

Kang Yong Electric Public Company Limited

Condensed interim financial statements
for the three-month and nine-month periods ended
31 December 2019
and
Independent auditor's review report

Independent Auditor's Report on Review of Interim Financial Information

To the Board of Directors of Kang Yong Electric Public Company Limited

I have reviewed the accompanying statement of financial position in which the equity method is applied and separate statement of financial position of Kang Yong Electric Public Company Limited as at 31 December 2019; the related statements of comprehensive income for the three-month and nine-month periods ended 31 December 2019, the statements of changes in equity and cash flows for the nine-month period ended 31 December 2019; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Sophit Prompol)
Certified Public Accountant
Registration No. 10042

KPMG Phoomchai Audit Ltd.
Bangkok
12 February 2020

Kang Yong Electric Public Company Limited

Statement of financial position

Assets	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		31 December	31 March	31 December	31 March
		2019	2019	2019	2019
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Current assets					
Cash and cash equivalents		805,140	789,953	805,140	789,953
Current investments		2,230,000	2,100,000	2,230,000	2,100,000
Trade accounts receivable	3, 5	763,337	1,320,573	763,337	1,320,573
Value added tax refundable		23,874	32,644	23,874	32,644
Other receivables	3	29,268	24,973	29,268	24,973
Dividend receivables	3	121,737	-	121,737	-
Short-term loan to related party	3	31,335	23,222	31,335	23,222
Inventories		916,451	896,613	916,451	896,613
Other current assets		6,720	7,469	6,720	7,469
Total current assets		4,927,862	5,195,447	4,927,862	5,195,447
Non-current assets					
Available-for-sale investments	4	3,684	5,113	3,684	5,113
Investment in associate	6	16,247	19,546	3,000	3,000
Other long-term investments	4	157,362	157,362	157,362	157,362
Investment properties		4,189	4,189	4,189	4,189
Property, plant and equipment	7	1,513,966	1,421,738	1,513,966	1,421,738
Intangible assets		35,988	41,174	35,988	41,174
Deferred tax assets		73,275	76,009	73,275	76,009
Other non-current assets		26,168	25,418	26,168	25,418
Total non-current assets		1,830,879	1,750,549	1,817,632	1,734,003
Total assets		6,758,741	6,945,996	6,745,494	6,929,450

The accompanying notes form an integral part of the interim financial statements.

Kang Yong Electric Public Company Limited

Statement of financial position

		Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
	<i>Note</i>	31 December 2019 (Unaudited)	31 March 2019	31 December 2019 (Unaudited)	31 March 2019
		<i>(in thousand Baht)</i>			
Liabilities and equity					
<i>Current liabilities</i>					
Trade accounts payable	3	635,318	879,201	635,318	879,201
Other payables	3	230,220	480,769	230,220	480,769
Current tax payable		5,774	-	5,774	-
Other current liabilities		35,691	14,396	35,691	14,396
Total current liabilities		907,003	1,374,366	907,003	1,374,366
<i>Non-current liabilities</i>					
Provision for warranties		102,952	103,563	102,952	103,563
Non-current provisions for employee benefits	8	311,979	237,347	311,979	237,347
Provident funds		13,085	13,320	13,085	13,320
Total non-current liabilities		428,016	354,230	428,016	354,230
Total liabilities		1,335,019	1,728,596	1,335,019	1,728,596
<i>Equity</i>					
Share capital:					
Authorised share capital	9	198,000	220,000	198,000	220,000
Issued and paid-up share capital	9	198,000	220,000	198,000	220,000
Treasury shares	9	-	(970,420)	-	(970,420)
Share premium:					
Share premium on ordinary shares		726,100	726,100	726,100	726,100
Retained earnings					
Appropriated					
Legal reserve		22,000	22,000	22,000	22,000
Treasury shares reserve	9	-	970,420	-	970,420
Other reserve		420,000	420,000	420,000	420,000
Unappropriated		4,058,887	3,829,422	4,045,640	3,812,876
Other component of equity		(1,265)	(122)	(1,265)	(122)
Total equity		5,423,722	5,217,400	5,410,475	5,200,854
Total liabilities and equity		6,758,741	6,945,996	6,745,494	6,929,450

The accompanying notes form an integral part of the interim financial statements.

