383,124,500)	(536,374,300)	(383,124,500)
Net cash used in financing activity		(536,374,300)	(383,124,500)	(536,374,300)	(383,124,500)
<b>Net increase (decrease) in cash and cash equivalents</b>					
		(1,021,562,449)	566,475,610	(1,021,562,449)	566,475,610
Cash and cash equivalents at beginning of the period		2,012,032,313	1,085,634,900	2,012,032,313	1,085,634,900
Effects of exchange rate changes		204,055	1,732,779	204,055	1,732,779
Cash and cash equivalents at end of the period		990,673,919	1,653,843,289	990,673,919	1,653,843,289
<b>Non-cash transactions:</b>					
Outstanding liabilities arisen from purchase of plant, equipment and intangible assets		89,818,404	88,427,085	89,818,404	88,427,085
Outstanding liabilities arisen from purchase of plant, equipment and intangible assets from related parties		10,535,401	-	10,535,401	-

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

**1 General information**

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

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

This interim financial information has been approved by the Company's Board of directors on 5 November 2018.

This interim financial information has been reviewed, not audited.

**2 Accounting policies**

**2.1 Basis of preparation**

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

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

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

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2018.

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

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

## **2 Accounting policies (Cont'd)**

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

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

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

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

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

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

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

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

#### **2.2.2 New financial reporting standards which have been announced but not yet effective.**

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

TFRS 15	Revenue from contracts with customers
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TFRS 15 provides the requirements for the recognition of revenue. This standard will supersede the following standards:

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

The new standard is based on the principle that

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

**2 Accounting policies (Cont'd)**

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

**2.2.2 New financial reporting standards which have been announced but not yet effective. (Cont'd)**

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

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

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

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

2.2.2.2 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Company. The Company has not yet adopted those standards.

The group of financial instruments reporting standards consist of the following standards:

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

The above new standards will supersede the following standards:

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

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

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

2 Accounting policies (Cont'd)

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

2.2.2 New financial reporting standards which have been announced but not yet effective. (Cont'd)

2.2.2.2 The group of financial reporting standards relating to financial instruments are effective for annual periods beginning on or after 1 January 2020 which are relevant to the Company. The Company has not yet adopted those standards. (Cont'd)

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

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

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

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

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



**Thai Stanley Electric Public Company Limited**  
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**For the six-month period ended 30 September 2018**

**3 Estimates**

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

In preparing this interim financial information, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 March 2018.

**4 Short-term investments held to maturity**

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

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

For the six-month period ended 30 September 2018	<u>Unaudited Baht</u>
Opening balance	4,212,450,217
Additions during the period	5,843,549,783
Redemptions during the period	<u>(5,310,000,000)</u>
Closing balance	<u>4,746,000,000</u>

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

**5 Trade and other accounts receivable, net**

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

	<u>Unaudited 30 September 2018 Baht</u>	<u>Audited 31 March 2018 Baht</u>
Trade accounts receivable - other companies	2,194,959,946	2,057,557,201
<u>Less</u> Allowance for doubtful account	<u>(26,445,076)</u>	<u>(23,859,076)</u>
Trade accounts receivable - other companies, net	2,168,514,870	2,033,698,125
Trade accounts receivable - related parties (Note 6)	125,570,542	206,516,522
Prepaid expenses	28,706,852	48,727,691
Accrued income, net	20,629,066	26,716,955
Value added tax receivable	42,377,021	23,335,262
Other receivables	12,791,004	8,810,397
	<u>2,398,589,355</u>	<u>2,347,804,952</u>

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

	<u>Trade accounts receivable- other companies</u>		<u>Trade accounts receivable- related parties</u>	
	<u>Unaudited 30 September 2018 Baht</u>	<u>Audited 31 March 2018 Baht</u>	<u>Unaudited 30 September 2018 Baht</u>	<u>Audited 31 March 2018 Baht</u>
Current	2,148,719,482	2,005,630,823	121,925,459	197,682,647
Overdue				
- less than 3 months	14,091,997	21,089,398	3,566,648	8,218,924
- 3 - 6 months	285,316	6,686,761	7,064	13,185
- 6 - 12 months	7,075,874	-	71,371	591,331
- more than 1 year	24,787,277	24,150,219	-	10,435
	<u>2,194,959,946</u>	<u>2,057,557,201</u>	<u>125,570,542</u>	<u>206,516,522</u>

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

**6 Related party transactions**

The Company had the significant transactions with its major shareholder, Stanley Electric Company Limited, incorporated in Japan which holds 35.46% 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.

