

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

**FINANCIAL STATEMENTS IN WHICH THE EQUITY METHOD IS
APPLIED AND SEPARATE FINANCIAL STATEMENTS**

31 MARCH 2021

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 present fairly, in all material respects, the financial position in which the equity method is applied and the separate financial position of Thai Stanley Electric Public Company Limited (the Company) as at 31 March 2021, 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 (TFRS).

What I have audited

The financial statements in which the equity method is applied and the separate financial statements comprise:

- the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 March 2021;
- the statement of income in which the equity method is applied and the separate statement of income for the year then ended;
- the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income for the year then ended;
- the statement of changes in equity in which the equity method is applied and the separate statement of changes in equity for the year then ended;
- the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the year then ended; and
- the notes to the financial statements in which the equity method is applied and the separate financial statements, which include significant accounting policies and other explanatory information.

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 separate financial statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the financial statements in which the equity method is applied and 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 separate financial statements of the current period. I determine one key audit matter: Fair value measurement of an investment in an equity instrument of unlisted equity securities. The matter was addressed in the context of my audit the financial statements in which the equity method is applied and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on the matter.

| Key audit matter | How my audit addressed the key audit matter |
|--|---|
| <p>Fair value measurement of an investment in an equity instrument of unlisted equity securities</p> <p>Refer to Note No. 15 Financial assets measured at fair value through other comprehensive income. As at 31 March 2021, the Company had an investment in an equity instrument of unlisted equity securities of Baht 1,225.22 million, which represents 5.69% and 6.17% of the total assets in the Equity Method and Separate Financial Statement, respectively.</p> <p>The investee engages in the business of manufacturing small bulbs, LED, electronic components, electronic equipment, automotive lighting equipment, molds and plastic products. The Company determined that this is an investment in an equity instrument under the scope of TAS 32 'Financial Instruments: Presentation' and requires subsequent fair value measurement under the scope of TFRS 9 'Financial Instruments'. The Company elected to account for the equity investment at fair value through other comprehensive income (FVOCI).</p> <p>The investment in an equity instrument of unlisted equity securities was appraised for its fair value using valuation techniques of input from unobservable market data (Level 3). The management also made adjustments to reflect the risk and nature of the equity instruments. The measurement indicated that the fair value was more than the carrying value under the cost method. Therefore, the Company recognised a gain of Baht 1,112.11 million through other comprehensive income in the year ended 31 March 2021 Equity Method and Separate Financial Statement.</p> <p>I focused on the fair value measurement of the investment in an equity instrument of unlisted equity securities because it had a material impact on the total assets and because of the complexity of its assessment. Using unobservable market data (Level 3) to measure fair value required management's judgment to adjust the data to reflect the risk and nature of the equity instruments.</p> | <p>To obtain evidence for the management's fair value measurement of an investment in an equity instrument of unlisted equity securities, I carried out the following procedures:</p> <ul style="list-style-type: none"> - reviewed management's assessment that the investment should be classified as a financial asset measured at fair value through other comprehensive income. - assessed the reasonableness of the methodology used to measure the fair value of the investment in an equity instrument of unlisted equity securities and tested the fair value calculation of such investment. - involved my valuation expert to assess the fair value taking into account independently obtained data from publicly available financial information of companies in the same industry. The valuation expert also assessed the discount for lack of marketability rate of the equity instrument to consider whether the fair value used by management was within an acceptable range. <p>As a result of these procedures, I determined that the method and assumptions applied in the fair value measurement of the investment in an equity instrument of unlisted equity securities were reasonable and in line with the accounting for the fair value.</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 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 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 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 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 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 separate financial statements in accordance with TFRS, 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 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 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 intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements in which the equity method is applied and separate financial statements

My objectives are to obtain reasonable assurance about whether the financial statements in which the equity method is applied and 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 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 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 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 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.

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
14 May 2021

Thai Stanley Electric Public Company Limited

Statements of Financial Position

As at 31 March 2021

| | Notes | Equity method | | | |
|--|-------|-----------------------|-----------------------|-------------------------------|-----------------------|
| | | financial statements | | Separate financial statements | |
| | | 2021 | 2020 | 2021 | 2020 |
| | | Baht | Baht | Baht | Baht |
| Assets | | | | | |
| Current assets | | | | | |
| Cash and cash equivalents | 11 | 2,663,330,410 | 3,177,436,049 | 2,663,330,410 | 3,177,436,049 |
| Short-term investments | 12 | 2,258,000,000 | 1,166,000,000 | 2,258,000,000 | 1,166,000,000 |
| Trade and other accounts receivable, net | 13 | 2,550,248,111 | 2,633,160,707 | 2,550,248,111 | 2,633,160,707 |
| Inventories, net | 14 | 476,679,563 | 942,128,066 | 476,679,563 | 942,128,066 |
| Current portion of loans to employees | 16 | 44,380,610 | 31,764,870 | 44,380,610 | 31,764,870 |
| Other current assets | | 7,524,762 | 39,653,979 | 7,524,762 | 39,653,979 |
| Total current assets | | 8,000,163,456 | 7,990,143,671 | 8,000,163,456 | 7,990,143,671 |
| Non-current assets | | | | | |
| Loans to employees | 16 | 18,738,098 | 12,805,720 | 18,738,098 | 12,805,720 |
| Financial assets measured at fair value through other comprehensive income | 15 | 1,336,747,660 | - | 1,336,747,660 | - |
| Investment in an associate | 17 | 1,710,120,028 | 1,597,062,806 | 54,044,189 | 54,044,189 |
| Investment in a joint venture | 18 | 23,267,369 | 23,397,220 | 3,132,500 | 3,132,500 |
| Long-term investments, net | 15 | - | 125,841,155 | - | 125,841,155 |
| Property, plant and equipment, net | 19 | 9,402,862,077 | 9,517,130,593 | 9,402,862,077 | 9,517,130,593 |
| Intangible assets, net | 20 | 1,027,622,470 | 1,087,800,467 | 1,027,622,470 | 1,087,800,467 |
| Deferred tax assets, net | 21 | - | - | - | 117,808,420 |
| Other non-current assets, net | | 23,089,165 | 15,748,568 | 23,089,165 | 15,748,568 |
| Total non-current assets | | 13,542,446,867 | 12,379,786,529 | 11,866,236,159 | 10,934,311,612 |
| Total assets | | 21,542,610,323 | 20,369,930,200 | 19,866,399,615 | 18,924,455,283 |

Director _____
(Mr. Koichi Nagano)

Director _____
(Mr. Apichart Leeissaranukul)

Date _____

The notes to the financial statements on page 13 to 56 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited

Statements of Financial Position

As at 31 March 2021

| | Notes | Equity method | | Separate financial statements | |
|--|-------|-----------------------|-----------------------|-------------------------------|-----------------------|
| | | financial statements | | | |
| | | 2021 | 2020 | 2021 | 2020 |
| | | Baht | Baht | Baht | Baht |
| Liabilities and equity | | | | | |
| Current liabilities | | | | | |
| Trade accounts payable - other companies | | 498,067,977 | 505,701,033 | 498,067,977 | 505,701,033 |
| - related parties | 32 | 538,340,036 | 567,353,140 | 538,340,036 | 567,353,140 |
| Other accounts payable - other companies | | 177,455,506 | 651,473,811 | 177,455,506 | 651,473,811 |
| - related parties | 32 | 253,230,209 | 155,304,686 | 253,230,209 | 155,304,686 |
| Derivatives liabilities | 15 | 239,190 | - | 239,190 | - |
| Accrued corporate income tax | | 153,387,880 | 218,806,093 | 153,387,880 | 218,806,093 |
| Accrued expenses | 22 | 346,716,922 | 371,259,536 | 346,716,922 | 371,259,536 |
| Total current liabilities | | 1,967,437,720 | 2,469,898,299 | 1,967,437,720 | 2,469,898,299 |
| Non-current liabilities | | | | | |
| Deferred tax liabilities, net | 21 | 472,244,504 | 194,848,247 | 137,002,362 | - |
| Employee benefit obligations | 23 | 385,147,496 | 383,368,355 | 385,147,496 | 383,368,355 |
| Total non-current liabilities | | 857,392,000 | 578,216,602 | 522,149,858 | 383,368,355 |
| Total liabilities | | 2,824,829,720 | 3,048,114,901 | 2,489,587,578 | 2,853,266,654 |
| Equity | | | | | |
| Share capital | 24 | | | | |
| Authorised share capital | | | | | |
| 76,625,000 ordinary shares, par value of Baht 5 each | | 383,125,000 | 383,125,000 | 383,125,000 | 383,125,000 |
| Issued and paid-up share capital | | | | | |
| 76,625,000 ordinary shares, par value of Baht 5 each | | 383,125,000 | 383,125,000 | 383,125,000 | 383,125,000 |
| Premium on share capital | 24 | 504,250,000 | 504,250,000 | 504,250,000 | 504,250,000 |
| Retained earnings | | | | | |
| Appropriated | | | | | |
| - Legal reserve | 26 | 38,312,500 | 38,312,500 | 38,312,500 | 38,312,500 |
| Unappropriated | | 17,024,855,642 | 16,595,671,038 | 15,484,861,795 | 15,168,253,176 |
| Other components of equity | | 767,237,461 | (199,543,239) | 966,262,742 | (22,752,047) |
| Total equity | | 18,717,780,603 | 17,321,815,299 | 17,376,812,037 | 16,071,188,629 |
| Total liabilities and equity | | 21,542,610,323 | 20,369,930,200 | 19,866,399,615 | 18,924,455,283 |

The notes to the financial statements on page 13 to 56 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited

Statements of Income

For the year ended 31 March 2021

| | Notes | Equity method financial statements | | Separate financial statements | |
|---|------------|---------------------------------------|----------------------|-------------------------------|----------------------|
| | | 2021 | 2020 | 2021 | 2020 |
| | | Baht | Baht | Baht | Baht |
| Revenues from sales and services | 10, 31, 32 | 11,727,608,906 | 15,150,089,554 | 11,727,608,906 | 15,150,089,554 |
| Cost of sales and services | | (9,951,852,793) | (12,339,311,542) | (9,951,852,793) | (12,339,311,542) |
| Gross profit | | 1,775,756,113 | 2,810,778,012 | 1,775,756,113 | 2,810,778,012 |
| Other income | | | | | |
| - Dividend income | 17, 18, 32 | 60,397,989 | 86,130,838 | 161,571,294 | 183,865,081 |
| - Gain on exchange rates, net | | 24,094,398 | 16,614,030 | 24,094,398 | 16,614,030 |
| - Interest income | | 20,453,629 | 53,822,846 | 20,453,629 | 53,822,846 |
| - Others | 27 | 57,066,773 | 107,161,139 | 57,066,773 | 107,161,139 |
| Profit before expenses | | 1,937,768,902 | 3,074,506,865 | 2,038,942,207 | 3,172,241,108 |
| Selling expenses | | (557,667,942) | (584,041,365) | (557,667,942) | (584,041,365) |
| Administrative expenses | | (325,636,815) | (363,539,145) | (325,636,815) | (363,539,145) |
| Total expenses | | (883,304,757) | (947,580,510) | (883,304,757) | (947,580,510) |
| Operating profit | 28 | 1,054,464,145 | 2,126,926,355 | 1,155,637,450 | 2,224,660,598 |
| Share of profit from investments in an associate and a joint venture | 17, 18 | 241,893,286 | 318,837,425 | - | - |
| Profit before income tax | | 1,296,357,431 | 2,445,763,780 | 1,155,637,450 | 2,224,660,598 |
| Income tax | 29 | (235,017,402) | (448,266,425) | (206,873,406) | (404,045,789) |
| Net profit for the year | | 1,061,340,029 | 1,997,497,355 | 948,764,044 | 1,820,614,809 |
| Earnings per share | | | | | |
| Basic earnings per share | 30 | 13.85 | 26.07 | 12.38 | 23.76 |

The notes to the financial statements on page 13 to 56 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income
 For the year ended 31 March 2021

| | Note | Equity method | | Separate financial statements | |
|---|------|----------------------|---------------|-------------------------------|---------------|
| | | financial statements | | financial statements | |
| | | 2021 | 2020 | 2021 | 2020 |
| | | Baht | Baht | Baht | Baht |
| Net profit for the year | | 1,061,340,029 | 1,997,497,355 | 948,764,044 | 1,820,614,809 |
| Other comprehensive income (expenses) | | | | | |
| for the period after tax: | 29 | | | | |
| Items that will not be reclassified | | | | | |
| to profit or loss | | | | | |
| Remeasurements of post-employment benefit obligations | | 25,361,981 | (29,000,059) | 25,361,981 | (29,000,059) |
| Changes in fair value of investments in equity instruments through other comprehensive income | | 21,399,981 | - | 21,399,981 | - |
| Income tax on items that will not be reclassified | | (9,352,392) | 5,800,012 | (9,352,392) | 5,800,012 |
| Total items that will not be reclassified | | | | | |
| to profit or loss | | 37,409,570 | (23,200,047) | 37,409,570 | (23,200,047) |
| Items that will be reclassified subsequently | | | | | |
| to profit or loss | | | | | |
| Changes in value of available-for-sale investments | | - | (3,540,000) | - | (3,540,000) |
| Exchange differences relating to investments in an associate and a joint venture | | (27,792,610) | 19,261,520 | - | - |
| Income tax relating to items that will be reclassified | | 5,558,521 | (3,144,304) | - | 708,000 |
| Total items that will be reclassified | | | | | |
| subsequently to profit or loss | 29 | (22,234,089) | 12,577,216 | - | (2,832,000) |
| Other comprehensive income (expenses) | | | | | |
| for the year, net of tax | | 15,175,481 | (10,622,831) | 37,409,570 | (26,032,047) |
| Total comprehensive income for the year | | 1,076,515,510 | 1,986,874,524 | 986,173,614 | 1,794,582,762 |