Kang Yong Electric Public Company Limited
Statement of comprehensive income (Unaudited)

		Financial statements				
		in which the equity method				
		is applied		Separate financial statements		
		Three-month period ended		Three-month period ended		
		31 December		31 December		
<i>Note</i>		2019	2018	2019	2018	
<i>(in thousand Baht)</i>						
Revenues						
	Revenue from sales of goods					
	and rendering of services	3, 10	1,559,172	1,478,036	1,559,172	1,478,036
	Investment income	3	139,188	130,963	139,188	130,963
	Net foreign exchange gain		4,107	-	4,107	-
	Other income	3	7,552	12,456	7,552	12,456
	Total revenue		1,710,019	1,621,455	1,710,019	1,621,455
Expenses						
	Cost of sale of goods					
	and rendering of services	3	1,302,395	1,348,429	1,302,395	1,348,429
	Distribution costs	3	78,081	84,481	78,081	84,481
	Administrative expenses	3	165,325	167,507	165,325	167,507
	Net foreign exchange loss		-	3,348	-	3,348
	Total expenses		1,545,801	1,603,765	1,545,801	1,603,765
	Share of loss of associate	6	(1,476)	(339)	-	-
	Profit before income tax expense		162,742	17,351	164,218	17,690
	Tax income (expense)	11	(7,030)	22,977	(7,030)	22,977
	Profit for the period		155,712	40,328	157,188	40,667
Other comprehensive income (expense)						
Item that will be reclassified subsequently to profit or loss						
	Losses on remeasuring					
	available-for-sale investments	4	(430)	(2,126)	(430)	(2,126)
	Income tax relating to item that					
	will be reclassified subsequently to profit or loss		86	425	86	425
	Other comprehensive income (expense) for the period,					
	net of tax		(344)	(1,701)	(344)	(1,701)
	Total comprehensive income (expense) for the period		155,368	38,627	156,844	38,966
	Basic earnings per share (in Baht)	12	7.86	1.98	7.94	2.00

The accompanying notes form an integral part of the interim financial statements.

Kang Yong Electric Public Company Limited
Statement of comprehensive income (Unaudited)

	<i>Note</i>	Financial statements			
		in which the equity method			
		is applied		Separate financial statements	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
		2019	2018	2019	2018
<i>(in thousand Baht)</i>					
Revenues					
Revenue from sales of goods					
and rendering of services	3, 10	5,434,797	5,500,848	5,434,797	5,500,848
Investment income	3	292,838	247,283	293,018	247,793
Net foreign exchange gain		-	21,201	-	21,201
Other income	3	31,793	32,230	31,793	32,230
Total revenue		5,759,428	5,801,562	5,759,608	5,802,072
Expenses					
Cost of sale of goods					
and rendering of services	3	4,634,045	4,878,659	4,634,045	4,878,659
Distribution costs	3	281,664	320,744	281,664	320,744
Administrative expenses	3	528,177	530,885	528,177	530,885
Net foreign exchange loss		5,016	-	5,016	-
Total expenses		5,448,902	5,730,288	5,448,902	5,730,288
Share of loss of associate	6	(3,119)	(741)	-	-
Profit before income tax expense		307,407	70,533	310,706	71,784
Tax income (expense)	11	(9,852)	28,097	(9,852)	28,097
Profit for the period		297,555	98,630	300,854	99,881
Other comprehensive income (expense)					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Losses on remeasuring					
available-for-sale investments	4	(1,429)	(2,695)	(1,429)	(2,695)
Income tax relating to item that					
will be reclassified subsequently to profit or loss		286	539	286	539
Other comprehensive income (expense) for the period,					
net of tax		(1,143)	(2,156)	(1,143)	(2,156)
Total comprehensive income (expense) for the period		296,412	96,474	299,711	97,725
Basic earnings per share (in Baht)	12	15.03	4.60	15.19	4.66

The accompanying notes form an integral part of the interim financial statements.

