

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

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

31 DECEMBER 2021

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

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

I have reviewed the interim financial information in which the equity method is applied of Thai Stanley Electric Public Company Limited, and the interim separate financial information of Thai Stanley Electric Public Company Limited. These comprise the statement of financial position in which the equity method is applied and the separate statement of financial position as at 31 December 2021, the statement of income in which the equity method is applied and the separate statement of income, the statement of comprehensive income in which the equity method is applied and the separate statement of comprehensive income for the three-month and nine-month periods then ended, the statement of changes in equity in which the equity method is applied and the separate statement of changes in equity, and the statement of cash flows in which the equity method is applied and the separate statement of cash flows for the nine-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in which the equity method is applied and separate financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information in which the equity method is applied and separate financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Vichien Khingmontri
Certified Public Accountant (Thailand) No. 3977
Bangkok
2 February 2022

Thai Stanley Electric Public Company Limited
Statement of Financial Position
As at 31 December 2021

	Notes	Equity method		Separate financial information	
		financial information		financial information	
		Unaudited	Audited	Unaudited	Audited
		31 December	31 March	31 December	31 March
		2021	2021	2021	2021
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents		2,286,783,492	2,663,330,410	2,286,783,492	2,663,330,410
Short-term investments	7	3,331,000,000	2,258,000,000	3,331,000,000	2,258,000,000
Trade and other accounts receivable, net	8	2,339,203,490	2,550,248,111	2,339,203,490	2,550,248,111
Inventories, net	10	782,374,924	476,679,563	782,374,924	476,679,563
Current portion of loans to employees	11	62,678,567	44,380,610	62,678,567	44,380,610
Other current assets		8,405,902	7,524,762	8,405,902	7,524,762
Total current assets		8,810,446,375	8,000,163,456	8,810,446,375	8,000,163,456
Non-current assets					
Loans to employees	11	50,452,774	18,738,098	50,452,774	18,738,098
Financial assets measured at fair value through other comprehensive income	6	1,462,777,105	1,336,747,660	1,462,777,105	1,336,747,660
Investment in an associate	12	1,809,078,270	1,710,120,028	54,044,189	54,044,189
Investment in a joint venture	12	25,488,547	23,267,369	3,132,500	3,132,500
Property, plant and equipment, net	13	9,174,156,829	9,402,862,077	9,174,156,829	9,402,862,077
Intangible assets, net		985,199,914	1,027,622,470	985,199,914	1,027,622,470
Other non-current assets, net		16,637,591	23,089,165	16,637,591	23,089,165
Total non-current assets		13,523,791,030	13,542,446,867	11,746,400,902	11,866,236,159
Total assets		22,334,237,405	21,542,610,323	20,556,847,277	19,866,399,615

Director _____
(Mr. Koichi Nagano)

Director _____
(Mr. Apichart Leeissaranukul)

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

Thai Stanley Electric Public Company Limited
Statement of Financial Position
As at 31 December 2021

	Notes	Equity method financial information		Separate financial information	
		Unaudited	Audited	Unaudited	Audited
		31 December 2021 Baht	31 March 2021 Baht	31 December 2021 Baht	31 March 2021 Baht
Liabilities and equity					
Current liabilities					
Trade accounts payable - other companies		516,379,314	498,067,977	516,379,314	498,067,977
- related parties	9	427,007,840	538,340,036	427,007,840	538,340,036
Other accounts payable - other companies		262,222,034	177,455,506	262,222,034	177,455,506
- related parties	9	181,614,114	253,230,209	181,614,114	253,230,209
Derivatives liabilities	6	238,705	239,190	238,705	239,190
Accrued corporate income tax		73,993,528	153,387,880	73,993,528	153,387,880
Accrued expenses	14	382,373,903	346,716,922	382,373,903	346,716,922
Total current liabilities		1,843,829,438	1,967,437,720	1,843,829,438	1,967,437,720
Non-current liabilities					
Deferred tax liabilities, net		539,250,535	472,244,504	183,772,509	137,002,362
Employee benefit obligations		411,223,557	385,147,496	411,223,557	385,147,496
Total non-current liabilities		950,474,092	857,392,000	594,996,066	522,149,858
Total liabilities		2,794,303,530	2,824,829,720	2,438,825,504	2,489,587,578
Equity					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, paid-up of Baht 5 each		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital		504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve		38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		17,650,798,904	17,024,855,642	16,125,247,975	15,484,861,795
Other components of equity		963,447,471	767,237,461	1,067,086,298	966,262,742
Total equity		19,539,933,875	18,717,780,603	18,118,021,773	17,376,812,037
Total liabilities and equity		22,334,237,405	21,542,610,323	20,556,847,277	19,866,399,615