The notes to the financial statements on page 13 to 56 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 2021

| Equity method financial statements | | | | | | | | | | |
|--|---------------------|--------------------|-------------------|-----------------------|---------------------------------------|--------------------|----------------------|---------------------|----------------------|-----------------------|
| | Capital contributed | | Retained earnings | | Other components of equity | | | | | |
| | | | | | Other comprehensive income (expenses) | | | | | |
| | | | | | Measurement of | | Exchange | | Total | |
| | | | | | investments in | | differences | | other | |
| | | | | | equity instruments | | relating to | | components | |
| | | | | | at fair value | | investments in | | of equity | |
| | | | | | through other | | an associate and | | of equity | |
| | | | | | comprehensive | | a joint venture | | of equity | |
| | | | | | income | | benefit obligations | | of equity | |
| Note | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht | Baht |
| Opening balance as at 1 April 2019 | 383,125,000 | 504,250,000 | 38,312,500 | 15,229,792,248 | 3,280,000 | - | (192,200,408) | - | (188,920,408) | 15,966,559,340 |
| Total comprehensive income for the year | - | - | - | 1,997,497,355 | (2,832,000) | - | 15,409,216 | (23,200,047) | (10,622,831) | 1,986,874,524 |
| Dividends paid | 25 | - | - | (631,618,565) | - | - | - | - | - | (631,618,565) |
| Closing balance as at 31 March 2020 | <u>383,125,000</u> | <u>504,250,000</u> | <u>38,312,500</u> | <u>16,595,671,038</u> | <u>448,000</u> | <u>-</u> | <u>(176,791,192)</u> | <u>(23,200,047)</u> | <u>(199,543,239)</u> | <u>17,321,815,299</u> |
| Opening balance as at 1 April 2020 | | | | | | | | | | |
| - as reported | 383,125,000 | 504,250,000 | 38,312,500 | 16,595,671,038 | 448,000 | - | (176,791,192) | (23,200,047) | (199,543,239) | 17,321,815,299 |
| Impact of first-time adoption of new financial reporting standards | 5 | - | - | - | (448,000) | 952,053,219 | - | - | 951,605,219 | 951,605,219 |
| Opening balance as at 1 April 2020 | | | | | | | | | | |
| - restated | 383,125,000 | 504,250,000 | 38,312,500 | 16,595,671,038 | - | 952,053,219 | (176,791,192) | (23,200,047) | 752,061,980 | 18,273,420,518 |
| Total comprehensive income for the year | - | - | - | 1,061,340,029 | - | 17,119,985 | (22,234,089) | 20,289,585 | 15,175,481 | 1,076,515,510 |
| Dividends paid | 25 | - | - | (632,155,425) | - | - | - | - | - | (632,155,425) |
| Closing balance as at 31 March 2021 | <u>383,125,000</u> | <u>504,250,000</u> | <u>38,312,500</u> | <u>17,024,855,642</u> | <u>-</u> | <u>969,173,204</u> | <u>(199,025,281)</u> | <u>(2,910,462)</u> | <u>767,237,461</u> | <u>18,717,780,603</u> |

The notes to the financial statements on page 13 to 56 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 2021

| Separate financial statements | | | | | | | | | | |
|--|---------------------|--|----------------------------------|-----------------------|--|---|---|---|--|-----------------------|
| | Capital contributed | | Retained earnings | | Other components of equity | | | | | Total equity Baht |
| | Note | Issued and paid-up share capital Baht | Premium on share capital Baht | Legal reserve Baht | Unappropriated retained earnings Baht | Other comprehensive income (expenses) | | | Total other components of equity Baht | |
| | | | | | | Measurement of available-for-sale investments Baht | Measurement of investments in equity instruments at fair value through other comprehensive income Baht | Remeasurements of post-employment benefit obligations Baht | | |
| Opening balance as at 1 April 2019 | | 383,125,000 | 504,250,000 | 38,312,500 | 13,979,256,932 | 3,280,000 | - | - | 3,280,000 | 14,908,224,432 |
| Total comprehensive income for the year | | - | - | - | 1,820,614,809 | (2,832,000) | - | (23,200,047) | (26,032,047) | 1,794,582,762 |
| Dividends paid | 25 | - | - | - | (631,618,565) | - | - | - | - | (631,618,565) |
| Closing balance as at 31 March 2020 | | <u>383,125,000</u> | <u>504,250,000</u> | <u>38,312,500</u> | <u>15,168,253,176</u> | <u>448,000</u> | <u>-</u> | <u>(23,200,047)</u> | <u>(22,752,047)</u> | <u>16,071,188,629</u> |
| Opening balance as at 1 April 2020 | | | | | | | | | | |
| - as reported | | 383,125,000 | 504,250,000 | 38,312,500 | 15,168,253,176 | 448,000 | - | (23,200,047) | (22,752,047) | 16,071,188,629 |
| Impact of first-time adoption of new financial reporting standards | 5 | - | - | - | - | (448,000) | 952,053,219 | - | 951,605,219 | 951,605,219 |
| Opening balance as at 1 April 2020 | | | | | | | | | | |
| - restated | | 383,125,000 | 504,250,000 | 38,312,500 | 15,168,253,176 | - | 952,053,219 | (23,200,047) | 928,853,172 | 17,022,793,848 |
| Total comprehensive income for the year | | - | - | - | 948,764,044 | - | 17,119,985 | 20,289,585 | 37,409,570 | 986,173,614 |
| Dividends paid | 25 | - | - | - | (632,155,425) | - | - | - | - | (632,155,425) |
| Closing balance as at 31 March 2021 | | <u>383,125,000</u> | <u>504,250,000</u> | <u>38,312,500</u> | <u>15,484,861,795</u> | <u>-</u> | <u>969,173,204</u> | <u>(2,910,462)</u> | <u>966,262,742</u> | <u>17,376,812,037</u> |

The notes to the financial statements on page 13 to 56 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the year ended 31 March 2021

| | Notes | Equity method | | Separate financial statements | |
|--|--------|----------------------|---------------|-------------------------------|---------------|
| | | financial statements | | financial statements | |
| | | 2021 | 2020 | 2021 | 2020 |
| | | Baht | Baht | Baht | Baht |
| Cash flows from operating activities: | | | | | |
| Profit before income tax for the year | | 1,296,357,431 | 2,445,763,780 | 1,155,637,450 | 2,224,660,598 |
| Adjustments to reconcile profit before income tax for the year to net cash provided by operations: | | | | | |
| - Depreciation | 19 | 1,273,476,614 | 1,199,995,115 | 1,273,476,614 | 1,199,995,115 |
| - Amortisation | 20 | 282,502,867 | 245,384,850 | 282,502,867 | 245,384,850 |
| - Interest income | | (20,453,629) | (53,822,846) | (20,453,629) | (53,822,846) |
| - Share of profit from investments in an associate and a joint venture | 17, 18 | (241,893,286) | (318,837,425) | - | - |
| - Dividend income | | | | | |
| - Financial assets measured at fair value through other comprehensive income | | (60,397,989) | (86,130,838) | (60,397,989) | (86,130,838) |
| - Investments in an associate and a joint venture | 17, 18 | - | - | (101,173,305) | (97,734,243) |
| - Gain on disposals of property, plant and equipment, net | 27 | (3,337,941) | (10,124,263) | (3,337,941) | (10,124,263) |
| - Loss from changes in fair value of derivatives | 15 | 239,190 | - | 239,190 | - |
| - (Reversal of) Allowance for obsolete and slow moving inventories | 14 | (222,704) | 1,981,107 | (222,704) | 1,981,107 |
| - (Reversal of) Allowance for net realisable value lower than cost of inventories | 14 | (1,559,056) | (3,506,944) | (1,559,056) | (3,506,944) |
| - Employee benefit obligations | 23 | 54,350,572 | 127,457,579 | 54,350,572 | 127,457,579 |
| - Unrealised gain on exchange rates, net | | (7,793,357) | (1,369,417) | (7,793,357) | (1,369,417) |
| Cash flows before changes in operating assets and liabilities | | 2,571,268,712 | 3,546,790,698 | 2,571,268,712 | 3,546,790,698 |
| Changes in operating assets and liabilities | | | | | |
| - Trade and other accounts receivable | | 76,347,568 | (88,344,564) | 76,347,568 | (88,344,564) |
| - Inventories | | 467,230,263 | 159,178,360 | 467,230,263 | 159,178,360 |
| - Other current assets | | 32,129,217 | 6,316,754 | 32,129,217 | 6,316,754 |
| - Other non-current assets | | (7,340,597) | (234,479) | (7,340,597) | (234,479) |
| - Trade accounts payable - other companies | | (7,633,056) | (95,715,568) | (7,633,056) | (95,715,568) |
| - Trade accounts payable - related parties | | (29,013,104) | 17,492,994 | (29,013,104) | 17,492,994 |
| - Other accounts payable - other companies | | (22,185,160) | (88,960,164) | (22,185,160) | (88,960,164) |
| - Other accounts payable - related parties | | 98,881,050 | (1,459,450) | 98,881,050 | (1,459,450) |
| - Accrued expenses | | (24,542,614) | 31,821,450 | (24,542,614) | 31,821,450 |
| - Payment for employee benefit obligations | 23 | (27,209,450) | (7,474,336) | (27,209,450) | (7,474,336) |
| Cash generated from operations | | 3,127,932,829 | 3,479,411,695 | 3,127,932,829 | 3,479,411,695 |
| Interest received | | 9,705,992 | 16,430,980 | 9,705,992 | 16,430,980 |
| Income tax paid | | (264,734,534) | (420,784,595) | (264,734,534) | (420,784,595) |
| Net cash received from operating activities | | 2,872,904,287 | 3,075,058,080 | 2,872,904,287 | 3,075,058,080 |

The notes to the financial statements on page 13 to 56 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the year ended 31 March 2021

| | Notes | Equity method | | | |
|---|--------|----------------------|-----------------|-------------------------------|-----------------|
| | | financial statements | | Separate financial statements | |
| | | 2021 | 2020 | 2021 | 2020 |
| | | Baht | Baht | Baht | Baht |
| Cash flows from investing activities: | | | | | |
| Loans made to employees | 16 | (101,101,134) | (460,000) | (101,101,134) | (460,000) |
| Loans repayments from employees | 16 | 82,553,016 | 32,687,654 | 82,553,016 | 32,687,654 |
| Purchases of property, plant and equipment | | (1,603,827,172) | (3,298,191,124) | (1,603,827,172) | (3,298,191,124) |
| Proceeds from disposals of property, plant and equipment | | 4,216,343 | 10,175,182 | 4,216,343 | 10,175,182 |
| Interest received on short-term investments | | 17,312,665 | 41,753,402 | 17,312,665 | 41,753,402 |
| Purchase of long-term investment | | - | (16,979,940) | - | (16,979,940) |
| Dividends received | | | | | |
| - Financial assets measured at fair value through other comprehensive income | | 60,397,989 | 86,130,838 | 60,397,989 | 86,130,838 |
| - Investments in an associate and a joint venture | 17, 18 | 101,173,305 | 97,734,243 | 101,173,305 | 97,734,243 |
| Purchases of intangible assets | | (231,372,870) | (351,220,015) | (231,372,870) | (351,220,015) |
| Cash receipts from short-term investments | 12 | 2,697,000,000 | 4,806,000,000 | 2,697,000,000 | 4,806,000,000 |
| Cash payment on short-term investments | 12 | (3,789,000,000) | (2,347,000,000) | (3,789,000,000) | (2,347,000,000) |
| Net cash used in investing activities | | (2,762,647,858) | (939,369,760) | (2,762,647,858) | (939,369,760) |
| Cash flow from financing activity: | | | | | |
| Dividends paid | 25 | (632,155,425) | (631,618,565) | (632,155,425) | (631,618,565) |
| Net cash used in financing activity | | (632,155,425) | (631,618,565) | (632,155,425) | (631,618,565) |
| Net increase (decrease) in cash and cash equivalents | | | | | |
| | | (521,898,996) | 1,504,069,755 | (521,898,996) | 1,504,069,755 |
| Cash and cash equivalents at beginning of the year | | 3,177,436,049 | 1,671,996,877 | 3,177,436,049 | 1,671,996,877 |
| Effects of exchange rate changes | | 7,793,357 | 1,369,417 | 7,793,357 | 1,369,417 |
| Cash and cash equivalents at end of the year | | 2,663,330,410 | 3,177,436,049 | 2,663,330,410 | 3,177,436,049 |
| Non-cash transactions: | | | | | |
| Outstanding liabilities arisen from purchases of plant, equipment and intangible assets | | 28,696,147 | 480,529,292 | 28,696,147 | 480,529,292 |
| Outstanding liabilities arisen from purchases of plant and equipment from related parties | | - | 955,527 | - | 955,527 |

The notes to the financial statements on page 13 to 56 are an integral part of these financial statements.

1 General information

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

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

These equity method and separate financial statements have been approved by the Company’s Board of directors on 14 May 2021.

2 Significant events during the current year

The outbreak of Coronavirus Disease 2019 (“COVID-19”) in early 2020 has negative effects on operating results for many businesses including automotive business and the Company for the year ended 31 March 2021. As a result, net operating profit / revenue significantly dropped by 47% and 23% compared to 2020, respectively. The Company is now paying close attention to the development of the COVID-19 situation, evaluating its impact on the operation while strategizing effective solutions.