Kang Yong Electric Public Company Limited
Statement of changes in equity (Unaudited)

	Financial statements in which the equity method is applied							Other component of equity	Total equity	
	Note	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Retained earnings					Available-for-sale investments
					Legal reserve	Other reserve	Unappropriated			
<i>(in thousand Baht)</i>										
Nine-month period ended 31 December 2018										
Balance at 1 April 2018		220,000	-	726,100	22,000	420,000	4,985,235	1,967	6,375,302	
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Treasury shares purchased		-	(970,420)	-	-	-	-	-	(970,420)	
Dividends to owners of the Company	13	-	-	-	-	-	(359,700)	-	(359,700)	
Total distributions to owners of the Company		-	(970,420)	-	-	-	(359,700)	-	(1,330,120)	
Total transactions with owners, recorded directly in equity		-	(970,420)	-	-	-	(359,700)	-	(1,330,120)	
Comprehensive income (expense) for the period										
Profit		-	-	-	-	-	98,630	-	98,630	
Other comprehensive income (expense)		-	-	-	-	-	-	(2,156)	(2,156)	
Total comprehensive income (expense) for the period		-	-	-	-	-	98,630	(2,156)	96,474	
Balance at 31 December 2018		220,000	(970,420)	726,100	22,000	420,000	4,724,165	(189)	5,141,656	

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Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

	Financial statements in which the equity method is applied							Other component of equity	Total equity	
	Note	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Retained earnings					Available-for-sale investments
					Legal reserve	Treasury shares reserve	Other reserve			
<i>(in thousand Baht)</i>										
Nine-month period ended 31 December 2019										
Balance at 1 April 2019		220,000	(970,420)	726,100	22,000	970,420	420,000	3,829,422	(122)	5,217,400
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Write-off treasury shares - reduction of ordinary shares	9	(22,000)	970,420	-	-	(970,420)	-	22,000	-	-
Dividends to owners of the Company	13	-	-	-	-	-	-	(90,090)	-	(90,090)
Total distributions to owners of the Company		(22,000)	970,420	-	-	(970,420)	-	(68,090)	-	(90,090)
Total transactions with owners, recorded directly in equity		198,000	-	726,100	22,000	-	420,000	3,761,332	(122)	5,127,310
Comprehensive income (expense) for the period										
Profit		-	-	-	-	-	-	297,555	-	297,555
Other comprehensive income (expense)		-	-	-	-	-	-	-	(1,143)	(1,143)
Total comprehensive income (expense) for the period		-	-	-	-	-	-	297,555	(1,143)	296,412
Balance at 31 December 2019		198,000	-	726,100	22,000	-	420,000	4,058,887	(1,265)	5,423,722

The accompanying notes form an integral part of the interim financial statements.

Kang Yong Electric Public Company Limited
Statement of changes in equity (Unaudited)

	Separate financial statements							Other component of equity	Total equity	
	Note	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Retained earnings					Available-for-sale investments
					Legal reserve	Other reserve	Unappropriated			
<i>(in thousand Baht)</i>										
Nine-month period ended 31 December 2018										
Balance at 1 April 2018		220,000	-	726,100	22,000	420,000	4,968,728	1,967	6,358,795	
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Treasury shares purchased		-	(970,420)	-	-	-	-	-	(970,420)	
Dividends to owners of the Company	13	-	-	-	-	-	(359,700)	-	(359,700)	
Total distributions to owners of the Company		-	(970,420)	-	-	-	(359,700)	-	(1,330,120)	
Total transactions with owners, recorded directly in equity		-	(970,420)	-	-	-	(359,700)	-	(1,330,120)	
Comprehensive income (expense) for the period										
Profit		-	-	-	-	-	99,881	-	99,881	
Other comprehensive income (expense)		-	-	-	-	-	-	(2,156)	(2,156)	
Total comprehensive income (expense) for the period		-	-	-	-	-	99,881	(2,156)	97,725	
Balance at 31 December 2018		220,000	(970,420)	726,100	22,000	420,000	4,708,909	(189)	5,126,400	

The accompanying notes form an integral part of the interim financial statements.