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

Thai Stanley Electric Public Company Limited
Statements of Income
For the three-month period ended 31 December 2021

	Equity method		Separate financial information	
	financial information			
	Unaudited	Unaudited	Unaudited	Unaudited
	2021	2020	2021	2020
	Baht	Baht	Baht	Baht
Revenues from sales and services	3,511,793,541	3,645,684,867	3,511,793,541	3,645,684,867
Costs of sales and services	(2,844,476,291)	(3,008,863,101)	(2,844,476,291)	(3,008,863,101)
Gross profit	667,317,250	636,821,766	667,317,250	636,821,766
Other income				
- Gain on exchange rates, net	4,526,415	6,666,708	4,526,415	6,666,708
- Interest income	4,349,759	3,977,190	4,349,759	3,977,190
- Others	18,364,719	12,716,711	18,364,719	12,716,711
Profit before expenses	694,558,143	660,182,375	694,558,143	660,182,375
Selling expenses	(181,023,657)	(136,709,197)	(181,023,657)	(136,709,197)
Administrative expenses	(92,774,664)	(84,298,867)	(92,774,664)	(84,298,867)
Total expenses	(273,798,321)	(221,008,064)	(273,798,321)	(221,008,064)
Operating profit	420,759,822	439,174,311	420,759,822	439,174,311
Share of profit from investments in an associate and a joint venture	74,355,529	84,914,194	-	-
Profit before income tax	495,115,351	524,088,505	420,759,822	439,174,311
Income tax	(98,368,064)	(93,705,344)	(83,496,957)	(76,722,505)
Net profit for the period	396,747,287	430,383,161	337,262,865	362,451,806
Earnings per share				
Basic earnings per share	5.18	5.62	4.40	4.73

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

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income
 For the three-month period ended 31 December 2021

	Equity method		Separate financial information	
	financial information		financial information	
	Unaudited 2021 Baht	Unaudited 2020 Baht	Unaudited 2021 Baht	Unaudited 2020 Baht
Net profit for the period	396,747,287	430,383,161	337,262,865	362,451,806
Other comprehensive income (expenses) for the period after tax:				
Items that will not be reclassified subsequently to profit or loss				
Changes in fair value of investments in equity instruments through other comprehensive income	15,444,814	(656,443)	15,444,814	(656,443)
Income tax on items that will not be reclassified to profit or loss	(3,088,963)	131,289	(3,088,963)	131,289
Total items that will not be reclassified subsequently to profit or loss	12,355,851	(525,154)	12,355,851	(525,154)
Items that will be reclassified subsequently to profit or loss				
Exchange differences relating to investments in an associate and a joint venture	(35,630,642)	(80,571,844)		-
Income tax on items that will be reclassified to profit or loss	7,126,129	16,114,369		-
Total items that will be reclassified subsequently to profit or loss	(28,504,513)	(64,457,475)	-	-
Other comprehensive income (expenses) for the period, net of tax	(16,148,662)	(64,982,629)	12,355,851	(525,154)
Total comprehensive income for the period	380,598,625	365,400,532	349,618,716	361,926,652

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

Thai Stanley Electric Public Company Limited
Statements of Income
For the nine-month period ended 31 December 2021