3 Basis of preparation

The equity method and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements issued under the Securities and Exchange Act.

The equity method and separate financial statements have been prepared under the historical cost convention except certain financial assets and liabilities (including derivative instrument) and employee benefit obligations.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 9.

An English version of the equity method and separate financial statements have 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.

4 New and amended financial reporting standards

4.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Company

a) The financial standards

The new financial standards related to financial instruments are as follows:

| | |
|--------|-------------------------------------|
| TAS 32 | Financial instruments: Presentation |
| TFRS 7 | Financial instruments: Disclosures |
| TFRS 9 | Financial instruments |

The new financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Company to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Company whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Company to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 April 2020, the Company has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 5.

b) TFRS 16, Leases

Where the Company is a lessee, TFRS 16, Leases will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

c) Amendment to TAS 12, Income tax clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.

d) Amendment to TAS 19, Employee benefits (plan amendment, curtailment or settlement) clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.

e) Amendment to TAS 23, Borrowing costs clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.

f) Amendment to TAS 28, Investments in associates and joint ventures (long-term interests in associates and joint ventures) clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. The Company must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.

g) Amendment to TFRS 3, Business combinations clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.

h) Amendment to TFRS 11, Joint arrangements clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

i) TFRIC 23, Uncertainty over income tax treatments explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

- that the Company should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
- that the Company should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
- that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

On 1 April 2020, The Company has applied the standards b) to i). The adoption of the standards does not have a significant impact on the equity method and separate financial statements.

4.2 New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2021

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Company. The Company is in the process of evaluating the impact of new standards.

- a) **Revised Conceptual Framework for Financial Reporting** added the following key principals and guidance:
- Measurement basis, including factors in considering difference measurement basis
 - Presentation and disclosure, including classification of income and expenses in other comprehensive income
 - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
 - Derecognition of assets and liabilities
- The amendment also includes the revision to the definition of an asset and liability in the financial statements, and clarification to the prominence of stewardship in maintaining the Company's economics benefit, prudential and the objective of financial reporting.
- b) **Amendment to TFRS 3, Business combinations** amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.
- c) **Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures** amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.
- d) **Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors** amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.

4.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Company. The Company is in the process of evaluating the impact of new standards.

- a) **Amendment to TFRS 16, Leases** amended to include a practical expedient for leases that are modified as a direct consequence of interbank offered rate (IBOR) reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

The Company has chosen not to early apply the exemption for the current reporting period.

5 Impacts from initial application of the new and revised financial reporting standards

This note explains the impact of the adoption of new financial standards on the Company's equity method and separate financial statements are as follows

| | |
|--------|-------------------------------------|
| TAS 32 | Financial instruments: Presentation |
| TFRS 7 | Financial instruments: Disclosures |
| TFRS 9 | Financial instruments |

The new accounting policies applied from 1 April 2020 were disclosed in Note 6.

The Company has adopted those accounting policies from 1 April 2020 by applying the modified retrospective approach. The comparative figures have not been restated. The reclassifications and the adjustments arising from the changes in accounting policies were therefore recognised in the statement of financial position as of 1 April 2020.

The following tables show the adjustments made to the amounts recognised in each line item in the statement of financial position in which the equity method is applied and separate financial statements upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9):

| | Notes | Equity method financial statements | | |
|---|-------|---|---|---|
| | | As at 31 March 2020 Previously reported Baht | TAS 32 and TFRS 9 Reclassifications and adjustments Baht | As at 1 April 2020 Restated Baht |
| Assets | | | | |
| Current assets | | | | |
| Derivatives assets | c | - | 1,923,710 | 1,923,710 |
| Other current assets | c | 39,653,979 | (1,703,420) | 37,950,559 |
| Non-current assets | | | | |
| Financial assets measured at fair value through other comprehensive income | a, b | - | 1,315,347,679 | 1,315,347,679 |
| Long-term investments, net | a, b | 125,841,155 | (125,841,155) | - |
| Total assets | | 165,495,134 | 1,189,726,814 | 1,355,221,948 |
| Liabilities | | | | |
| Current liabilities | | | | |
| Derivatives liabilities | c | - | 220,290 | 220,290 |
| Non-current liabilities | | | | |
| Deferred tax liabilities, net | b | 194,848,247 | 237,901,305 | 432,749,552 |
| Total liabilities | | 194,848,247 | 238,121,595 | 432,969,842 |
| Equity | | | | |
| Other components of equity | | | | |
| - Measurement of available-for-sale investment | a | 448,000 | (448,000) | - |
| - Measurement of investments in equity instruments at fair value through other comprehensive income | b | - | 952,053,219 | 952,053,219 |
| Total equity | | 448,000 | 951,605,219 | 952,053,219 |

- (a) Available-for-sale equity investments classified as FVOCI
(b) General investments classified as FVOCI
(c) Reclassify of derivative at fair value through profit or loss

Thai Stanley Electric Public Company Limited
Notes to the Equity Method and Separate Financial Statements
For the year ended 31 March 2021

| | | Separate financial statements | | |
|--------------------------------|---|--------------------------------------|------------------------------|----------------------|
| | | As at | TAS 32 and | As at |
| | | 31 March 2020 | Reclassifications and | 1 April 2020 |
| | | Previously reported | adjustments | Restated |
| Notes | | Baht | Baht | Baht |
| Assets | | | | |
| Current assets | | | | |
| | Derivatives assets | - | 1,923,710 | 1,923,710 |
| | Other current assets | 39,653,979 | (1,703,420) | 37,950,559 |
| Non-current assets | | | | |
| | Financial assets measured at fair value through other comprehensive income | - | 1,315,347,679 | 1,315,347,679 |
| | Long-term investments, net | 125,841,155 | (125,841,155) | - |
| | Deferred tax assets, net | 117,808,420 | (117,808,420) | - |
| Total assets | | 283,303,554 | 1,071,918,394 | 1,355,221,948 |
| Liabilities | | | | |
| Current liabilities | | | | |
| | Derivatives liabilities | - | 220,290 | 220,290 |
| Non-current liabilities | | | | |
| | Deferred tax liabilities, net | - | 120,092,885 | 120,092,885 |
| Total liabilities | | - | 120,313,175 | 120,313,175 |
| Equity | | | | |
| | Other components of equity | | | |
| | - Measurement of available-for-sale investment | 448,000 | (448,000) | - |
| | - Measurement of investments in equity instruments at fair value through other comprehensive income | - | 952,053,219 | 952,053,219 |
| Total equity | | 448,000 | 951,605,219 | 952,053,219 |

- (a) Available-for-sale equity investments classified as FVOCI
(b) General investments classified as FVOCI
(c) Reclassify of derivative at fair value through profit or loss

5.1 Financial instruments

The adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) does not have an impact on the Company's unappropriated retained earnings as of 1 April 2020.

Thai Stanley Electric Public Company Limited
Notes to the Equity Method and Separate Financial Statements
For the year ended 31 March 2021

The total impact on the Company's equity as of 1 April 2020 are as follows:

| | Notes | Other components of equity | | Effect on equity Baht |
|---|-------|----------------------------|--------------------|-----------------------|
| | | AFS reserves Baht | FVOCI reserve Baht | |
| Balance as of 31 March 2020 (Previously reported) | | 448,000 | - | 448,000 |
| Reclassify equity investments from available-for-sale presented in long-term investments to FVOCI | a | (448,000) | 448,000 | - |
| Reclassify and remeasurement of general investments presented in long-term investments to FVOCI | b | - | 1,189,506,524 | 1,189,506,524 |
| Tax Impact of fair value adjustment of FVOCI | | - | (237,901,305) | (237,901,305) |
| Total impact | | (448,000) | 952,053,219 | 951,605,219 |
| Opening balance as of 1 April 2020 - TFRS 9 adoption | | - | 952,053,219 | 952,053,219 |

On 1 April 2020 (the date of initial application), the management has assessed which business models apply to the financial assets and financial liabilities, and has classified its financial instruments into the appropriate TFRS 9 categories as follows.

| | Notes | Long-term investments | | | |
|--|-------|-------------------------------------|--------------------------|------------------|----------------------|
| | | Available-for-sale investments Baht | General investments Baht | FVPL Baht | FVOCI Baht |
| Financial assets | | | | | |
| Balance as at 31 March 2020 (Previously reported) | | 3,940,000 | 121,901,155 | 1,703,420 | - |
| Reclassify equity investments from available-for-sale and general investments to FVOCI | a, b | (3,940,000) | (121,901,155) | - | 125,841,155 |
| Fair value adjustments on derivatives | c | - | - | 220,290 | - |
| Fair value adjustments on financial assets | | - | - | - | 1,189,506,524 |
| Opening balance 1 April 2020 - TFRS 9 adoption | | - | - | 1,923,710 | 1,315,347,679 |
| Financial liabilities | | | | | |
| Balance as at 31 March 2020 (Previously reported) | | - | - | - | - |
| Fair value adjustments on derivatives | c | - | - | 220,290 | - |
| Opening balance 1 April 2020 - TFRS 9 adoption | | - | - | 220,290 | - |

(a) **Available-for-sale equity investments classified as FVOCI**

As of 1 April 2020, the Company elected to present in OCI changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments. As a result, the Company's assets with a fair value of Baht 3,940,000 were reclassified from available-for-sale financial assets which presented in long-term investment to financial assets at FVOCI. The respective fair value gains net of tax of Baht 448,000 were reclassified from other components of equity - measurement of available-for-sale investment to other components of equity - measurement of investments in equity instruments at fair value through other comprehensive income.

(b) **General investments classified as FVOCI**

As of 1 April 2020, the Company reclassified general investments in equity instruments which presented in long-term investment that previously measured at cost less impairment of Baht 121,901,155 to FVOCI. The respective fair value gains of Baht 1,189,506,524 and deferred tax liabilities from fair value adjustment of Baht 237,901,305 were recognised in FVOCI reserve on 1 April 2020 as they are held as long-term strategic investments.

(c) **Reclassify of derivative at fair value through profit or loss**

As of 1 April 2020 derivative assets and liabilities were reclassified at their fair values of Baht 1,923,710 and Baht 220,290, respectively.

During the year ended 31 March 2021, the fair value gains of Baht 1,318,390 were recognised in the Company's other income gain/loss on exchange rates, net in the equity method and separate financial statements.

Thai Stanley Electric Public Company Limited
Notes to the Equity Method and Separate Financial Statements
For the year ended 31 March 2021

(d) **Reclassifications of financial instruments on adoption of TFRS 9**

On 1 April 2020 (the date of initial application), the measurement categories and carrying amounts of financial assets and financial liabilities were as follows.

| | Equity method financial statements and separate financial statements | | | | |
|--|--|-----------------|--------------------------------|---------------|--------------------|
| | Measurement categories | | Carrying amounts | | |
| | Previously reported (TAS 105 and other TAS) | New (TFRS 9) | Previously reported Baht | New Baht | Difference Baht |
| Current financial assets | | | | | |
| Cash and cash equivalents | Amortised cost | Amortised cost | 3,177,436,049 | 3,177,436,049 | - |
| Short-term investments | Amortised cost | Amortised cost | 1,166,000,000 | 1,166,000,000 | - |
| Trade and other accounts receivable, net | Amortised cost | Amortised cost | 2,466,759,543 | 2,466,759,543 | - |
| Current portion of loans to employees | Amortised cost | Amortised cost | 31,764,870 | 31,764,870 | - |
| Derivatives assets | FVPL | FVPL | 1,703,420 | 1,923,710 | 220,290 |
| Non-current financial assets | | | | | |
| Loans to employees | Amortised cost | Amortised cost | 12,805,720 | 12,805,720 | - |
| Available-for-sale investments | Available for sale | FVOCI | 3,940,000 | 3,940,000 | - |
| Long-term investments, net | Cost less impairment | FVOCI | 121,901,155 | 1,311,407,679 | 1,189,506,524 |
| Current financial liabilities | | | | | |
| Trade and other payables | Amortised cost | Amortised cost | 1,879,832,670 | 1,879,832,670 | - |
| Accrued expense | Amortised cost | Amortised cost | 371,259,536 | 371,259,536 | - |
| Derivative liabilities | FVPL | FVPL | - | 220,290 | 220,290 |

(e) **Impairment of financial assets**

The Company has following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- short-term investments
- trade and other accounts receivable
- loans to employees

The Company was required to revise its impairment methodology under TFRS 9. The impact of the change in impairment methodology on the Company's retained earnings at 1 April 2020 was immaterial.

Trade receivables and other receivables

The Company applies the simplified approach in measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and other receivables.

To measure the expected credit losses, trade receivables and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical payment profiles of sales, the corresponding historical credit losses experienced as well as forward-looking information that may affect the ability of the customers to settle the receivables.

As of 1 April 2020, the Company's management considered additional loss allowance for trade receivables and other receivables under TFRS 9 was immaterial.

During the year ended 31 March 2021, there was no additional loss allowance recognised for trade receivables and other receivables.

The Company chose to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ended between 1 April 2020 and 31 December 2020 by excluding forward-looking information in assessing the expected credit loss under the simplified approach of trade receivables and other receivables. The expected credit loss for trade receivables and other receivables was immaterial which were assessed based on historical credit loss together with the management's judgement in estimating the expected credit loss.

The loss allowance for trade receivables and other receivables was determined in Note 13.

Loans to employees

The Company has loans to employees measured at amortised cost. The 12-month expected credit loss allowance was recognised for those loans without any significant increase in credit risk. The lifetime expected credit loss was recognised for those loans with significant increase in credit risk.