Kang Yong Electric Public Company Limited
Statement of changes in equity (Unaudited)

	Separate financial statements							Other component of equity	Total equity	
	Note	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Retained earnings					Available-for-sale investments
					Legal reserve	Treasury shares reserve	Other reserve			
<i>(in thousand Baht)</i>										
Nine-month period ended 31 December 2019										
Balance at 1 April 2019		220,000	(970,420)	726,100	22,000	970,420	420,000	3,812,876	(122)	5,200,854
Transactions with owners, recorded directly in equity										
<i>Distributions to owners of the Company</i>										
Write-off treasury shares - reduction of ordinary shares	9	(22,000)	970,420	-	-	(970,420)	-	22,000	-	-
Dividends to owners of the Company	13	-	-	-	-	-	-	(90,090)	-	(90,090)
Total distributions to owners of the Company		(22,000)	970,420	-	-	(970,420)	-	(68,090)	-	(90,090)
Total transactions with owners, recorded directly in equity		198,000	-	726,100	22,000	-	420,000	3,744,786	(122)	5,110,764
Comprehensive income (expense) for the period										
Profit		-	-	-	-	-	-	300,854	-	300,854
Other comprehensive income (expense)		-	-	-	-	-	-	-	(1,143)	(1,143)
Total comprehensive income (expense) for the period		-	-	-	-	-	-	300,854	(1,143)	299,711
Balance at 31 December 2019		198,000	-	726,100	22,000	-	420,000	4,045,640	(1,265)	5,410,475

The accompanying notes form an integral part of the interim financial statements.

Kang Yong Electric Public Company Limited
Statement of cash flows (Unaudited)

	Financial statements			
	in which the equity method			
	is applied		Separate financial statements	
	Nine-month period ended 31 December		Nine-month period ended 31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	297,555	98,630	300,854	99,881
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax (income) expense	9,852	(28,097)	9,852	(28,097)
Depreciation	255,327	257,649	255,327	257,649
Amortisation	6,219	6,076	6,219	6,076
Provision for warranties	59,495	80,779	59,495	80,779
Non-current provisions for employee benefits	77,109	15,209	77,109	15,209
Unrealised loss on exchange	2,739	519	2,739	519
Share of loss of associate	3,119	741	-	-
Reversal of losses on inventories devaluation	(7,772)	(3,545)	(7,772)	(3,545)
(Gain) loss on disposal of plant and equipment	349	(719)	349	(719)
Dividend income	(243,267)	(194,640)	(243,447)	(195,150)
Interest income	(36,688)	(39,760)	(36,688)	(39,760)
Rental income	(12,883)	(12,883)	(12,883)	(12,883)
	<u>411,154</u>	<u>179,959</u>	<u>411,154</u>	<u>179,959</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	553,401	475,385	553,401	475,385
Value added tax receivable	8,770	(2,875)	8,770	(2,875)
Other receivables	(5,878)	113,680	(5,878)	113,680
Inventories	(12,066)	6,162	(12,066)	6,162
Other current assets	749	5,779	749	5,779
Other non-current assets	(750)	635	(750)	635
Trade accounts payable	(243,229)	(246,071)	(243,229)	(246,071)
Other payables	(229,734)	(160,525)	(229,734)	(160,525)
Other current liabilities	21,295	9,291	21,295	9,291
Warranties paid	(60,106)	(67,322)	(60,106)	(67,322)
Employee benefits paid	(2,477)	(1,791)	(2,477)	(1,791)
Provident fund paid	(235)	(92)	(235)	(92)
Net cash generated from operating	<u>440,894</u>	<u>312,215</u>	<u>440,894</u>	<u>312,215</u>
Taxes paid	(1,058)	(1,051)	(1,058)	(1,051)
Net cash from operating activities	<u>439,836</u>	<u>311,164</u>	<u>439,836</u>	<u>311,164</u>

The accompanying notes form an integral part of the interim financial statements.

Kang Yong Electric Public Company Limited
Statement of cash flows (Unaudited)