	Notes	Equity method financial information		Separate financial information	
		Unaudited 2021	Unaudited 2020	Unaudited 2021	Unaudited 2020
		Baht	Baht	Baht	Baht
Revenues from sales and services		9,748,184,859	7,896,293,790	9,748,184,859	7,896,293,790
Costs of sales and services		(7,977,813,414)	(7,033,566,640)	(7,977,813,414)	(7,033,566,640)
Gross profit		1,770,371,445	862,727,150	1,770,371,445	862,727,150
Other income					
- Dividend income	9	23,946,190	60,170,029	229,002,676	154,749,696
- Gain on exchange rates, net		14,643,150	17,800,847	14,643,150	17,800,847
- Interest income		15,017,368	16,348,815	15,017,368	16,348,815
- Others		51,103,125	30,933,034	51,103,125	30,933,034
Profit before expenses		1,875,081,278	987,979,875	2,080,137,764	1,082,559,542
Selling expenses		(498,758,492)	(318,134,036)	(498,758,492)	(318,134,036)
Administrative expenses		(263,165,895)	(239,811,315)	(263,165,895)	(239,811,315)
Total expenses		(761,924,387)	(557,945,351)	(761,924,387)	(557,945,351)
Operating profit		1,113,156,891	430,034,524	1,318,213,377	524,614,191
Share of profit from investments in an associate and a joint venture	12	187,002,839	166,180,508	-	-
Profit before income tax		1,300,159,730	596,215,032	1,318,213,377	524,614,191
Income tax	15	(252,779,518)	(95,720,307)	(256,390,247)	(81,400,138)
Net profit for the period		1,047,380,212	500,494,725	1,061,823,130	443,214,053
Earnings per share					
Basic earnings per share		13.67	6.53	13.86	5.78

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

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income
 For the nine-month period ended 31 December 2021

	Equity method		Separate financial information	
	financial information		financial information	
	Unaudited 2021 Baht	Unaudited 2020 Baht	Unaudited 2021 Baht	Unaudited 2020 Baht
Net profit for the period	1,047,380,212	500,494,725	1,061,823,130	443,214,053
Other comprehensive income (expenses) for the period after tax:				
Items that will not be reclassified subsequently to profit or loss				
Changes in fair value of investments in equity instruments through other comprehensive income	126,029,445	29,798,507	126,029,445	29,798,507
Income tax on items that will not be reclassified to profit or loss	(25,205,889)	(5,959,701)	(25,205,889)	(5,959,701)
Total items that will not be reclassified subsequently to profit or loss	100,823,556	23,838,806	100,823,556	23,838,806
Items that will be reclassified subsequently to profit or loss				
Exchange differences relating to investments in an associate and a joint venture	119,233,067	(101,949,967)	-	-
Income tax on items that will be reclassified to profit or loss	(23,846,613)	20,389,994	-	-
Total items that will be reclassified subsequently to profit or loss	95,386,454	(81,559,973)	-	-
Other comprehensive income (expenses) for the period, net of tax	196,210,010	(57,721,167)	100,823,556	23,838,806
Total comprehensive income for the period	1,243,590,222	442,773,558	1,162,646,686	467,052,859

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

Thai Stanley Electric Public Company Limited
 Statements of Changes in Equity
 For the nine-month period ended 31 December 2021

Separate financial information (Unaudited)										
					Other components of equity					
					Other comprehensive income (expenses)					
					Measurement of investments in equity instruments at fair value		Remeasurements of post-employment benefit obligations	Total other components of equity	Total equity	
		Retained earnings			Measurement of available-for- sale investment	Measurement of investments in equity instruments at fair value through other comprehensive income	Remeasurements of post-employment benefit obligations	Total other components of equity	Total equity	
		Issued and paid-up share capital	Premium on share capital	Appropriated - Legal reserve	Unappropriated	Baht	Baht	Baht	Baht	
Note		Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	
Opening balance as at 1 April 2020										
- as reported										
		383,125,000	504,250,000	38,312,500	15,168,253,176	448,000	-	(23,200,047)	(22,752,047)	16,071,188,629
Impact of first-time adoption of new financial reporting standards										
		-	-	-	-	(448,000)	952,053,219	-	951,605,219	951,605,219
Opening balance as at 1 April 2020										
- restated										
		383,125,000	504,250,000	38,312,500	15,168,253,176	-	952,053,219	(23,200,047)	928,853,172	17,022,793,848
Total comprehensive income for the period										
		-	-	-	443,214,053	-	23,838,806	-	23,838,806	467,052,859
Dividends paid										
		-	-	-	(632,155,425)	-	-	-	-	(632,155,425)
Closing balance as at 31 December 2020										
		383,125,000	504,250,000	38,312,500	14,979,311,804	-	975,892,025	(23,200,047)	952,691,978	16,857,691,282
Opening balance as at 1 April 2021										
		383,125,000	504,250,000	38,312,500	15,484,861,795	-	969,173,204	(2,910,462)	966,262,742	17,376,812,037
Total comprehensive income for the period										
		-	-	-	1,061,823,130	-	100,823,556	-	100,823,556	1,162,646,686
Dividends paid										
	16	-	-	-	(421,436,950)	-	-	-	-	(421,436,950)
Closing balance as at 31 December 2021										
		383,125,000	504,250,000	38,312,500	16,125,247,975	-	1,069,996,760	(2,910,462)	1,067,086,298	18,118,021,773