As of 1 April 2020, the Company's management considered additional loss allowance for loans to employees under TFRS 9 was immaterial.

During the year ended 31 March 2021, there was no additional loss allowance recognised for loans to employees.

6 Accounting policies

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

6.1 Principles of equity accounting

(1) Associate

Associate is an entity over which the Company has significant influence but not control or joint control.

In the separate financial statements, investment in an associate is accounted for using cost method.

(2) Joint arrangement

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

Joint venture

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

In the separate financial statements, investments in a joint venture is accounted for using cost method.

(3) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs.

The Company's subsequently recognises shares of its associate and joint venture' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Company's share of losses in an associate and a joint venture equals or exceeds its interest in the associate and joint venture, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate and joint venture.

(4) Intercompany transactions on equity method financial statements

Unrealised gains on transactions between the Company and its associate and joint venture are eliminated to the extent of the Company's interest in the associate and joint venture. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

6.2 Foreign currency translation

(a) Functional and presentation 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.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

(c) Associate and Joint venture

The operational results and financial position of the associate and joint venture (none of which has the currency of a hyper-inflationary economy) that have a different functional currency from the Company's presentation currency are translated into the presentation currency as follows.

- Assets and liabilities are translated at the closing rate at the date of respective statement of financial position;
- Income and expenses for each statement of profit or loss are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

6.3 Cash and cash equivalents

In the statements of cash flows, cash and cash equivalents includes cash on hand, deposits held at call, short-term highly liquid investments with maturities of three months or less from acquisition date.

6.4 Trade accounts receivable

Trade receivables are amounts due from customers for goods sold or service performed in the ordinary course of business. They are generally due for settlement within 30 to 60 days and therefore are all classified as current.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

The impairment of trade receivables are disclosed in Note 6.6 (f).

6.5 Inventories

Inventories are stated at the lower of cost and net realisable value.

Cost of inventories is determined by the moving average method. Cost of raw materials comprise all purchase cost and costs directly attributable to the acquisition of the inventory less all attributable discounts. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and directly attributable costs in bringing the inventories to their present location and condition.

6.6 Financial asset

For the year ended 31 March 2021

a) **Classification**

From 1 April 2020, the Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

c) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest.

d) Debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in other income - interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income - interest income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

e) Equity instruments

The Company measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income - dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

f) Impairment

From 1 April 2020, the Company applies the TFRS 9 simplified approach in measuring the impairment of trade receivables, which applies lifetime expected credit loss, from initial recognition, for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected credit loss rates are based on payment profiles, historical credit losses as well as forward-looking information and factors that may affect the ability of the customers to settle the outstanding balances.

For other financial assets carried at amortised cost and FVOCI, the Company applies TFRS 9 general approach in measuring the impairment of those financial assets. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted estimate of credit losses (probability-weighted present value of estimated cash shortfall). The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

When measuring expected credit losses, the Company reflects the following:

- probability-weighted estimated uncollectible amounts
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

Impairment (and reversal of impairment) losses are recognised in profit or loss and included in administrative expenses.

Classification and measurement of financial assets for the year ended 31 March 2020 is disclosed in Note 5.1

For the year ended 31 March 2020

Investments in debt and equity securities

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

Trading and available-for-sale investments

Trading investments and available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

Held-to-maturity investments

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

General investments

General investments are carried at cost less impairment.

Disposal of investments

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Company disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

6.7 Property, plant and equipment

All other property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Company. The carrying amount of the replaced part is derecognised.

All other repairs and maintenance are charged to profit or loss when incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| | <u>Useful life (years)</u> |
|--|----------------------------|
| Buildings and other constructions | 10 - 40 |
| Land and building improvements | 5 - 15 |
| Machinery, equipment and factory tools | 5 - 15 |
| Molds | 4 |
| Motor vehicles | 5 |
| Furniture, fixtures and office equipment | 3 - 5 |

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

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in other gains or losses.

6.8 Intangible assets

Acquired computer software

Acquired computer software is measured at cost. These costs are amortised over their estimated useful lives 5 years to 10 years.

Cost associated with maintaining computer software are recognised as an expense as incurred.

Product design costs

Research expenditure is recognised as an expense as incurred.

Cost incurred on development projects relating to the design of new products is recognised as an asset when the Company can demonstrate all of the following:

- the product design costs can be measured reliably;
- the Company can demonstrate that it is technically, financially, commercially, and resourcefully feasible; and
- the Company intends to and has the ability to complete the project for the purpose of using for the commercial production.

Product design costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Capitalised product design costs are amortised when the asset is ready to use by applying a straight-line method over the period of its expected benefit, not exceeding 4 years.

6.9 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed.

6.10 Leases

For the year ended 31 March 2021

Leases - where the Company is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Leases - where the Company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

For the year ended 31 March 2020

Leases - where the Company is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

Leases - where the Company is the lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease which reflects a constant periodic rate of return. Initial direct costs are included in initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

6.11 Financial liabilities

For the year ended 31 March 2021

a) Classification

Financial instruments issued by the Company are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Company has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Company's own equity instruments.
- Where the Company has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

b) Measurement

Financial liabilities are initially recognised at fair value and are subsequently measured at amortised cost.

c) Derecognition and modification

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

Where the terms of a financial liability are renegotiated/modified, the Company assesses whether the renegotiation/modification results in the derecognition of that financial liability. Where the modification results in an extinguishment, the new financial liability is recognised based on fair value of its obligation. The remaining carrying amount of financial liability is derecognised. The difference as well as proceed paid is recognised as other gains/(losses) in profit or loss.

Where the modification does not result in the derecognition of the financial liability, the carrying amount of the financial liability is recalculated as the present value of the renegotiated/modified contractual cash flows discounted at its original effective interest rate. The difference is recognised in other gains/(losses) in profit or loss.

6.12 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.

Current tax

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred 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 tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

6.13 Employee benefits

a) Short-term employee benefits

Liabilities for short-term employee benefits such as salaries, wages, bonuses, contributions to the social security fund and others, that are expected to be settled wholly within 12 months after the end of the period are recognised in respect of employees' service up to the end of the reporting period. They are measured at the amount expected to be paid.

b) Defined contribution plan

The Company pays contributions to a separate fund (under the Provident Fund Act B.E. 2530). 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.

c) Defined benefit plans

Amount of retirement benefits is defined by the agreed benefits the employees will receive after the completion of employment. It usually depends on factors such as age, years of service and an employee's latest compensation at retirement.

The defined benefit obligation is calculated by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yield of government bonds that matches the terms and currency of the expected cash outflows.

Remeasurement gains and losses are recognised directly to other comprehensive income in the period in which they arise. They are presented as a separate item in statements of changes in equity.

Past-service costs are recognised immediately in profit or loss.

d) **Termination benefits**

The Company recognises termination benefits at the earlier of 1) when the Company can no longer withdraw the offer of those benefits; and 2) when the entity recognises costs for the related restructuring. Benefits due more than 12 months are discounted to their present value.

6.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

6.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

6.16 Revenue recognition

Revenue include all revenues from ordinary business activities. All ancillary income in connection with the delivery of goods and rendering of services in the course of the Company's ordinary activities is also presented as revenue.

Revenue are recorded net of value added tax. They are recognised in accordance with the provision of goods or services, provided that collectibility of the consideration is probable.

Multiple element arrangements involving delivery or provision of multiple products or services are separated into distinct performance obligations. Total transaction price of the bundled contract is allocated to each performance obligation based on their relative standalone selling prices or estimated standalone selling prices. Each performance obligation is recognised as revenue on fulfillment of the obligation to the customer.

Sale of goods

The Company manufactures and sells products. Sales are recognised when control of the products has transferred, being when the products are delivered, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the buyer, and either the buyer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

The product is often sold with retrospective volume discounts based on aggregate sales over a 12 month period. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in accrued expenses) is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. No significant element of financing is deemed present as the sales are made with a credit term of 30 to 60 days, which is consistent with market practice.

The Company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision and cost of sales.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Services

Revenue from rendering services is recognised when services are rendered.

Payments to customers

Payments to customers or on behalf of customers to other parties, including credited or subsequent discounts, are recognised as a reduction in revenue unless the payment constitutes consideration of a distinct goods or service from the customer.

Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

Other income

Other revenue are recognised on the following bases:

- dividend income is recognised when the right to receive payment is established.
- interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.
- scrap income is recognised when the scrap is actually sold.

6.17 Dividends

Dividend distributed to the Company's shareholders is recognised as a liability when the annual dividends are approved by the shareholders.

6.18 Derivatives and hedging activities

Embedded derivative that is separately accounted for and derivatives that do not qualify for hedge accounting is initially recognised at fair value. Changes in the fair value are included in other gains(losses).

Fair value of derivatives is classified as a current or non-current following its remaining maturity.

7 Financial risk management

7.1 Financial risk

The Company exposes to a variety of financial risks: Market risk (foreign exchange risk and interest rate risk), and credit risk, and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative to hedge certain exposures.

Risk management is carried out by a central treasury department under policies which included policies for foreign exchange rate risk, interest rate risk, credit risk, and liquidity risk approved by the Board of Directors. The treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

The Company's risk management is controlled by a central treasury department under policies approved by the Board of Directors. Company treasury identifies, evaluates and manages financial risks in close co-operation with the Company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and other financial instruments as well as investment of excess liquidity

7.1.1 Market risk

a) Foreign exchange risk

The Company has exposure to foreign currency exchange fluctuations on raw materials imported in foreign currencies and certain export sales in foreign currencies. The foreign currency exchange rate risk of the Company occurs mostly in Japanese Yen and US Dollars. The Company uses forward contracts to hedge their exposure to foreign currency risk approximately 50% of transactions in foreign currency after net with foreign currency cash and cash equivalents.

The Company has no formal designation and documentation of hedging relationship so that the risk being hedged, the hedged item, the hedging instrument and risk management objectives and strategy for undertaking hedges are not clearly identified. Therefore, the forward contract are not qualifies for hedge accounting.

Disclosures about derivative financial instruments to which the Company is a party are provided as follows and Note 15.

Thai Stanley Electric Public Company Limited
Notes to the Equity Method and Separate Financial Statements
For the year ended 31 March 2021

Exposure

The Company's exposure to foreign currency risk at the end of the reporting period, expressed in Baht are as follows:

| | 31 March 2021 | | | 31 March 2020 | | |
|-------------------------------------|----------------|-----------|-------------------|----------------|-----------|-------------------|
| | US Dollar Baht | Euro Baht | Japanese Yen Baht | US Dollar Baht | Euro Baht | Japanese Yen Baht |
| Cash and cash equivalents | 212,861,504 | - | 967,917 | 83,362,591 | - | 892,474 |
| Trade and other accounts receivable | 212,867,443 | - | - | 159,323,218 | - | - |
| Foreign currency forward contract | | | | | | |
| - Purchase of foreign currency | - | - | - | 63,490,000 | - | 8,535,000 |
| Trade and other accounts payable | 414,322,001 | 1,951,064 | 45,255,478 | 461,416,069 | 2,242,928 | 69,666,165 |
| Foreign currency forwards | | | | | | |
| - Purchase of foreign currency | - | - | 11,420,000 | - | - | 9,144,000 |

Sensitivity

As shown in the table above, the Company is primarily exposed to changes in Baht and Japanese Yen, US Dollar, and Euro exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from financial assets and financial liabilities denominated in Japanese and US Dollar.

| | Impact to net profit | |
|---|----------------------|----------------|
| | Year 2021 Baht | Year 2020 Baht |
| US Dollar to Baht exchange rate - increase 5% (2020: 8%)* | 570,347 | (12,296,421) |
| Euro to Baht exchange rate - increase 6% (2020: 8%)* | (117,064) | (179,434) |
| JPY to Baht exchange rate - increase 8% (2020: 9%)* | (2,636,139) | (4,583,364) |
| US Dollar to Baht exchange rate - decrease 5% (2020: 8%)* | (570,347) | 12,296,421 |
| Euro to Baht exchange rate - decrease 6% (2020: 8%)* | 117,064 | 179,434 |
| JPY to Baht exchange rate - decrease 8% (2020: 9%)* | 2,636,139 | 4,583,364 |

* Holding all other variables constant

b) Foreign exchange risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company is exposed to interest rate risk relates primarily to its deposits at financial institutions and short-term investments. Most of the Company's financial assets bear floating interest rates or fixed interest rates which are close to the market rate. The Company assesses that the interest rate risk is insignificant as the Company does not rely on the interest income in operating business.

7.1.2 Credit risk

Credit risk arises from cash and cash equivalents and short-term investment and credit exposures to customers, including outstanding receivables.

a) Risk management

Credit risk is managed on a group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'bbb' are accepted.

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on the assessments in accordance with limits set by the board. The compliance with credit limits by customers is regularly monitored by line management.

b) Impairment of financial assets

The Company has 2 types of financial assets that are subject to the expected credit loss model:

- Trade and other accounts receivable
- Loans to employees

While cash and cash equivalents and short-term investment are also subject to the impairment requirements of TFRS 9, the identified impairment loss was immaterial.

Trade receivables

The Company applies the TFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Disclosures about Trade receivables are provided in Note 13.

The Company write-off trade receivables when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments or cannot be contacted for a period greater than 1 year past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Previous accounting policy for impairment of trade receivables for comparative period

For the year ended 31 March 2020, the Company recognised impairment of trade receivables based on the incurred loss model such as uncollectible or past due for a period less than 1 year, which was not taken into account future losses. Therefore, loss allowance and allowance for doubtful accounts are not comparable.