	Financial statements			
	in which the equity method			
	is applied		Separate financial statements	
	Nine-month period ended 31 December		Nine-month period ended 31 December	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
(Increase) decrease in current investments	(130,000)	1,200,000	(130,000)	1,200,000
Proceeds from disposal of plant and equipment	990	1,767	990	1,767
Acquisitions of plant and equipment	(369,269)	(247,098)	(369,269)	(247,098)
Acquisitions of computer software	(1,033)	(2,590)	(1,033)	(2,590)
Short-term loan to related party	(232,132)	(283,209)	(232,132)	(283,209)
Proceeds from short-term loans to related party	224,019	289,572	224,019	289,572
Dividends received	121,710	80,789	121,710	80,789
Interest received	38,247	41,318	38,247	41,318
Rental received	12,904	12,920	12,904	12,920
Net cash from (used in) investing activities	(334,564)	1,093,469	(334,564)	1,093,469
<i>Cash flows from financing activity</i>				
Payment to acquire treasury shares	-	(970,420)	-	(970,420)
Dividends paid to owners of the Company	(90,090)	(359,700)	(90,090)	(359,700)
Net cash used in financing activity	(90,090)	(1,330,120)	(90,090)	(1,330,120)
Net increase in cash and cash equivalents, before effect of exchange rates	15,182	74,513	15,182	74,513
Effect of exchange rate changes on cash and cash equivalents	5	-	5	-
Net increase in cash and cash equivalents	15,187	74,513	15,187	74,513
Cash and cash equivalents at 1 April	789,953	609,288	789,953	609,288
Cash and cash equivalents at 31 December	805,140	683,801	805,140	683,801
<i>Non-cash transactions</i>				
Dividend receivables	(121,737)	(114,361)	(121,737)	(114,361)
Plant and equipment purchased during the period are detailed as follows:				
Plant and equipment purchased during the period	(348,893)	(245,576)	(348,893)	(245,576)
Decrease in payables on purchases of plant and equipment	(20,376)	(1,522)	(20,376)	(1,522)
Net purchase of plant and equipment paid by cash	(369,269)	(247,098)	(369,269)	(247,098)

The accompanying notes form an integral part of the interim financial statements.

Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 31 December 2019 (Unaudited)

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Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 31 December 2019 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements, and were approved and authorised for issue by the Board of Directors on 12 February 2020.

1 General information

The principal activities of the Company are manufacturing and distributing household electrical appliances under the “Mitsubishi” trademark. The Company obtains the production licence and technology from its parent company.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 March 2019. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 March 2019.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 March 2019, except for revenue recognition which requires additional judgement in determining the timing of the transfer of control - at a point in time or over time - according to the requirements of TFRS 15 *Revenue from Contracts with Customers* (“TFRS 15”) which the Company has initially adopted to replace TAS 18 *Revenue* (“TAS 18”), TAS 11 *Construction Contracts* (“TAS11”) and related interpretations.

Under TFRS 15, the Company recognises revenue when a customer obtains control of the goods or services in an amount that reflects the consideration to which the Company expects to be entitled to. In addition, judgement is required in determining the timing of the transfer of control for revenue recognition - at a point in time or over time. Whereas, under TAS 18, the Company recognises revenue from sale of goods when the significant risks and rewards of ownership of the goods have been transferred to the buyer, and recognises revenue from rendering of services by reference to the stage of completion of the transaction at the end of the reporting period. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due. Such change in accounting policy has no material impacts on the financial statements.

Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 31 December 2019 (Unaudited)

In addition, the Company has not early adopted a number of new and revised TFRS which are not yet effective for current period in preparing these interim financial statements before the effective date. Those new and revised TFRS that are relevant to the Company's operations are disclosed in note 16.

3 Related parties

Relationships with an associate is described in notes 6. For other related parties, there was no material changes in relationships.

Pricing policies have no material changes during the nine-month period ended 31 December 2019.

Significant transactions for the three-month and nine-month periods ended 31 December with related parties were as follows:

<i>Three-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	604,709	342,352	604,709	342,352
Royalty fee	33,947	32,025	33,947	32,025
Product development fee	59,027	59,483	59,027	59,483
Product warranty expense	15,295	15,034	15,295	15,034
Technical assistance fee	5,494	2,488	5,494	2,488
Distribution costs and administrative expenses	319	103	319	103
Associate				
Revenue from sale of goods	63	37	63	37
Rental income	4,294	4,295	4,294	4,295
Other income	122	174	122	174
Inventory management service fee	15,441	17,261	15,441	17,261
Distribution costs and administrative expenses	1,189	1,475	1,189	1,475
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	22,529	22,723	22,529	22,723
Post-employment benefits	405	259	405	259
Other long-term benefits	4	3	4	3
Total key management personnel compensation	<u>22,938</u>	<u>22,985</u>	<u>22,938</u>	<u>22,985</u>
Other related parties				
Revenue from sale of goods	953,489	1,134,723	953,489	1,134,723
Purchases of raw material	227,124	240,569	227,124	240,569
Purchases of equipment	241	1,558	241	1,558
Dividend income	121,737	114,360	121,737	114,360
Interest income	45	51	45	51
Other income	3	-	3	-
Product warranty expense	1,299	3,849	1,299	3,849
Distribution costs and administrative expenses	12,419	12,767	12,419	12,767