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

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the nine-month period ended 31 December 2021

	Notes	Equity method financial information		Separate financial information	
		Unaudited 2021 Baht	Unaudited 2020 Baht	Unaudited 2021 Baht	Unaudited 2020 Baht
Cash flows from operating activities:					
Profit before income tax for the period		1,300,159,730	596,215,032	1,318,213,377	524,614,191
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation	13	963,544,114	946,074,650	963,544,114	946,074,650
- Amortisation		210,802,049	206,762,900	210,802,049	206,762,900
- Interest income		(15,017,368)	(16,348,815)	(15,017,368)	(16,348,815)
- Share of profit from investments in an associate and a joint venture	12	(187,002,839)	(166,180,508)	-	-
- Dividend income					
- Investments in equity instruments measured at fair value through other comprehensive income	9	(23,946,190)	(60,170,029)	(23,946,190)	(60,170,029)
- Investments in an associate	9, 12	-	-	(205,056,486)	(94,579,667)
- (Gain) loss on disposal of equipment		(1,394,451)	560,917	(1,394,451)	560,917
- (Gain) loss from changes in fair value of derivatives		(485)	1,182,990	(485)	1,182,990
- Allowance for obsolete and slow moving inventories		815,276	5,990,201	815,276	5,990,201
- Reversal of allowance for net realisable value lower than cost of inventories		-	(1,559,056)	-	(1,559,056)
- Employee benefit obligations		32,030,799	42,927,532	32,030,799	42,927,532
- Unrealised gain on exchange rates		(104,262)	(252,630)	(104,262)	(252,630)
Cash flows before changes in operating assets and liabilities		2,279,886,373	1,555,203,184	2,279,886,373	1,555,203,184
Changes in operating assets and liabilities					
- Trade and other accounts receivable		211,924,753	479,545,454	211,924,753	479,545,454
- Inventories		(306,510,637)	420,197,909	(306,510,637)	420,197,909
- Other current assets		(881,140)	31,719,456	(881,140)	31,719,456
- Other non-current assets		6,451,574	256,855	6,451,574	256,855
- Trade accounts payable - other companies		18,311,337	(75,288,162)	18,311,337	(75,288,162)
- Trade accounts payable - related parties		(111,332,196)	15,213,493	(111,332,196)	15,213,493
- Other accounts payable - other companies		793,537	(34,015,942)	793,537	(34,015,942)
- Other accounts payable - related parties		(73,271,785)	(26,121,471)	(73,271,785)	(26,121,471)
- Accrued expenses		35,656,981	42,229,003	35,656,981	42,229,003
- Payment for employee benefit obligations		(5,954,738)	(26,030,516)	(5,954,738)	(26,030,516)
Cash generated from operations		2,055,074,059	2,382,909,263	2,055,074,059	2,382,909,263

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

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the nine-month period ended 31 December 2021