Loans to employees

Loans to employees measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significantly increased.

Disclosures about Loans to employees are provided in Note 16.

7.1.3 Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Company held deposits at call of Baht 2,663,330,410 (2020: Baht 3,177,436,049) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Company Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Company's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

a) Maturity of financial liabilities

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

The Company's portfolio of derivative instruments with a negative fair value has been included at their fair value of Baht 239,190 (2020: Baht 220,290) within the 'On demand' time bucket. This is because the contractual maturities are essential for an understanding the cash flows' timing. These contracts are managed on a maturity date basis.

| | On demand | Within | 1 - 5 | Over | Total | Book value |
|--|----------------------|--------|-------|---------|----------------------|--------------------------|
| | Baht | 1 year | years | 5 years | Baht | assets/ (liabilities) |
| Contractual maturity date | | Baht | Baht | Baht | | Baht |
| As at 31 March 2021 | | | | | | |
| Trade and other payables | 1,467,093,728 | - | - | - | 1,467,093,728 | 1,467,093,728 |
| Accrued expenses | 346,716,922 | - | - | - | 346,716,922 | 346,716,922 |
| Total financial liabilities that is not derivatives | 1,813,810,650 | - | - | - | 1,813,810,650 | 1,813,810,650 |
| Derivative financial instruments | | | | | | |
| Foreign exchange forward contract | 239,190 | - | - | - | 239,190 | 239,190 |
| Total derivatives | 239,190 | - | - | - | 239,190 | 239,190 |
| Total | 1,814,049,840 | - | - | - | 1,814,049,840 | 1,814,049,840 |
| | | | | | | |
| | On demand | Within | 1 - 5 | Over | Total | Book value |
| | Baht | 1 year | years | 5 years | Baht | assets/ (liabilities) |
| Contractual maturity date | | Baht | Baht | Baht | | Baht |
| As at 1 April 2020 | | | | | | |
| Trade and other payables | 1,879,832,670 | - | - | - | 1,879,832,670 | 1,879,832,670 |
| Accrued expenses | 371,259,536 | - | - | - | 371,259,536 | 371,259,536 |
| Total financial liabilities that is not derivatives | 2,251,092,206 | - | - | - | 2,251,092,206 | 2,251,092,206 |
| Derivative financial instruments | | | | | | |
| Foreign exchange forward contract | 220,290 | - | - | - | 220,290 | 220,290 |
| Total derivatives | 220,290 | - | - | - | 220,290 | 220,290 |
| Total | 2,251,312,496 | - | - | - | 2,251,312,496 | 2,251,312,496 |

7.2 Capital management

7.2.1 Risk management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- 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.

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The following table presents fair value of financial assets and liabilities recognised and disclosed by their fair value hierarchy.

| | Equity method financial statements and Separate financial statements | | | | | | | | Carrying amount | |
|--|---|-------------------|------------------|------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | Level 1 | | Level 2 | | Level 3 | | Total fair value | | | |
| | 31 March 2021 | 1 April 2020 | 31 March 2021 | 1 April 2020 | 31 March 2021 | 1 April 2020 | 31 March 2021 | 1 April 2020 | 31 March 2021 | 1 April 2020 |
| Assets | | | | | | | | | | |
| Financial assets at fair value through profit or loss | | | | | | | | | | |
| Trading derivatives - Foreign currency forwards | - | - | - | 1,923,710 | - | - | - | 1,923,710 | - | 1,923,710 |
| Financial assets at fair value through other comprehensive income | | | | | | | | | | |
| Investments in equity instruments | 111,530,569 | 60,599,219 | - | - | 1,225,217,091 | 1,254,748,460 | 1,336,747,660 | 1,315,347,679 | 1,336,747,660 | 1,315,347,679 |
| Total assets | 111,530,569 | 60,599,219 | - | 1,923,710 | 1,225,217,091 | 1,254,748,460 | 1,336,747,660 | 1,317,271,389 | 1,336,747,660 | 1,317,271,389 |
| Liabilities | | | | | | | | | | |
| Financial liabilities at fair value through profit or loss | | | | | | | | | | |
| Trading derivatives - Foreign currency forwards | - | - | 239,190 | 220,290 | - | - | 239,190 | 220,290 | 239,190 | 220,290 |
| Total liabilities | - | - | 239,190 | 220,290 | - | - | 239,190 | 220,290 | 239,190 | 220,290 |

Fair values are categorised into hierarchy based on inputs used as follows:

- Level 1: The fair value of financial instruments is based on the closing price by reference to the Stock Exchange of Thailand.
- Level 2: The fair value of financial instruments is determined using significant observable inputs and, as little as possible, entity-specific estimates.
- Level 3: The fair value of financial instruments is not based on observable market data.

Fair values of financial assets and financial liabilities are recognised according to the accounting policies disclosed in Note 6.6 and Note 6.11.

During the year, the Company did not transferred financial instrument item from level 1 into level 2.

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

The following table presents changes in level 3 financial instruments for the year ended 31 March 2021 and 31 March 2020.

| | Non-listed equity investments Baht |
|--|---|
| Opening balance as at 31 March 2020 (Book value) | 113,107,440 |
| Remeasurement of investment in equity instrument to FVOCI under TFRS 9 | 1,141,641,020 |
| Closing balance as at 1 April 2020 | 1,254,748,460 |
| Gain/Loss recognised in other comprehensive income | (29,531,369) |
| Closing balance as at 31 March 2021 | 1,225,217,091 |

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements.

| | Fair value | | Unobservable inputs | Range of inputs | |
|-------------------------------|-----------------------|----------------------|--|-----------------|--------------|
| | 31 March 2021 Baht | 1 April 2020 Baht | | 31 March 2021 | 1 April 2020 |
| Non-listed equity investments | 1,225,217,091 | 1,254,748,460 | Discount for Lack of Marketability: DLOM | 15% | 15% |

Relationship of unobservable inputs to fair value are shown as follows:

| | Unobservable inputs | Movement | Change in fair value | |
|-----------------------------|--|----------|-------------------------|-------------------------|
| | | | Increase in assumptions | Decrease in assumptions |
| | | | 2021 | 2021 |
| Unquoted equity investments | Discount for Lack of Marketability: DLOM | 1.00% | Decrease by 1.18% | Increase by 1.18% |

The Company's valuation processes

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

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

9 Critical accounting estimates, assumptions and judgments

Estimates and judgements 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.

a) Fair value of certain financial assets and derivatives

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Company uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in Note 8.

b) Allowances for obsolete and slow-moving inventories

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

c) Useful life of plant, equipment and intangible assets

The management estimates useful life for plant, equipment and intangible assets of the Company. The management revises depreciation expense whenever the useful life is different from the estimation in the prior period or there is a disposal or retirement.

On 1 November 2020, the Company changed the estimated useful life of buildings from 30 years to 40 years and building improvements from 10 years to 15 years because the management reconsidered the estimated useful life to be consistent with the current usage. The change in estimation resulted in the decrease in depreciation expenses of buildings and building improvements for the year ended 31 March 2021 of Baht 24.43 million.

d) Employee benefit obligation

The present value of post-employment benefit obligation is determined based on various assumptions. Assumptions used and effects in any changes in these assumptions are disclosed in Note 23.

e) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

10 Segment information

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

Business segment

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

During the year ended 31 March 2021 and 2020, the revenues from sales and services are recognised at point in time.

Revenues by product group

During the year ended 31 March 2021 and 2020, the revenues by product group are as follows:

| | 2021 Baht | 2020 Baht |
|--|----------------|----------------|
| Auto bulbs and automotive lighting equipment | 11,124,981,270 | 14,347,501,637 |
| Molds & dies and product designs | 602,627,636 | 802,587,917 |
| | 11,727,608,906 | 15,150,089,554 |

Major customers

During the year ended 31 March 2021, the Company has revenues from 3 major customer groups which each of them contributed equal or over 10% of the Company's total revenues (2020: 3 customer groups).

| | 2021 Million Baht | 2020 Million Baht |
|---------------------|----------------------|----------------------|
| Customer group no.1 | 4,421 | 6,216 |
| Customer group no.2 | 2,977 | 4,142 |
| Customer group no.3 | 1,350 | 1,692 |

The customers under common control are considered as one customer and referred to as the customer group.

11 Cash and cash equivalents

| | 2021 Baht | 2020 Baht |
|---|---------------|---------------|
| Cash and cheques on hand | 837,937 | 1,303,566 |
| Current accounts with banks | 98,561,275 | 149,687,789 |
| Savings accounts with banks | 215,931,198 | 86,444,694 |
| Fixed deposits at banks with less than 3-month term | 2,348,000,000 | 2,940,000,000 |
| | 2,663,330,410 | 3,177,436,049 |

As at 31 March 2021, savings accounts with banks and fixed deposits at banks with less than 3-month term bear interest at the rates of 0.01% - 0.35% per annum (2020: 0.01% - 0.80% per annum).

12 Short-term investments

As at 31 March 2021, short-term investments held to maturity represent fixed deposits at banks which have original maturities over 3 months but not over 12 months (2020: maturity represent fixed deposits at banks which have original maturities over 3 months but not over 12 months).

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

| | 2021 Baht | 2020 Baht |
|-----------------------------|-----------------|-----------------|
| Opening book amount | 1,166,000,000 | 3,625,000,000 |
| Additions during the year | 3,789,000,000 | 2,347,000,000 |
| Redemptions during the year | (2,697,000,000) | (4,806,000,000) |
| Closing book amount | 2,258,000,000 | 1,166,000,000 |

As at 31 March 2021, short-term investments held to maturity bear interest at the rates of 0.21% - 0.63% per annum (2020: 1.43% - 1.63% per annum).

13 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 31 March 2021 and 2020 are as follows:

| | 2021 Baht | 2020 Baht |
|---|---------------|---------------|
| Trade accounts receivable - other companies | 2,119,220,891 | 2,223,826,925 |
| <u>Less</u> Loss allowance (2020: Allowance for doubtful accounts under TAS 101) | (20,446,001) | (20,446,001) |
| Trade accounts receivable - other companies, net | 2,098,774,890 | 2,203,380,924 |
| Trade accounts receivable - related parties (Note 32) | 335,620,930 | 225,126,816 |
| Prepaid expenses | 56,389,044 | 57,471,577 |
| Accrued income, net | 7,839,885 | 13,165,956 |
| Value added tax receivable | 14,976,949 | 95,763,631 |
| Other receivables | 36,646,413 | 38,251,803 |
| | 2,550,248,111 | 2,633,160,707 |

Impairment

The loss allowance for trade receivables was determined as follows:

| | Not yet due Baht | Up to 3 months Baht | 3 - 6 months Baht | 6 - 12 months Baht | More than 12 months Baht | Total Baht |
|---|---------------------|---------------------------|-------------------------|--------------------------|--------------------------------|---------------|
| As of 1 April 2020 | | | | | | |
| Gross carrying amount | | | | | | |
| - trade account receivables - other companies | 2,189,876,473 | 13,504,451 | - | - | 20,446,001 | 2,223,826,925 |
| - trade account receivables - related parties | 218,487,515 | 6,639,301 | - | - | - | 225,126,816 |
| Loss allowance | - | - | - | - | (20,446,001) | (20,446,001) |
| As 31 March 2021 | | | | | | |
| Gross carrying amount | | | | | | |
| - trade account receivables - other companies | 2,095,505,182 | 3,241,708 | 28,000 | - | 20,446,001 | 2,119,220,891 |
| - trade account receivables - related parties | 331,840,061 | 3,780,869 | - | - | - | 335,620,930 |
| Loss allowance | - | - | - | - | (20,446,001) | (20,446,001) |

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The reconciliations of loss allowance for trade receivables for the year ended 31 March are as follow:

| | 2021 Baht | 2020 Baht |
|--|----------------------|----------------------|
| As at 1 April - calculated under TAS 101 | 20,446,001 | 20,446,001 |
| Amounts restated through opening retained earnings | - | - |
| Opening loss allowance as at 1 April 2020 - calculated under TFRS 9 (2019: TAS 101) | 20,446,001 | 20,446,001 |
| Increase in loss allowance recognised in profit or loss during the year | - | - |
| Receivable written off during the year as uncollectible | - | - |
| Unused amount reversed | - | - |
| As of 31 March - calculated under TFRS 9 (2020: TAS 101) | 20,446,001 | 20,446,001 |

The expected loss rates are based on the payment profiles of sales over a period of 60 months before 1 April 2020 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Company has identified GDP to be the most relevant factors, and accordingly adjusted the historical loss rates based on expected changes in these factors. However, the expected loss for trade accounts receivable is not significantly increased by the adjustment.

14 Inventories, net

| | 2021 Baht | 2020 Baht |
|--|----------------------|----------------------|
| Raw materials and packaging | 239,155,015 | 232,922,159 |
| Work in process | 84,138,194 | 516,955,061 |
| Finished goods | 88,634,062 | 78,278,295 |
| Goods in transit | 66,911,189 | 117,913,208 |
| | 478,838,460 | 946,068,723 |
| <u>Less</u> Allowance for net realisable value lower than cost | | |
| - Work in process | - | (1,559,056) |
| Allowance for obsolete and slow-moving inventories | | |
| - Raw materials and packaging | (1,865,897) | (1,525,185) |
| - Work in process | (185,171) | (559,820) |
| - Finished goods | (107,829) | (296,596) |
| Inventories, net | 476,679,563 | 942,128,066 |

During the years ended 31 March 2021 and 2020, amounts recognised as cost of sales in profit or loss are as follows:

| | 2021 Baht | 2020 Baht |
|--|----------------------|----------------------|
| Cost of sales and cost of services | 9,951,852,793 | 12,339,311,542 |
| (Reversal of) allowance for net realisable value lower than cost | (1,559,056) | (3,506,944) |
| (Reversal of) allowance for obsolete and slow-moving inventories | (222,704) | 1,981,107 |

The Company sold inventory that was previously write-down to a customer at original cost. Therefore, the Company reversed the allowance for net realisable value during the year.