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<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial Statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	2,251,910	1,996,849	2,251,910	1,996,849
Other income	17	18	17	18
Royalty fee	118,345	121,801	118,345	121,801
Product development fee	193,867	204,531	193,867	204,531
Product warranty expense	44,391	53,930	44,391	53,930
Technical assistance fee	14,126	9,725	14,126	9,725
Distribution costs and administrative expenses	3,944	7,457	3,944	7,457
Associate				
Revenue from sale of goods	108	115	108	115
Rental income	12,883	12,883	12,883	12,883
Dividend income	-	-	180	510
Other income	417	511	417	511
Inventory management service fee	51,644	56,496	51,644	56,496
Distribution costs and administrative expenses	4,451	4,627	4,451	4,627
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	65,567	64,430	65,567	64,430
Post-employment benefits	1,216	781	1,216	781
Other long-term benefits	11	7	11	7
Total key management personnel compensation	<u>66,794</u>	<u>65,218</u>	<u>66,794</u>	<u>65,218</u>
Other related parties				
Revenue from sale of goods	3,180,649	3,501,333	3,180,649	3,501,333
Purchases of raw material	717,081	749,118	717,081	749,118
Purchases of equipment	4,663	8,113	4,663	8,113
Dividend income	242,990	194,625	242,990	194,625
Interest income	205	160	205	160
Other income	237	315	237	315
Product warranty expense	7,068	5,092	7,068	5,092
Distribution costs and administrative expenses	44,008	44,993	44,008	44,993

Balances as at 31 December 2019 and 31 March 2019 with related parties were as follows:

<i>Trade accounts receivable - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Parent	183,756	370,941
Associate	52	10
Other related parties	579,456	949,403
Total	<u>763,264</u>	<u>1,320,354</u>

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Other receivables - related parties

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Parent	-	2,471
Associate	1,473	1,495
Other related parties	10	1,375
Total	1,483	5,341

Dividend receivables - related parties

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Other related parties	121,737	-

Movements during the nine-month period ended 31 December 2019 of short-term loan to related party were as follows:

	Interest rate		Financial statements in which the equity method is applied and separate financial statements			
	31 March 2019	31 December 2019	31 March 2019	Increase	Decrease	31 December 2019
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>			
Other related parties	1.00	0.60	23,222	232,132	(224,019)	31,335

Trade accounts payable - related parties

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Other related parties	88,062	123,646

Other payables - related parties

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2019	31 March 2019
	<i>(in thousand Baht)</i>	
Parent	104,650	272,476
Associate	6,380	8,693
Other related parties	1,938	31,171
Total	112,968	312,340

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4 Long-term investments

Movements during the nine-month period ended 31 December 2019 of long-term investments were as follows:

	Financial statements in which the equity method is applied and separate financial statements				At 31 December 2019
	At 31 March 2019	Purchase	Disposal	Fair value adjustment	
<i>Current investment</i>					
Equity securities available- for-sale	5,113	-	-	(1,429)	3,684
Other non-marketable equity securities	157,362	-	-	-	157,362
Net	162,475	-	-	(1,429)	161,046

5 Trade accounts receivable

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2019	31 March 2019
Within credit terms	744,867	1,299,704
Overdue		
Less than 3 months	18,470	20,869
Total	763,337	1,320,573

The normal credit term granted by the Company ranges from 30 days to 120 days.

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6 Investment in associate

Investment in associate as at 31 December 2019 and 31 March 2019, and dividend income from the investment for the nine-month period ended 31 December were as follows:

Financial statements in which the equity method is applied											
	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month periods ended	
		31	31	31	31	31	31	31	31	31	31
		December 2019	March 2019	December 2019	March 2019	December 2019	March 2019	December 2019	March 2019	December 2019	December 2018
		(%)				(in thousand Baht)					
<i>Associate</i>											
Smile Super Express Co., Ltd.	Logistic	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>16,247</u>	<u>19,546</u>	<u>180</u>	<u>510</u>
Separate financial statements											
	Ownership interest	Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended	
		31	31	31	31	31	31	31	31	31	31
		December 2019	March 2019	December 2019	March 2019	December 2019	March 2019	December 2019	March 2019	December 2019	March 2019

The associate was incorporated in Thailand and is not publicly listed and consequently does not have published price quotation.