	Notes	Equity method financial information		Separate financial information	
		Unaudited 2021	Unaudited 2020	Unaudited 2021	Unaudited 2020
		Baht	Baht	Baht	Baht
Cash generated from operations		2,055,074,059	2,382,909,263	2,055,074,059	2,382,909,263
- Interest received		5,991,551	8,011,869	5,991,551	8,011,869
- Income tax paid		(314,220,341)	(262,440,024)	(314,220,341)	(262,440,024)
Net cash received from operating activities		1,746,845,269	2,128,481,108	1,746,845,269	2,128,481,108
Cash flows from investing activities:					
Loans made to employees	11	(93,789,493)	(100,732,589)	(93,789,493)	(100,732,589)
Loans repayments from employees	11	43,776,860	68,764,068	43,776,860	68,764,068
Purchases of property, plant and equipment		(650,044,154)	(1,425,439,796)	(650,044,154)	(1,425,439,796)
Proceeds from disposals of equipment		1,580,900	281,850	1,580,900	281,850
Interest received on short-term investments		8,145,685	13,516,836	8,145,685	13,516,836
Dividends received					
- Investments in equity instruments measured at fair value through other comprehensive income	9	23,946,190	60,170,029	23,946,190	60,170,029
- Investments in an associate	9, 12	205,056,486	94,579,667	205,056,486	94,579,667
Purchases of intangible assets		(167,731,973)	(136,493,205)	(167,731,973)	(136,493,205)
Cash receipts from short-term investments	7	5,127,000,000	1,166,000,000	5,127,000,000	1,166,000,000
Cash payments on short-term investments	7	(6,200,000,000)	(2,116,000,000)	(6,200,000,000)	(2,116,000,000)
Net cash used in investing activities		(1,702,059,499)	(2,375,353,140)	(1,702,059,499)	(2,375,353,140)
Cash flow from financing activity:					
Dividends paid	16	(421,436,950)	(632,155,425)	(421,436,950)	(632,155,425)
Net cash used in financing activity		(421,436,950)	(632,155,425)	(421,436,950)	(632,155,425)
Net decrease in cash and cash equivalents		(376,651,180)	(879,027,457)	(376,651,180)	(879,027,457)
Cash and cash equivalents at beginning of the period		2,663,330,410	3,177,436,049	2,663,330,410	3,177,436,049
Effects of exchange rate changes		104,262	252,630	104,262	252,630
Cash and cash equivalents at end of the period		2,286,783,492	2,298,661,222	2,286,783,492	2,298,661,222
Non-cash transactions:					
Outstanding liabilities arisen from purchase of plant and equipment and intangible assets		114,324,828	75,728,558	114,324,828	75,728,558

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

1 Significant events during the current period

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

2 Basis of preparation

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

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2021.

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

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2021.

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

4 Estimates

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

5 Segment information

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

Business segment

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

For the period ended 31 December 2021, total revenue from sales and services has timing of revenue recognition as point in time.

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month period ended 31 December 2021

Revenues by product group

During the nine-month period ended 31 December 2021 and 2020, the revenues by product group are as follows:

	2021	2020
	Baht	Baht
Auto bulbs and automotive lighting equipment	9,669,576,348	7,340,645,079
Molds & dies and product designs	78,608,511	555,648,711
	9,748,184,859	7,896,293,790

Revenues by geographic region

During the nine-month period ended 31 December 2021 and 2020, the revenues by geographic region are as follows:

	2021	2020
	Baht	Baht
Domestic	5,866,512,450	5,311,947,921
Export	3,881,672,409	2,584,345,869
	9,748,184,859	7,896,293,790

Major customers

During the nine-month period ended 31 December 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 (31 December 2020: 3 customer groups).

	2021	2020
	Million Baht	Million Baht
Customer group no.1	3,527	3,013
Customer group no.2	2,839	1,906
Customer group no.3	1,141	949
	7,507	5,868

The customer group means the customers under common control.

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6 Fair value

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

	Equity method and separate financial information							
	Level 1		Level 2		Level 3		Total	
	31 December 2021	31 March 2021	31 December 2021	31 March 2021	31 December 2021	31 March 2021	31 December 2021	31 March 2021
Assets								
Financial assets measured at fair value through other comprehensive income								
Investments in equity instruments	89,386,881	111,530,569	-	-	1,373,390,224	1,225,217,091	1,462,777,105	1,336,747,660
Total assets	89,386,881	111,530,569	-	-	1,373,390,224	1,225,217,091	1,462,777,105	1,336,747,660
Liabilities								
Financial liabilities measured at fair value through profit or loss								
Derivatives liabilities								
- Foreign exchange forward contracts	-	-	238,705	239,190	-	-	238,705	239,190
Total liabilities	-	-	238,705	239,190	-	-	238,705	239,190

Valuation techniques used to measure fair value level 1

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

Valuation techniques used to measure fair value level 2

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

Valuation techniques used to measure fair value level 3

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

Changes in level 3 financial instruments for the nine-month period ended 31 December 2021 is as follows:

	Non-listed equity investments
	Unaudited
	Baht
Opening balance as at 1 April 2021	1,225,217,091
Gains recognised in other comprehensive income	148,173,133
Closing balance as at 31 December 2021	<u>1,373,390,224</u>

The Company's valuation processes

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

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

7 Short-term investments

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

Movement in short-term investments is as follows:

For the nine-month period ended 31 December	2021 Baht
Opening balance	2,258,000,000
Additions during the period	6,200,000,000
Redemptions during the period	<u>(5,127,000,000)</u>
Closing balance	<u>3,331,000,000</u>

As at 31 December 2021, short-term investments bore interest at the rates of 0.23% - 0.50% per annum (31 March 2021 : 0.21% - 0.63% per annum).

8 Trade and other accounts receivable, net

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

	31 December 2021 Baht	31 March 2021 Baht
Trade accounts receivable - other companies	2,040,735,124	2,119,220,891
<u>Less</u> Loss allowance	<u>(20,446,001)</u>	<u>(20,446,001)</u>
Trade accounts receivable - other companies, net	2,020,289,123	2,098,774,890
Trade accounts receivable - related parties (Note 9)	198,910,410	296,457,727
Other accounts receivable - related party (Note 9)	14,390,266	39,163,203
Prepaid expenses	42,151,209	56,389,044
Value added tax receivable	48,683,192	14,976,949
Other receivables	14,779,290	44,486,298
	<u>2,339,203,490</u>	<u>2,550,248,111</u>

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

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	31 December 2021 Baht	31 March 2021 Baht	31 December 2021 Baht	31 March 2021 Baht
Current	2,005,933,026	2,095,505,182	177,418,787	292,676,858
Overdue				
- less than 3 months	11,902,409	3,241,708	21,491,623	3,780,869
- 3 - 6 months	2,453,688	28,000	-	-
- 6 - 12 months	-	-	-	-
- more than 1 year	20,446,001	20,446,001	-	-
	<u>2,040,735,124</u>	<u>2,119,220,891</u>	<u>198,910,410</u>	<u>296,457,727</u>

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9 Related party transactions

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

The following significant transactions were carried out with related parties:

For the nine-month period ended 31 December

	2021	2020
	Baht	Baht
Sales		
Stanley Electric Group companies	441,449,721	500,655,877
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	87,492,856	90,871,296
Associate	154,624,439	223,499,619
Joint venture	265,452,967	180,740,339
	<u>949,019,983</u>	<u>995,767,131</u>
Other income		
Stanley Electric Group companies	1,068,783	1,338,157
Associate	7,842	-
Joint venture	24,600	98,640
	<u>1,101,225</u>	<u>1,436,797</u>
Dividend income		
Stanley Electric Group companies	23,946,190	60,170,029
Associate	205,056,486	94,579,667
	<u>229,002,676</u>	<u>154,749,696</u>
Royalty income		
Stanley Electric Group companies	937,930	381,603
Joint venture	247,695	219,967
	<u>1,185,625</u>	<u>601,570</u>
Purchases of goods and services		
Stanley Electric Group companies	2,448,827,200	1,729,742,608
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	344,071,450	242,119,554
Associate	30,567,004	295,788,701
	<u>2,823,465,654</u>	<u>2,267,650,863</u>
Royalty fee		
Stanley Electric Group companies	218,268,632	177,386,234
Design and development fee		
Stanley Electric Group companies	36,506,266	37,669,681
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	138,365	8,159
Associate	3,863	934,296
	<u>36,648,494</u>	<u>38,612,136</u>
Commission		
Stanley Electric Group companies	100,256,331	7,220,626
Directors' and managements' remuneration		
Short-term benefits	36,002,948	34,167,511

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

	31 December 2021 Baht	31 March 2021 Baht
Trade accounts receivable - related parties		
Stanley Electric Group companies	111,216,984	159,786,768
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	38,352,188	35,187,083
Associate	9,301,552	51,677,957
Joint venture	40,039,686	49,805,919
	198,910,410	296,457,727
Other accounts receivable - related party		
Stanley Electric Group company	14,390,266	39,163,203
Trade accounts payable - related parties		
Stanley Electric Group companies	374,700,067	479,505,986
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	41,273,718	43,576,418
Associate	11,034,055	15,257,632
	427,007,840	538,340,036
Other accounts payable - related parties		
Stanley Electric Group companies	181,614,114	253,230,209