15 Financial assets and financial liabilities

As at 31 March 2021, classification of the Company's financial assets and financial liabilities are as follows:

| | FVOCI Baht | Amortised cost Baht | Total Baht |
|---|---------------|---------------------------|---------------|
| Financial assets | | | |
| Cash and cash equivalents | - | 2,663,330,410 | 2,663,330,410 |
| Short-term investments | - | 2,258,000,000 | 2,258,000,000 |
| Trade and other accounts receivable, net | - | 2,471,042,233 | 2,471,042,233 |
| Loans to employees | - | 63,118,708 | 63,118,708 |
| Investments in equity | 1,336,747,660 | - | 1,336,747,660 |
| Financial liabilities | | | |
| Trade and other payables | - | 1,467,093,728 | 1,467,093,728 |
| Derivative liabilities - FVPL (not apply hedge accounting) | 239,190 | - | 239,190 |

15.1 Other financial assets at amortised cost

a) Classification of financial assets at amortised cost (2020: amortised cost / fair value under TAS105)

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortised cost include cash and cash equivalents, short-term investments, trade receivables, other receivables, and Loans to employees:

| Notes | 31 March 2021 | | | 31 March 2020 | | |
|--|-----------------|---------------------|---------------|-----------------|---------------------|---------------|
| | Current Baht | Non-current Baht | Total Baht | Current Baht | Non-current Baht | Total Baht |
| Cash and cash equivalents | 2,663,330,410 | - | 2,663,330,410 | 3,177,436,049 | - | 3,177,436,049 |
| Short-term investments | 2,258,000,000 | - | 2,258,000,000 | 1,166,000,000 | - | 1,166,000,000 |
| Trade accounts receivable - other companies | 2,119,220,891 | - | 2,119,220,891 | 2,223,826,925 | - | 2,223,826,925 |
| Trade accounts receivable - related parties | 335,620,930 | - | 335,620,930 | 225,126,816 | - | 225,126,816 |
| Other receivables | 36,646,413 | - | 36,646,413 | 38,251,803 | - | 38,251,803 |
| Loans to employees | 44,380,610 | 18,738,098 | 63,118,708 | 31,764,870 | 12,805,720 | 44,570,590 |
| Less: Loss allowance for (31 March 2020: loss on impairment) | (20,446,001) | - | (20,446,001) | (20,446,001) | - | (20,446,001) |
| Total | 7,436,753,253 | 18,738,098 | 7,455,491,351 | 6,841,960,462 | 12,805,720 | 6,854,766,182 |

b) Fair values of other financial assets at amortised cost

Due to the short-term nature of Cash and cash equivalents and short-term investments, their carrying amount are considered to be the same as their fair value.

Due to the short-term nature of the trade receivables and other current receivables, their carrying amount are considered to be the same as their fair value.

For the loans to employee, the fair values are also not significantly different to their carrying amounts.

c) Loss allowance

Information about the impairment of financial assets at amortised cost and the Company's exposure to credit risk is disclosed in Note 7.

15.2 Financial assets at fair value through other comprehensive income

- i) Classification of financial assets at fair value through other comprehensive income (31 March 2020: amortised cost/ fair value/ cost under TAS 105)

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.

Financial assets at FVOCI comprise the following investments:

| | 31 March 2021 | 31 March 2020 |
|--|----------------------|-----------------------------------|
| | Fair value Baht | Fair value and at cost Baht |
| Non-current assets | | |
| Investments in equity instruments | | |
| - Listed equity securities (31 March 2020: fair value and at cost) | 111,530,569 | 12,733,715 |
| - Non-listed equity investments (31 March 2020: at cost) | 1,225,217,091 | 113,107,440 |
| Total | 1,336,747,660 | 125,841,155 |

- ii) Amounts recognised in profit or loss and other comprehensive income

The following gains/(losses) were recognised in profit or loss and other comprehensive income during the year as follows:

| | 31 March 2021 | 31 March 2020 |
|--|------------------|------------------|
| | Baht | Baht |
| Gains/(losses) recognised in other comprehensive income (2020: relating to available-for-sale financial assets) | 21,399,981 | (3,540,000) |

The Company did not acquire or dispose significant listed securities during the year

15.3) Financial assets at fair value through profit or loss

- i) Classification of financial assets at fair value through profit or loss (2020: amortised cost / fair value / cost under TAS 105)

The Company classifies derivatives asset and derivatives liabilities as financial assets at fair value through profit or loss (FVPL).

Financial assets measured at FVPL include derivatives asset and derivatives liabilities. Disclosures about derivatives assets and derivatives liabilities are provided in Note 7.1.1.

- ii) Amounts recognised in profit or loss

During the year ended 31 March 2021, the fair value gains of Baht 1,318,390 were recognised in the Company's other income gain/loss on exchange rates, net in the equity method and separate financial statements.

The Company did not acquire or dispose significant listed securities during the year

16 Loans to employees

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

| | 2021 Baht | 2020 Baht |
|--------------------------|--------------|--------------|
| Opening balance | 44,570,590 | 76,798,244 |
| Additions | 101,101,134 | 460,000 |
| Received during the year | (82,553,016) | (32,687,654) |
| Closing balance | 63,118,708 | 44,570,590 |

Loans to employees bear interest rate at 0.99 - 1.70% per annum (2020: 1.70% per annum). The repayment periods are between 1 month - 2 years (2020: 2 months - 3 years).

The analysis of loans to employees is as follows:

| | 2021 Baht | 2020 Baht |
|---|--------------|--------------|
| Current portion of loans to employees | 44,380,610 | 31,764,870 |
| Non-current portion of loans to employees | 18,738,098 | 12,805,720 |
| | 63,118,708 | 44,570,590 |

The Company has no reconciliations of loss allowance for loans to employees for the year ended 31 March 2021 and 2020.

17 Investment in an associate

The details of investment in an associate as at 31 March 2021 and 2020 are as follows:

| Name | Country | Business activity | % of holding | | Equity method financial information | | Separate financial information | |
|--|---------|--|--------------|------|-------------------------------------|---------------|--------------------------------|--------------|
| | | | 2021 | 2020 | Equity method | | Cost method | |
| | | | % | % | 2021 Baht | 2020 Baht | 2021 Baht | 2020 Baht |
| An associate Vietnam Stanley Electric Company Limited | Vietnam | Manufacture of automotive lighting equipment | 20 | 20 | 1,710,120,028 | 1,597,062,806 | 54,044,189 | 54,044,189 |

Summarised financial information for an associate

The table below is summarised of financial information for associates that are material to the Group. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

| | Vietnam Stanley Electric Company Limited | |
|-----------------------------------|---|---------------|
| | For the year ended 31 March | |
| | 2021 Baht | 2020 Baht |
| Revenues from sales and services | 5,670,519,560 | 5,850,295,142 |
| Net profit for the year | 1,164,738,864 | 1,545,537,912 |
| Dividend received from associates | 94,579,667 | 89,963,357 |

Summarised of performance

Revenues from sales and services

Net profit for the year

Dividend received from associates

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| | Vietnam Stanley Electric Company Limited | |
|--|---|---------------|
| | As at 31 March | |
| | 2021 | 2020 |
| | Baht | Baht |
| <i>Summarised of statement of financial position</i> | | |
| Current assets | 7,486,438,903 | 6,810,521,242 |
| Non-current assets | 1,871,756,264 | 1,904,622,360 |
| Current liabilities | 762,281,057 | 707,848,225 |
| Non-current liabilities | 45,313,971 | 21,981,341 |
| Net assets | 8,550,600,139 | 7,985,314,036 |
| The Company's share in an associate (%) | 20 | 20 |
| The Company's share in an associate (Baht) | 1,710,120,028 | 1,597,062,806 |

Vietnam Stanley Electric Company Limited is a private company and there is no quoted market price available for it.

18 Investment in a joint venture

The details of investment in a joint venture as at 31 March 2021 and 2020 are as follows:

| Name | Country | Business activity | % of holding | | Equity method financial information | | Separate financial information | |
|---|---------|--|--------------|------|-------------------------------------|--------------|--------------------------------|--------------|
| | | | 2021 | 2020 | Equity method | | Cost method | |
| | | | % | % | 2021 Baht | 2020 Baht | 2021 Baht | 2020 Baht |
| <i>A joint venture</i> Lao Stanley Company Limited | Laos | Manufacture of automotive lighting equipment | 50 | 50 | 23,267,369 | 23,397,220 | 3,132,500 | 3,132,500 |

Summarised financial information for a joint venture

The table below is summarised of financial information for joint ventures that are material to the Group. The financial information is included in joint ventures own financial statements which has been amended to reflect adjustments necessary for the equity method, including adjusting fair value and differences in accounting policy.

| | Lao Stanley Company Limited | |
|--|------------------------------------|-------------|
| | For the year ended 31 March | |
| | 2021 | 2020 |
| | Baht | Baht |
| <i>Summarised of performance</i> | | |
| Revenues from sales and services | 365,730,773 | 491,892,496 |
| Depreciation and amortisation | 1,702,061 | 2,801,021 |
| Income tax expense | 5,243,469 | 5,981,296 |
| Net profit for the year | 17,891,026 | 19,459,686 |
| Dividend received from a joint venture | 6,593,638 | 7,770,886 |

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| | Lao Stanley Company Limited | |
|--|------------------------------------|-------------------|
| | As at 31 March | |
| | 2021 | 2020 |
| | Baht | Baht |
| <i>Summarised of statement of financial position</i> | | |
| Cash and cash equivalents | 65,785,591 | 60,235,612 |
| Other current assets | 33,478,616 | 33,418,513 |
| Total current assets | 99,264,207 | 93,654,125 |
| Total non-current assets | 12,060,736 | 17,191,655 |
| Current financial liabilities (exclude trade and other payables and provisions) | - | - |
| Other current liabilities | 62,344,167 | 61,370,331 |
| Total current liabilities | 62,344,167 | 61,370,331 |
| Other non-current liabilities | 2,446,038 | 2,681,009 |
| Total non-current liabilities | 2,446,038 | 2,681,009 |
| Net assets | 46,534,738 | 46,794,440 |
| <i>Reconciliation to carrying amounts:</i> | | |
| Opening book amount | 46,794,440 | 44,330,630 |
| Net profit for the year | 17,891,026 | 19,459,686 |
| Other comprehensive income | (4,963,452) | (1,454,104) |
| Dividends paid | (13,187,276) | (15,541,772) |
| Closing book amount | 46,534,738 | 46,794,440 |
| The Company's share in a joint venture (%) | 50 | 50 |
| The Company's share in a joint venture (Baht) | 23,267,369 | 23,397,220 |
| A joint ventures' carrying amount | 23,267,369 | 23,397,220 |

Lao Stanley Company Limited is a private company and there is no quoted market price available for it.

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19 Property, plant and equipment, net

| | Land Baht | Land and building improvements Baht | Buildings and other constructions 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 2019 | | | | | | | | | |
| Cost | 1,331,883,638 | 2,333,021,434 | 1,718,068,773 | 7,440,945,496 | 5,465,619,277 | 74,205,064 | 155,187,940 | 1,952,628,932 | 20,471,560,554 |
| Less Accumulated depreciation | - | (1,496,529,428) | (770,674,348) | (5,518,992,614) | (4,813,094,641) | (53,830,848) | (115,426,944) | - | (12,768,548,823) |
| Net book amount | 1,331,883,638 | 836,492,006 | 947,394,425 | 1,921,952,882 | 652,524,636 | 20,374,216 | 39,760,996 | 1,952,628,932 | 7,703,011,731 |
| For the year ended 31 March 2020 | | | | | | | | | |
| Opening net book amount | 1,331,883,638 | 836,492,006 | 947,394,425 | 1,921,952,882 | 652,524,636 | 20,374,216 | 39,760,996 | 1,952,628,932 | 7,703,011,731 |
| Additions | 18,139,416 | 172,000 | - | 347,341,313 | - | 12,268,000 | 2,706,917 | 2,633,537,250 | 3,014,164,896 |
| Disposals / write-offs, net | - | (5) | - | (50,852) | (7) | (20) | (35) | - | (50,919) |
| Transfers | - | 597,415,010 | 392,187,743 | 995,952,969 | 223,205,990 | - | 25,137,052 | (2,233,898,764) | - |
| Depreciation charge (Note 28) | - | (209,198,160) | (82,346,534) | (532,956,363) | (351,196,571) | (8,403,150) | (15,894,337) | - | (1,199,995,115) |
| Closing net book amount | 1,350,023,054 | 1,224,880,851 | 1,257,235,634 | 2,732,239,949 | 524,534,048 | 24,239,046 | 51,710,593 | 2,352,267,418 | 9,517,130,593 |
| As at 31 March 2020 | | | | | | | | | |
| Cost | 1,350,023,054 | 2,927,861,721 | 2,098,556,516 | 8,580,938,928 | 5,682,381,957 | 65,173,565 | 181,130,856 | 2,352,267,418 | 23,238,334,015 |
| Less Accumulated depreciation | - | (1,702,980,870) | (841,320,882) | (5,848,698,979) | (5,157,847,909) | (40,934,519) | (129,420,263) | - | (13,721,203,422) |
| Net book amount | 1,350,023,054 | 1,224,880,851 | 1,257,235,634 | 2,732,239,949 | 524,534,048 | 24,239,046 | 51,710,593 | 2,352,267,418 | 9,517,130,593 |
| For the year ended 31 March 2021 | | | | | | | | | |
| Opening net book amount | 1,350,023,054 | 1,224,880,851 | 1,257,235,634 | 2,732,239,949 | 524,534,048 | 24,239,046 | 51,710,593 | 2,352,267,418 | 9,517,130,593 |
| Additions | - | 581,000 | - | 36,008,584 | 4,973,874 | 2,358,000 | 438,000 | 1,115,727,042 | 1,160,086,500 |
| Disposals / write-offs, net | - | (18) | (729,848) | (131,380) | (1,174) | (11) | (15,971) | - | (878,402) |
| Transfers | - | 946,765,868 | 657,078,375 | 582,822,195 | 377,970,123 | - | 7,200,290 | (2,571,836,851) | - |
| Depreciation charge (Note 28) | - | (244,242,603) | (86,645,651) | (594,996,984) | (321,179,084) | (8,393,027) | (18,019,265) | - | (1,273,476,614) |
| Closing net book amount | 1,350,023,054 | 1,927,985,098 | 1,826,938,510 | 2,755,942,364 | 586,297,787 | 18,204,008 | 41,313,647 | 896,157,609 | 9,402,862,077 |
| As at 31 March 2021 | | | | | | | | | |
| Cost | 1,350,023,054 | 3,868,460,698 | 2,753,284,091 | 8,866,585,115 | 5,929,186,907 | 57,137,452 | 179,304,734 | 896,157,609 | 23,900,139,660 |
| Less Accumulated depreciation | - | (1,940,475,600) | (926,345,581) | (6,110,642,751) | (5,342,889,120) | (38,933,444) | (137,991,087) | - | (14,497,277,583) |
| Net book amount | 1,350,023,054 | 1,927,985,098 | 1,826,938,510 | 2,755,942,364 | 586,297,787 | 18,204,008 | 41,313,647 | 896,157,609 | 9,402,862,077 |