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7 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month period ended 31 December 2019 were as follows:

	Financial statements in which the equity method is applied and separate financial statements	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>	
Buildings and improvements	8,147	(1)
Machinery and equipment	29,456	(690)
Factory equipment	136,800	(530)
Office equipment	12,984	(117)
Assets under construction and installation	310,594	(149,087)
Total	497,981	(150,425)

8 Non-current provisions for employee benefits

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Company has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the first quarter of 2019. As a result of this change, the provision for retirement benefits as at 31 December 2019 as well as past service cost recognised during the nine-month periods then ended in the financial statements in which the equity method is applied and separate financial statements increased by an amount of Baht 57.41 million and Baht 57.41 million, respectively.

9 Share capital and treasury shares

	Par value per share <i>(in Baht)</i>	2019		2018	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
Reduction of shares	10	(2,200)	(22,000)	-	-
At 31 December					
- ordinary shares	10	19,800	198,000	22,000	220,000
Issued and paid-up					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
Reduction of shares	10	(2,200)	(22,000)	-	-
At 31 December					
- ordinary shares	10	19,800	198,000	22,000	220,000

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At the Board of Directors' meeting of the Company held on 4 September 2018, the Board approved a Share Repurchase Project and on 24 October 2018, the Company repurchased 2.2 million shares at Baht 440 per share, amounting to Baht 968 million and has commission expenses for the repurchase of Baht 2.42 million, at the total cost of Baht 970.42 million, which presented as a deduction from equity. In addition, the Company appropriated its retained earnings to treasury shares reserve at an equivalent amount.

Subsequently, at the Board of Directors' meeting of the Company held on 8 August 2019, the Board approved the resale of 2.2 million treasury shares and determined the period for resale of the treasury shares starting from 27 August 2019 to 9 September 2019. At the end of the resale period of the treasury shares, the Company was unable to resell the entire treasury shares and had 2.2 million unsold treasury shares in total. The Company then reduced share capital and paid-up capital from Baht 220 million to Baht 198 million by write-off all 2.2 million unsold treasury shares at the par value of Baht 10 per share totaling Baht 22 million and write-off all treasury shares and treasury shares reserve from equity. The Company has registered for reduction of share capital with Department of Business Development, Ministry of Commerce on 12 September 2019.

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10 Segment information and disaggregation of revenue

The Company's operations mainly involve business segments in manufacturing and selling of household electrical appliances in Thailand and sale goods in both domestic and oversea (Japan and other countries). Financial information of the Company by operating segments on a geographical basis for the three-month and nine-month periods ended 31 December was as follows:

Information about reportable segments and disaggregation of revenue by geographical region

<i>Three-month period ended 31 December</i>	Domestic		Overseas				Total	
	2019	2018	Japan		Others		2019	2018
			2019	2018	2019	2018		
Revenue from sales of goods and rendering of services	598,986	608,568	610,981	347,310	349,205	522,158	1,559,172	1,478,036
Segment profit (loss) before income tax	92,489	30,300	119,171	27,105	(6,994)	(9,164)	204,666	48,241
Unallocated expenses							(191,295)	(170,622)
Investment income							139,188	130,963
Net foreign exchange gain (loss)							4,107	(3,348)
Other income							7,552	12,456
Share of loss of associate							(1,476)	(339)
Profit before income tax expense							162,742	17,351
Tax income (expense)							(7,030)	22,977
Profit for the period							155,712	40,328

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	Domestic		Overseas				Total	
	2019	2018	Japan		Others		2019	2018
<i>Nine-month period ended 31 December</i>			2019	2018	2019	2018		
	<i>(in thousand Baht)</i>							
Revenue from sales of goods and rendering of services	2,055,853	2,086,950	2,343,662	2,100,471	1,035,282	1,313,427	5,434,797	5,500,848
Segment profit (loss) before income tax	287,778	188,393	354,559	231,318	(23,717)	(15,803)	618,620	403,908
Unallocated expenses							(627,709)	(633,348)
Investment income							292,838	247,283
Net foreign exchange gain (loss)							(5,016)	21,201
Other income							31,793	32,230
Share of loss of associate							(3,119)	(741)
Profit before income tax expense							307,407	70,533
Tax income (expense)							(9,852)	28,097
Profit for the period							297,555	98,630
Segment assets as at 31 December 2019 / 31 March 2019							6,758,741	6,945,996
Segment liabilities as at 31 December 2019 / 31 March 2019							1,335,019	1,728,596