The following significant transactions were carried out with related parties:

	Unaudited			
	For the three-month period ended 30 September		For the six-month period ended 30 September	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Sales</b>				
Stanley Electric Group companies	120,662,576	170,298,017	216,439,889	271,803,734
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	37,532,666	38,066,010	79,747,501	77,642,177
Associates	64,357,892	55,934,426	155,863,515	145,729,566
	<u>222,553,134</u>	<u>264,298,453</u>	<u>452,050,905</u>	<u>495,175,477</u>
<b>Dividend income</b>				
Stanley Electric Group companies	67,511,156	8,385,555	67,511,156	8,385,555
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	-	-	4,109,576	1,578,571
Associates (Note 8)	-	-	75,531,090	76,596,000
	<u>67,511,156</u>	<u>8,385,555</u>	<u>147,151,822</u>	<u>86,560,126</u>
<b>Royalty income</b>				
Associates	534,754	-	534,754	-
<b>Other income</b>				
Stanley Electric Group companies	767,290	562,083	5,142,610	3,358,859
Associates	350,406	144,788	772,523	144,788
	<u>1,117,696</u>	<u>706,871</u>	<u>5,915,133</u>	<u>3,503,647</u>
<b>Purchases of goods and services</b>				
Stanley Electric Group companies	769,693,524	586,762,944	1,443,928,898	1,247,851,800
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	97,194,757	101,090,011	191,569,216	200,568,146
Associates	109,510,714	84,182,546	247,748,064	154,415,877
	<u>976,398,995</u>	<u>772,035,501</u>	<u>1,883,246,178</u>	<u>1,602,835,823</u>
<b>Royalty fee</b>				
Stanley Electric Group companies	81,478,346	73,447,682	158,409,654	140,434,722

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

**6 Related party transactions (Cont'd)**

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

	Unaudited			
	For the three-month period ended 30 September		For the six-month period ended 30 September	
	2018 Baht	2017 Baht	2018 Baht	2017 Baht
<b>Design and development fee</b>				
Stanley Electric Group companies	91,545,736	38,871,349	127,785,174	63,313,267
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	164,769	-	243,833	34,712
Associates	13,173	12,082	17,509	35,562
	<u>91,723,678</u>	<u>38,883,431</u>	<u>128,046,516</u>	<u>63,383,541</u>
<b>Technical fee</b>				
Stanley Electric Group companies	<u>2,111,013</u>	<u>2,300,086</u>	<u>7,487,720</u>	<u>4,194,764</u>
<b>Training fee</b>				
Stanley Electric Group companies	<u>2,804,449</u>	<u>2,599,703</u>	<u>4,549,563</u>	<u>4,867,700</u>
<b>Commission</b>				
Stanley Electric Group companies	<u>6,421,696</u>	<u>8,113,706</u>	<u>20,000,000</u>	<u>20,000,000</u>
<b>Directors' and managements' remuneration</b>				
Short-term benefits	<u>13,690,172</u>	<u>12,352,690</u>	<u>24,506,544</u>	<u>22,679,916</u>

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

	Unaudited 30 September 2018 Baht	Audited 31 March 2018 Baht
<b>Trade accounts receivable - related parties</b>		
Stanley Electric Group companies	51,653,134	45,981,000
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	55,170,677	63,003,538
Associates	18,746,731	97,531,984
	<u>125,570,542</u>	<u>206,516,522</u>
<b>Trade accounts payable - related parties</b>		
Stanley Electric Group companies	388,383,456	311,539,905
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	34,710,541	36,166,563
Associates	108,037,645	150,575,821
	<u>531,131,642</u>	<u>498,282,289</u>
<b>Other accounts payable - related parties</b>		
Stanley Electric Group companies	<u>221,159,151</u>	<u>223,210,120</u>

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

**7 Inventories, net**

	Unaudited 30 September 2018 Baht	Audited 31 March 2018 Baht
Raw materials and packaging	313,301,609	240,711,873
Work in process	456,659,228	255,320,170
Finished goods	75,239,298	97,143,936
Goods in transit	92,976,759	89,566,795
	<u>938,176,894</u>	<u>682,742,774</u>
<u>Less</u> Allowance for net realisable value lower than cost and slow moving inventories		
- Raw materials and packaging	(2,225,179)	(4,875,428)
- Work in process	(6,593,471)	(2,031,543)
- Finished goods	(328,324)	(1,108,102)
	<u>929,029,920</u>	<u>674,727,701</u>

**8 Investments in associates**

a) Movements in investments in associates are as follows:

**For the six-month period ended 30 September 2018**

	Equity Method Unaudited Baht	Cost Method Unaudited Baht
Opening net book amount	1,154,393,271	57,176,689
Share of profit	154,718,523	-
Dividends received (Note 6)	(75,531,090)	-
Translation adjustments	13,327,605	-
	<u>1,246,908,309</u>	<u>57,176,689</u>

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

Name	Business activity	Paid-up share capital	% of holding	Equity Method		Cost Method	
				Unaudited 30 September 2018		Audited 31 March 2018	
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
<b>Associates</b>							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	28,777,969	-	22,706,618	5,916,322
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	1,218,130,340	75,531,090	1,131,686,653	76,596,000
				<u>1,246,908,309</u>	<u>75,531,090</u>	<u>1,154,393,271</u>	<u>82,512,322</u>
<b>Associates</b>							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	3,132,500	-	3,132,500	5,916,322
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	54,044,189	75,531,090	54,044,189	76,596,000
				<u>57,176,689</u>	<u>75,531,090</u>	<u>57,176,689</u>	<u>82,512,322</u>

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

**9 Long-term investments, net**

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

**As at 30 September 2018 (Unaudited)**

	Available- for-sale investments Baht	General investments Baht	Total Baht
<b>Equity securities</b>			
- Related parties	8,400,000	104,921,215	113,321,215
- Other companies	-	-	-
Long-term investments, net	<u>8,400,000</u>	<u>104,921,215</u>	<u>113,321,215</u>

**As at 31 March 2018 (Audited)**

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

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

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

Name	Business activity	Paid-up share capital	% of holding	Unaudited 30 September 2018		Audited 31 March 2018	
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
<b>Related party - available for sale</b>							
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	3,380,000	-	3,380,000	339,040
Change in fair value of investment				5,020,000	-	4,900,000	-
				<u>8,400,000</u>	<u>-</u>	<u>8,280,000</u>	<u>339,040</u>
<b>Related parties - general investments (at cost)</b>							
Asian Stanley International Company Limited	Manufacture of small bulbs, LED and electronic components	Baht 400 million	15.0	60,000,000	59,860,882	60,000,000	-
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting	Baht 21 million	15.0	3,000,000	4,109,576	3,000,000	1,578,571
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	1,769,156	8,793,715	1,144,090
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting	USD 7.5 million	10.0	33,127,500	5,881,118	33,127,500	7,241,465
				<u>104,921,215</u>	<u>71,620,732</u>	<u>104,921,215</u>	<u>9,964,126</u>
<b>Other companies - general investments (at cost)</b>							
Top Hitech (Thailand) Company Limited	Manufacture of plastic products and molds	Baht 35.9 million	13.9	5,000,000	-	5,000,000	-
Less Impairment of investment				(5,000,000)	-	(5,000,000)	-
				<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total long-term investments, net</b>				<u>113,321,215</u>	<u>71,620,732</u>	<u>113,201,215</u>	<u>10,303,166</u>

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

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**10 Property, plant and equipment, net**

<b>For the six-month period ended 30 September 2018</b>	<b>Unaudited Baht</b>
Opening net book amount	5,564,806,688
Additions	940,424,475
Disposals/write - offs, net	(10,509)
<u>Less</u> Depreciation charge	<u>(510,321,995)</u>
Closing net book amount	<u>5,994,898,659</u>

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

As at 30 September 2018, the Company has capital commitments amount of Baht 1,615 million (31 March 2018 : Baht 535 million).

**11 Intangible assets, net**

<b>For the six-month period ended 30 September 2018</b>	<b>Unaudited Baht</b>
Opening net book amount	775,113,671
Additions	230,410,146
<u>Less</u> Amortisation charge	<u>(114,404,582)</u>
Closing net book amount	<u>891,119,235</u>

The additions during the period mainly compose of product designs.

**12 Accrued expenses**

	<b>Unaudited 30 September 2018 Baht</b>	<b>Audited 31 March 2018 Baht</b>
Accrued staff cost	230,013,968	214,531,614
Accrued electricity expense	28,195,500	28,698,989
Accrued rebate	161,460,673	43,270,000
Others	60,345,729	39,588,013
	<u>480,015,870</u>	<u>326,088,616</u>

**13 Basic earnings per share**

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

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

**14 Dividends paid**

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

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

**15 Commitments and contingent liabilities**

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

Forward exchange contracts

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

	<b>Unaudited 30 September 2018</b>	<b>Audited 31 March 2018</b>
Forward exchange contracts	Yen 76.35 million USD 1.50 million	Yen 40 million USD 1 million
Maturity of forward exchange contracts	1 - 2 month	1 - 2 month

**16 Legal claim**

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

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

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

The Company already recorded liabilities in this interim financial information.

**17 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 in the financial statements.