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The Company is a lessor of Molds to third parties under operating leases. The carrying amount of the leased assets are as follows:

| | 2021 | 2020 |
|--------------------------------------|---------------|---------------|
| | Baht | Baht |
| Cost | 289,494,123 | 186,630,714 |
| <u>Less</u> Accumulated depreciation | (187,079,244) | (159,451,982) |
| Net book amount | 102,414,879 | 27,178,732 |

Rental income amounting to Baht 29,115,464 (2020: Baht 16,099,140) are included in profit or loss in revenues from sales and services.

20 Intangible assets, net

| | Computer software | Product design cost | Product design cost under development | Total |
|---|--------------------------|----------------------------|--|---------------|
| | Baht | Baht | Baht | Baht |
| As at 1 April 2019 | | | | |
| Cost | 288,293,269 | 1,018,993,696 | 500,200,262 | 1,807,487,227 |
| <u>Less</u> Accumulated amortisation | (233,224,439) | (599,505,486) | - | (832,729,925) |
| Net book amount | 55,068,830 | 419,488,210 | 500,200,262 | 974,757,302 |
| For the year ended 31 March 2020 | | | | |
| Opening net book amount | 55,068,830 | 419,488,210 | 500,200,262 | 974,757,302 |
| Additions | 39,220,700 | - | 319,207,315 | 358,428,015 |
| Transfers | - | 260,310,366 | (260,310,366) | - |
| Amortisation charge (Note 28) | (17,625,067) | (227,759,783) | - | (245,384,850) |
| Closing net book amount | 76,664,463 | 452,038,793 | 559,097,211 | 1,087,800,467 |
| As at 31 March 2020 | | | | |
| Cost | 327,513,969 | 1,170,079,365 | 559,097,211 | 2,056,690,545 |
| <u>Less</u> Accumulated amortisation | (250,849,506) | (718,040,572) | - | (968,890,078) |
| Net book amount | 76,664,463 | 452,038,793 | 559,097,211 | 1,087,800,467 |
| For the year ended 31 March 2021 | | | | |
| Opening net book amount | 76,664,463 | 452,038,793 | 559,097,211 | 1,087,800,467 |
| Additions | 1,958,440 | - | 220,366,430 | 222,324,870 |
| Transfers | - | 359,336,574 | (359,336,574) | - |
| Amortisation charge (Note 28) | (21,666,609) | (260,836,258) | - | (282,502,867) |
| Closing net book amount | 56,956,294 | 550,539,109 | 420,127,067 | 1,027,622,470 |
| As at 31 March 2021 | | | | |
| Cost | 329,472,409 | 1,267,133,901 | 420,127,067 | 2,016,733,377 |
| <u>Less</u> Accumulated amortisation | (272,516,115) | (716,594,792) | - | (989,110,907) |
| Net book amount | 56,956,294 | 550,539,109 | 420,127,067 | 1,027,622,470 |

Amortisation recognised in profit and loss that are related to intangible assets are as follows:

| | 2021 | 2020 |
|----------------------------|-------------|-------------|
| | Baht | Baht |
| Cost of sales and services | 282,464,017 | 245,384,850 |
| Administrative expense | 38,850 | - |

21 Deferred tax

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

| | Equity method financial statements | | Separate financial statements | |
|---|---------------------------------------|----------------------|----------------------------------|--------------------|
| | 2021 Baht | 2020 Baht | 2021 Baht | 2020 Baht |
| Deferred tax assets: | | | | |
| Deferred tax assets to be utilised within 12 months | 27,163,383 | 20,053,563 | 27,163,383 | 20,053,563 |
| Deferred tax assets to be utilised more than 12 months | 117,804,006 | 121,820,357 | 117,804,006 | 121,820,357 |
| | 144,967,389 | 141,873,920 | 144,967,389 | 141,873,920 |
| Deferred tax liabilities: | | | | |
| Deferred tax liabilities to be settled within 12 months | (2,523) | - | (2,523) | - |
| Deferred tax liabilities to be settled more than 12 months | (617,209,370) | (336,722,167) | (281,967,228) | (24,065,500) |
| | (617,211,893) | (336,722,167) | (281,969,751) | (24,065,500) |
| Deferred tax assets (liabilities) (net) | (472,244,504) | (194,848,247) | (137,002,362) | 117,808,420 |

The gross movement of the deferred tax is as follows:

| | Equity method financial statements | | Separate financial statements | |
|---|---------------------------------------|----------------------|----------------------------------|--------------------|
| | 2021 Baht | 2020 Baht | 2021 Baht | 2020 Baht |
| Opening balance | (194,848,247) | (170,451,435) | 117,808,420 | 94,132,292 |
| Adjustments from changes in accounting policies (Note 5) | (237,901,305) | - | (237,901,305) | - |
| Credited/(Debited) to profit or loss (Note 29) | (35,701,081) | (27,052,520) | (7,557,085) | 17,168,116 |
| Credited/(Debited) to other comprehensive income (Note 29) | (3,793,871) | 2,655,708 | (9,352,392) | 6,508,012 |
| Closing balance | (472,244,504) | (194,848,247) | (137,002,362) | 117,808,420 |

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

| | Equity method and separate financial statements | | | | | Total Baht |
|--|---|-------------------|------------------------------|--|----------------|---------------|
| | Inventories Baht | Equipment Baht | Intangible assets Baht | Employee benefit liabilities Baht | Others Baht | |
| Deferred tax assets : | | | | | | |
| As at 1 April 2019 | 1,093,299 | 34,090,524 | 21,000,727 | 46,877,010 | 4,162,408 | 107,223,968 |
| Credited to profit or loss | (305,168) | 3,892,349 | 1,266,110 | 23,996,649 | - | 28,849,940 |
| Credited to other comprehensive income | - | - | - | 5,800,012 | - | 5,800,012 |
| As at 31 March 2020 | 788,131 | 37,982,873 | 22,266,837 | 76,673,671 | 4,162,408 | 141,873,920 |
| Adjustments from changes in accounting policies (Note 5) | - | - | - | - | (1,000,000) | (1,000,000) |
| Credited to profit or loss | (356,351) | 229,423 | 3,859,331 | 5,428,224 | 5,238 | 9,165,865 |
| Credited to other comprehensive income | - | - | - | (5,072,396) | - | (5,072,396) |
| As at 31 March 2021 | 431,780 | 38,212,296 | 26,126,168 | 77,029,499 | 3,167,646 | 144,967,389 |

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| | Equity method financial statements | | | |
|--|---|--|-------------------------------------|-------------------|
| | Investments in an associate and a joint venture Baht | Financial assets measured at fair value through other comprehensive income Baht | Buildings and machinery Baht | Total Baht |
| Deferred tax liabilities : | | | | |
| As at 1 April 2019 | (264,583,727) | (820,000) | (12,271,676) | (277,675,403) |
| Credited to profit or loss | (44,220,636) | - | (11,681,824) | (55,902,460) |
| Credited to other comprehensive income | (3,852,304) | 708,000 | - | (3,144,304) |
| As at 31 March 2020 | (312,656,667) | (112,000) | (23,953,500) | (336,722,167) |
| Adjustments from changes in accounting policies (Note 5) | - | (236,901,305) | - | (236,901,305) |
| Credited to profit or loss | (28,143,996) | - | (16,722,950) | (44,866,946) |
| Credited to other comprehensive income | 5,558,521 | (4,279,996) | - | 1,278,525 |
| As at 31 March 2021 | (335,242,142) | (241,293,301) | (40,676,450) | (617,211,893) |
| | Separate financial statements | | | |
| | | Financial assets measured at fair value through other comprehensive income Baht | Buildings and machinery Baht | Total Baht |
| Deferred tax liabilities : | | | | |
| As at 1 April 2019 | | (820,000) | (12,271,676) | (13,091,676) |
| Credited to profit or loss | | - | (11,681,824) | (11,681,824) |
| Credited to other comprehensive income | | 708,000 | - | 708,000 |
| As at 31 March 2020 | | (112,000) | (23,953,500) | (24,065,500) |
| Adjustments from changes in accounting policies (Note 5) | | (236,901,305) | - | (236,901,305) |
| Credited to profit or loss | | - | (16,722,950) | (16,722,950) |
| Credited to other comprehensive income | | (4,279,996) | - | (4,279,996) |
| As at 31 March 2021 | | (241,293,301) | (40,676,450) | (281,969,751) |

22 Accrued expenses

| | 2021 Baht | 2020 Baht |
|-----------------------------|--------------------|--------------------|
| Accrued staff costs | 221,403,575 | 264,656,450 |
| Accrued electricity expense | 34,096,640 | 30,465,209 |
| Accrued rebate | 57,280,000 | 53,000,000 |
| Others | 33,936,707 | 23,137,877 |
| | 346,716,922 | 371,259,536 |

23 Employee benefit obligations

The plans are final salary retirement plans. The level of benefits provided depends on employees' length of service and their salary in the final years leading up to retirement.

| | 2021 | 2020 |
|---|--------------|-------------|
| | Baht | Baht |
| The statement of financial position : | | |
| Present value of defined benefit obligations | 385,147,496 | 383,368,355 |
| Liability in the statement of financial position | 385,147,496 | 383,368,355 |
| Profit or loss charge included in operating profit for employee benefit obligations | 54,350,572 | 127,457,579 |
| Remeasurement in other comprehensive (income) expense | (25,361,981) | 29,000,059 |

Movements in employee benefit obligations are as follows:

| | 2021 | 2020 |
|--|--------------|-------------|
| | Baht | Baht |
| At 1 January | 383,368,355 | 234,385,053 |
| Current service cost | 41,023,831 | 36,928,426 |
| Interest cost | 5,604,704 | 5,841,856 |
| Past service cost | 7,722,037 | 84,687,297 |
| | 54,350,572 | 127,457,579 |
| Remeasurement: | | |
| Loss from change in demographic assumptions | 16,561,942 | 9,543,004 |
| (Gain)/Loss from change in financial assumptions | (37,199,778) | 26,876,451 |
| Experience gain | (4,724,145) | (7,419,396) |
| | (25,361,981) | 29,000,059 |
| Benefits paid | (27,209,450) | (7,474,336) |
| At 31 December | 385,147,496 | 383,368,355 |

The significant actuarial assumptions used were as follows:

| | 2021 | 2020 |
|---------------------|--------------|--------------|
| Discount rate | 1.65% | 1.72% |
| Salary growth rate | 4.00% | 5.00% |
| Staff turnover rate | 0.00%-11.00% | 0.00%-12.00% |

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Sensitivity analysis for each significant assumption used is as follows:

| | Change in assumption | | Impact on defined benefit obligation | | | |
|---------------------|----------------------|-----------|--------------------------------------|--------------|------------------------|--------------|
| | | | Increase in assumption | | Decrease in assumption | |
| | 2021 % | 2020 % | 2021 Baht | 2020 Baht | 2021 Baht | 2020 Baht |
| Discount rate | 1.00 | 1.00 | (35,568,390) | (37,390,263) | 41,525,130 | 43,794,615 |
| Salary growth rate | 1.00 | 1.00 | 41,622,010 | 43,507,924 | (36,365,293) | (37,933,918) |
| Staff turnover rate | 1.00 | 1.00 | (37,081,795) | (39,165,833) | 27,686,309 | 30,098,672 |

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 has been applied as when calculating the retirement benefits 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.

The weighted average duration of the defined benefit obligation is 10.30 years (2020: 11.27 years).