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11 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Company's effective tax rate in respect of continuing operations for the nine-month period ended 31 December 2019 was 3.20% (31 March 2019: 5.85%). This change in effective tax rate was caused mainly by unutilised tax losses brought forward from the previous year have been utilised during the year to set-off against the current year's tax charge and the different treatment for accounting and taxation purposes of certain items of income and expenses.

12 Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 31 December 2019 and 2018 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
<i>Three-month period ended 31 December</i>				
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>155,712</u>	<u>40,328</u>	<u>157,188</u>	<u>40,667</u>
Number of ordinary shares outstanding at 1 October	19,800*	22,000	19,800*	22,000
Effect of own share held	-	(1,650)	-	(1,650)
Weighted average number of ordinary shares outstanding (basic)	<u>19,800</u>	<u>20,350</u>	<u>19,800</u>	<u>20,350</u>
Earnings per share (basic) (in Baht)	<u>7.86</u>	<u>1.98</u>	<u>7.94</u>	<u>2.00</u>
<i>Nine-month period ended 31 December</i>				
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>297,555</u>	<u>98,630</u>	<u>300,854</u>	<u>99,881</u>
Number of ordinary shares outstanding at 1 April	19,800*	22,000	19,800*	22,000
Effect of own share held	-	(552)	-	(552)
Weighted average number of ordinary shares outstanding (basic)	<u>19,800</u>	<u>21,448</u>	<u>19,800</u>	<u>21,448</u>
Earnings per share (basic) (in Baht)	<u>15.03</u>	<u>4.60</u>	<u>15.19</u>	<u>4.66</u>

* See note 9

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13 Dividends

At the annual general meeting of the shareholders of the Company held on 25 July 2019, the shareholders approved the appropriation of dividends of Baht 4.55 per share, amounting to Baht 90.10 million. The dividend was paid to the shareholders in August 2019.

At the annual general meeting of the shareholders of the Company held on 25 July 2018, the shareholders approved the appropriation of dividends of Baht 16.35 per share, amounting to Baht 359.70 million. The dividend was paid to the shareholders in August 2018.

14 Financial instruments

Carrying amounts and fair values

The following table shows the carrying amounts and fair values of financial assets, including their levels in the fair value hierarchy. It does not include fair value information for financial assets not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amount	Financial statements in which the equity method is applied and separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
31 December 2019					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	3,684	3,090	-	594	3,684
31 March 2019					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	5,113	4,596	-	517	5,113

The Company determines Level 3 fair values for equity securities available-for-sale based on the most recent quoted price in the Stock Exchange of Thailand.

Trade and other accounts receivable, short-term loan to related party, trade and other accounts payable; the carrying amounts of these financial assets and financial liabilities approximate to the fair values due to the relative short-term maturity of these financial instruments.

15 Commitments with non-related parties

	Financial statements in which the equity method is applied and separate financial statements <i>(in thousand Baht)</i>
<i>At 31 December 2019</i>	
<i>Capital commitments</i>	
<i>Contracted but not provided for:</i>	
Buildings and equipment	52,943

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At 31 December 2019

**Financial statements in which
the equity method is applied
and separate financial statements**
(in thousand Baht)

***Future minimum lease payments under non-cancellable
operating leases***

Within one year	5,291
After one year but within five years	7,453
Total	12,744

As at 31 December 2019, the Company had a letter of guarantee issued by a local bank to Metropolitan Electricity Authority amounting to Baht 15.77 million.

16 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Company's operations are expected to have significant impact on the Company's financial statements on the date of initial application. Those TFRS which become effective for annual financial reporting periods beginning on or after 1 January 2020 are as follows:

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

* *TFRS - Financial instruments standards*

a. *TFRS - Financial instruments standards*

These TFRSs establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. When these TFRSs are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

b. *TFRS 16 Leases*

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset and a lease liability. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases. When this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.