10 Inventories, net

	31 December 2021 Baht	31 March 2021 Baht
Raw materials and packaging	320,588,277	239,155,015
Work in process	272,902,602	84,138,194
Finished goods	125,064,987	88,634,062
Goods in transit	66,793,231	66,911,189
	785,349,097	478,838,460
<u>Less</u> Allowance for obsolete and slow-moving inventories		
- Raw materials and packaging	(2,383,050)	(1,865,897)
- Work in process	(461,891)	(185,171)
- Finished goods	(129,232)	(107,829)
Inventories, net	782,374,924	476,679,563

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11 Loans to employees

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

	2021 Baht
Opening balance	63,118,708
Additions	93,789,493
Received during the year	(43,776,860)
Closing balance	<u>113,131,341</u>

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

The analysis of loans to employees is as follows:

	31 December 2021 Baht	31 March 2021 Baht
Current portion of loans to employees	62,678,567	44,380,610
Non-current portion of loans to employees	50,452,774	18,738,098
	<u>113,131,341</u>	<u>63,118,708</u>

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

12 Investments in an associate and a joint venture

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

Name	Business activity	Paid-up share capital	% of holding	Equity Method		Cost Method	
				31 December 2021	31 March 2021	31 December 2021	31 March 2021
				Amount Baht	Amount Baht	Amount Baht	Amount Baht
Associate							
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	1,809,078,270	1,710,120,028	54,044,189	54,044,189
Joint venture							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	25,488,547	23,267,369	3,132,500	3,132,500
				<u>1,834,566,817</u>	<u>1,733,387,397</u>	<u>57,176,689</u>	<u>57,176,689</u>

b) **Movements in investments in an associate and a joint venture for the nine-month period ended 31 December 2021 are as follows:**

	Equity Method Baht	Cost Method Baht
Opening net book amount	1,733,387,397	57,176,689
Share of profit	187,002,839	-
Dividends received	(205,056,486)	-
Translation adjustments	119,233,067	-
Closing net book amount	<u>1,834,566,817</u>	<u>57,176,689</u>

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13 Property, plant and equipment, net

For the nine-month period ended 31 December

	2021 Baht
Opening net book amount	9,402,862,077
Additions	735,025,315
Disposals/write - offs, net	(186,449)
<u>Less</u> Depreciation charge	<u>(963,544,114)</u>
Closing net book amount	9,174,156,829

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

As at 31 December 2021, the Company has capital commitments not recognised in the financial information amounting of Baht 126 million (31 March 2021: Baht 110 million).

14 Accrued expenses

	31 December 2021 Baht	31 March 2021 Baht
Accrued staff cost	170,264,933	221,403,575
Accrued electricity expense	27,657,118	34,096,640
Accrued rebate	142,643,679	57,280,000
Others	41,808,173	33,936,707
	<u>382,373,903</u>	<u>346,716,922</u>

15 Income tax

Income tax expense for the nine-month period ended 31 December 2021 and 2020 are as follows:

	Equity method financial information		Separate financial information	
	2021 Baht	2020 Baht	2021 Baht	2020 Baht
Current income tax	234,825,989	76,231,269	234,825,989	76,231,269
Deferred income tax	17,953,529	19,489,038	21,564,258	5,168,869
	<u>252,779,518</u>	<u>95,720,307</u>	<u>256,390,247</u>	<u>81,400,138</u>

The interim income tax expense is recognised based on management's estimate of the weighted average effective annual income tax rate expected for the full financial year. The estimated average annual tax rate used for the period to 31 December 2021 is 19.45% and 19.44% for cost method and equity method, respectively, compared to 15.52% and 16.05% respectively, for the nine months ended 31 December 2020. The tax rate was lower in 2020 because the Company's dividend income from a related party in the previous period was higher than the current period and the tax benefits due to a promotional certificate expired since July 2020.

16 Dividends paid

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

17 Commitments and contingent liabilities

For the nine-month period ended 31 December 2021, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 March 2021, except the capital commitment as mentioned in Note 13.

18 Bank guarantees

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

19 Authorisation of financial information

The interim financial information in which the equity method is applied and interim separate financial information were authorised by the Company's Board of Directors on 2 February 2022.