Expected maturity analysis of undiscounted employee benefit obligations are as follows:

| | Less than 1 year Baht | Between 1-2 years Baht | Between 2-5 years Baht | Over 5 years Baht | Total Baht |
|-------------------------|-----------------------------|------------------------------|------------------------------|-------------------------|---------------|
| At 31 March 2021 | | | | | |
| Retirement benefits | 6,934,714 | 34,515,875 | 68,665,488 | 1,506,930,784 | 1,617,046,861 |
| At 31 March 2020 | | | | | |
| Retirement benefits | 19,150,171 | 19,688,238 | 57,365,724 | 1,953,224,043 | 2,049,428,176 |

24 Share capital and premium on share capital

| | Number of shares | Ordinary shares Baht | Premium on share capital Baht | Total Baht |
|------------------------------|---------------------|----------------------------|-------------------------------------|---------------|
| As at 31 March 2021 and 2020 | 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 (2020: 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid.

25 Dividends

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 3 July 2020, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2020 for 76,625,000 shares of Baht 8.25 per share, totalling Baht 632,156,250. There were 100 shares that were not entitled to receive the dividends, totalling Baht 825 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 632,155,425 in the financial statements. The Company paid the dividends to the shareholders on 29 July 2020.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 5 July 2019, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2019 for 76,625,000 shares of Baht 8.25 per share, totalling Baht 632,156,250. There were 65,174 shares that were not entitled to receive the dividends, totalling Baht 537,685 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 631,618,565 in the financial statements. The Company paid the dividends to the shareholders on 26 July 2019.

26 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.

27 Other income - others

| | 2021 Baht | 2020 Baht |
|---|-------------------|--------------------|
| Scrap sales | 25,296,165 | 71,630,039 |
| Tax rebate income | 11,768,166 | 7,590,808 |
| Royalty income | 815,311 | 1,925,930 |
| Gain on disposals of property, plant and equipment, net | 3,337,941 | 10,124,263 |
| Others | 15,849,190 | 15,890,099 |
| | 57,066,773 | 107,161,139 |

28 Expenses by nature

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

| | 2021 Baht | 2020 Baht |
|---|---------------|---------------|
| Changes in finished goods and work in process | 422,461,099 | 175,389,032 |
| Raw materials and consumables used | 5,561,888,792 | 7,167,105,929 |
| Staff costs | 1,367,462,710 | 1,641,260,419 |
| Depreciation of plant and equipment (Note 19) | 1,273,476,614 | 1,199,995,115 |
| Amortisation of intangible assets (Note 20) | 282,502,867 | 245,384,850 |
| Utility expenses | 293,901,337 | 365,674,428 |
| Subcontract service costs | 62,622,108 | 108,586,222 |
| Repairs and maintenance expenses | 307,090,108 | 333,498,417 |

29 Income tax

Income tax for the year comprises the following:

| | Equity method financial statements | | Separate financial statements | |
|--|---------------------------------------|--------------------|----------------------------------|--------------------|
| | 2021 Baht | 2020 Baht | 2021 Baht | 2020 Baht |
| Current tax : | | | | |
| Current tax on profit for the year | 199,316,321 | 421,213,905 | 199,316,321 | 421,213,905 |
| Deferred tax : | | | | |
| Increase in deferred tax assets (Note 21) | (9,165,865) | (28,849,940) | (9,165,865) | (28,849,940) |
| Increase in deferred tax liabilities (Note 21) | 44,866,946 | 55,902,460 | 16,722,950 | 11,681,824 |
| Total income tax expense | 235,017,402 | 448,266,425 | 206,873,406 | 404,045,789 |

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

| | Equity method financial statements | | Separate financial statements | |
|--|---------------------------------------|---------------|----------------------------------|---------------|
| | 2021 Baht | 2020 Baht | 2021 Baht | 2020 Baht |
| Profit before income tax | 1,296,357,431 | 2,445,763,780 | 1,155,637,450 | 2,224,660,598 |
| Tax calculated at a tax rate of 20% (2020: 20%) | 259,271,486 | 489,152,756 | 231,127,490 | 444,932,120 |
| Tax effect of : | | | | |
| Income not subject to tax | (10,811,076) | (16,081,147) | (10,811,076) | (16,081,147) |
| Expenses not deductible for tax purpose | 18,274,793 | 7,555,608 | 18,274,793 | 7,555,608 |
| Additional expenses deductible for tax purpose | (22,953,327) | (8,004,300) | (22,953,327) | (8,004,300) |
| Profit from BOI business | (8,764,474) | (24,356,492) | (8,764,474) | (24,356,492) |
| Tax charge | 235,017,402 | 448,266,425 | 206,873,406 | 404,045,789 |
| Average effective tax rate (%) | 18.13 | 18.33 | 17.90 | 18.16 |

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

| | Equity method financial statements | | | | | |
|--|------------------------------------|---------------------------------|-------------------|--------------------|---------------------------------|-------------------|
| | 2021 | | | 2020 | | |
| | Before tax Baht | Tax credit / (debit) Baht | After tax Baht | Before tax Baht | Tax credit / (debit) Baht | After tax Baht |
| Remeasurements of employee benefit obligations | 25,361,981 | (5,072,396) | 20,289,585 | (29,000,059) | 5,800,012 | (23,200,047) |
| Remeasurement of: | | | | | | |
| - Financial assets measured at fair value through other comprehensive income | 21,399,981 | (4,279,996) | 17,119,985 | - | - | - |
| - Available-for-sale financial asset | - | - | - | (3,540,000) | 708,000 | (2,832,000) |
| Exchange differences relating to investments in an associate and a joint venture | (27,792,610) | 5,558,521 | (22,234,089) | 19,261,520 | (3,852,304) | 15,409,216 |
| Other comprehensive expenses for the year | 18,969,352 | (3,793,871) | 15,175,481 | (13,278,539) | 2,655,708 | (10,622,831) |
| Current tax | | - | | | - | |
| Deferred tax (Note 21) | | (3,793,871) | | | 2,655,708 | |
| | | (3,793,871) | | | 2,655,708 | |
| | Separate financial statements | | | | | |
| | 2021 | | | 2020 | | |
| | Before tax Baht | Tax credit / (debit) Baht | After tax Baht | Before tax Baht | Tax credit / (debit) Baht | After tax Baht |
| Remeasurements of employee benefit obligations | 25,361,981 | (5,072,396) | 20,289,585 | (29,000,059) | 5,800,012 | (23,200,047) |
| Remeasurement of: | | | | | | |
| - Financial assets measured at fair value through other comprehensive income | 21,399,981 | (4,279,996) | 17,119,985 | - | - | - |
| - Available-for-sale financial asset | - | - | - | (3,540,000) | 708,000 | (2,832,000) |
| Other comprehensive expenses for the year | 46,761,962 | (9,352,392) | 37,409,570 | (32,540,059) | 6,508,012 | (26,032,047) |
| Current tax | | - | | | - | |
| Deferred tax (Note 21) | | (9,352,392) | | | 6,508,012 | |
| | | (9,352,392) | | | 6,508,012 | |

30 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.

| | Equity method financial statements | | Separate financial statements | |
|---|---------------------------------------|---------------|----------------------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| Net profit attributable to shareholders (Baht) | 1,061,340,029 | 1,997,497,355 | 948,764,044 | 1,820,614,809 |
| 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) | 13.85 | 26.07 | 12.38 | 23.76 |

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

31 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.

| | 2021 | | |
|----------------|---------------------------------|-------------------------------------|----------------|
| | BOI promoted activities Baht | Non-BOI promoted activities Baht | Total Baht |
| Export sales | 45,355,901 | 3,983,537,268 | 4,028,893,169 |
| Domestic sales | 536,513,364 | 7,162,202,373 | 7,698,715,737 |
| | 581,869,265 | 11,145,739,641 | 11,727,608,906 |
| | 2020 | | |
| | BOI promoted activities Baht | Non-BOI promoted activities Baht | Total Baht |
| Export sales | 299,348,938 | 5,195,648,198 | 5,494,997,136 |
| Domestic sales | 770,627,303 | 8,884,465,115 | 9,655,092,418 |
| | 1,069,976,241 | 14,080,113,313 | 15,150,089,554 |

32 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 Group, incorporated in Japan which holds 35.66% interest in the Company's share capital. The Company also had significant transactions with a group of individual shareholders who are members of the Company's management who hold 29.57% interest in the Company's share capital. Stanley Electric Group comprises Stanley Electric Company Limited and related companies.

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

a) Transactions with related parties

The following significant transactions were carried out with related parties:

For the years ended 31 March

| | 2021 Baht | 2020 Baht |
|---|----------------------|----------------------|
| Sales | | |
| Stanley Electric Group companies | 710,438,823 | 502,333,582 |
| Companies related by way of the Company's management and directors as shareholders, or by way of common directors | 125,458,992 | 139,775,557 |
| Associate | 292,589,856 | 106,698,816 |
| Joint venture | 292,494,828 | 433,365,935 |
| | <u>1,420,982,499</u> | <u>1,182,173,890</u> |
| Other income | | |
| Stanley Electric Group companies | 1,837,285 | 5,446,542 |
| Companies related by way of the Company's management and directors as shareholders, or by way of common directors | - | 60,000 |
| Associate | 66,170 | 794,645 |
| Joint venture | 106,440 | 143,565 |
| | <u>2,009,895</u> | <u>6,444,752</u> |
| Dividend income | | |
| Stanley Electric Group companies | 60,170,029 | 77,739,707 |
| Companies related by way of the Company's management and directors as shareholders, or by way of common directors | 227,960 | 8,391,131 |
| Associate | 94,579,667 | 89,963,357 |
| Joint venture | 6,593,638 | 7,770,886 |
| | <u>161,571,294</u> | <u>183,865,081</u> |
| Royalty income | | |
| Companies related by way of the Company's management and directors as shareholders, or by way of common directors | 381,603 | 1,263,933 |
| Joint venture | 433,708 | 661,997 |
| | <u>815,311</u> | <u>1,925,930</u> |
| Purchases of goods and services | | |
| Stanley Electric Group companies | 2,627,537,886 | 3,038,904,282 |
| Companies related by way of the Company's management and directors as shareholders, or by way of common directors | 374,586,075 | 480,046,467 |
| Associate | 310,682,571 | 512,913,154 |
| | <u>3,312,806,532</u> | <u>4,031,863,903</u> |

Thai Stanley Electric Public Company Limited
Notes to the Equity Method and Separate Financial Statements
For the year ended 31 March 2021

| For the years ended 31 March | 2021 Baht | 2020 Baht |
|--|--------------|--------------|
| Royalty fees | | |
| Stanley Electric Group companies | 264,036,175 | 337,918,357 |
| Design and development fee | | |
| Stanley Electric Group companies | 84,033,288 | 151,112,084 |
| Companies related by way of the Company's management and directors as shareholders, or by way of common directors | 8,896 | 2,185,730 |
| Associate | 934,296 | 32,305 |
| | 84,976,480 | 153,330,119 |
| Technical assistance fee | | |
| Stanley Electric Group companies | - | 10,178,841 |
| Training fee | | |
| Stanley Electric Group companies | 11,405 | 908,625 |
| Commission | | |
| Stanley Electric Group companies | 103,647,332 | 20,000,000 |

b) Outstanding balance arising from sale and purchases of goods and services

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 2021 and 2020 are as follows:

| | 2021 Baht | 2020 Baht |
|--|--------------|--------------|
| Trade accounts receivable - related parties (Note 13) | | |
| Stanley Electric Group companies | 198,949,971 | 120,606,188 |
| Companies related by way of the Company's management and directors as shareholders, or by way of common directors | 35,187,083 | 38,482,860 |
| Associate | 51,677,957 | 13,403,768 |
| Joint venture | 49,805,919 | 52,634,000 |
| | 335,620,930 | 225,126,816 |
| Trade accounts payable - related parties | | |
| Stanley Electric Group companies | 479,505,986 | 392,210,731 |
| Companies related by way of the Company's management and directors as shareholders, or by way of common directors | 43,576,418 | 43,259,910 |
| Associate | 15,257,632 | 131,882,499 |
| | 538,340,036 | 567,353,140 |
| Other accounts payable - related parties | | |
| Stanley Electric Group companies | 253,230,209 | 155,304,686 |

c) Key management compensation

| For the years ended 31 March | 2021 Baht | 2020 Baht |
|---|--------------|--------------|
| Directors' and managements' remuneration | | |
| Short-term benefits | 44,510,294 | 47,578,554 |
| Short-term benefits comprise salary, bonus and other welfares | | |

33 Significant commitments

33.1 Bank guarantees

As at 31 March 2021, the Company has bank guarantees of Baht 20 million with respect to electricity supply, (2020: Baht 20 million with respect to electricity supply).

33.2 Capital commitments

As at 31 March 2021, the Company has capital commitments of Baht 110 million (2020: Baht 399 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

34 Events occurring after the date of statement of financial position

- a) At the Board of Directors' meeting held on 14 May 2021, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2021 for a total 76,625,000 shares of Baht 5.50 per share totalling Baht 421.44 million to the Annual General Shareholders' meeting which will be held on 2 July 2021.
- b) On 28 April 2021, the Board of Director of Vietnam Stanley Electric Company Limited (Associate) approved the dividends payment in respect of the operating results of Vietnam Stanley Electric Company Limited for the year ended 31 March 2021 totalling VND 756.67 billion. (equivalent to Baht 1,025.28 million). The dividends will be paid to the Company according to holding percentage which is 20% totalling VND 151.33 billion (equivalent to Baht 205.06 million).