

# **Kang Yong Electric Public Company Limited**

Financial statements for the year ended  
31 March 2020  
and  
Independent Auditor's Report

## **Independent Auditor's Report**

### **To the Shareholders of Kang Yong Electric Public Company Limited**

#### *Opinion*

I have audited the financial statements in which the equity method is applied and separate financial statements of Kang Yong Electric Public Company Limited (the "Company"), which comprise the statement of financial position in which the equity method is applied and separate statement of financial position as at 31 March 2020, the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements in which the equity method is applied and separate financial statements present fairly, in all material respects, the financial position of the Company as at 31 March 2020 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

#### *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 is 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 Matter*

Key audit matter is those matter 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. This matter was addressed in the context of my audit of 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 this matter.

Adequacy of provision for warranties	
Refer to Notes 3 (m) and 13 to the financial statements in which the equity method is applied and separate financial statements.	
<b>The key audit matter</b>	<b>How the matter was addressed in the audit</b>
The provision for product warranty is material to the financial statements. The determination of the provision involves estimates by management of the amount and probability of claims. Therefore, I consider this matter to be a key audit matter.	<p>My audit procedures included, among others:</p> <ul style="list-style-type: none"> <li>- Inquiring management to gain understanding on the process for estimation of provision for warranties.</li> <li>- Testing the reliability of actual warranties report by comparing actual claimed data with actual warranties report including testing on sampling basis of relevant documents.</li> <li>- Challenging management regarding the method used for estimation to evaluate the reasonableness of the method and assumptions used.</li> <li>- Considering the appropriateness of assumptions used for estimation of expected damage from warranty by comparing with historical actual claimed data.</li> <li>- Testing the calculation of provision for warranties by consider total sales of finished goods, total actual warranty expense and average claimed year.</li> <li>- Considering the adequacy of the Company's disclosures in accordance with the related Thai Financial Reporting Standards.</li> </ul>

#### *Other Information*

Management is 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 those charged with governance and request that the correction be made.

#### *Responsibilities of Management and Those Charged with Governance for the Financial Statements in which the Equity Method is Applied and Separate Financial Statements*

Management is 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 TFRSs, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible 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 skepticism 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 management.
- Conclude on the appropriateness of management's 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 separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of equity-accounted investees of the Company to express an opinion on the financial statements in which the equity method is applied. I am responsible for the direction, supervision and performance of the audit of the financial statements in which the equity method is applied. I remain solely responsible for my audit opinion.

I communicate with those charged with governance 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 those charged with governance 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 those charged with governance, I determine those matters that were of most significance in the audit of the financial statements in which the equity method is applied and 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.

(Sophit Prompol)  
Certified Public Accountant  
Registration No. 10042

KPMG Phoomchai Audit Ltd.  
Bangkok  
20 May 2020



**Kang Yong Electric Public Company Limited**  
**Statement of financial position**

	<i>Note</i>	<b>Financial statements</b>			
		<b>in which the equity method</b>		<b>Separate financial statements</b>	
		<b>is applied</b>			
		31 March		31 March	
<b>Liabilities and equity</b>		2020	2019	2020	2019
		<i>(in Baht)</i>			
<b>Current liabilities</b>					
Trade accounts payable	4	789,303,681	879,201,096	789,303,681	879,201,096
Other payables	4	355,365,436	480,768,921	355,365,436	480,768,921
Current tax payable		48,953,434	-	48,953,434	-
Other current liabilities		11,336,472	14,396,156	11,336,472	14,396,156
<b>Total current liabilities</b>		<b>1,204,959,023</b>	<b>1,374,366,173</b>	<b>1,204,959,023</b>	<b>1,374,366,173</b>
<b>Non-current liabilities</b>					
Provision for warranties	13	112,196,249	103,562,761	112,196,249	103,562,761
Non-current provisions for employee benefits	14	317,631,695	237,346,665	317,631,695	237,346,665
Provident funds		12,147,686	13,320,484	12,147,686	13,320,484
<b>Total non-current liabilities</b>		<b>441,975,630</b>	<b>354,229,910</b>	<b>441,975,630</b>	<b>354,229,910</b>
<b>Total liabilities</b>		<b>1,646,934,653</b>	<b>1,728,596,083</b>	<b>1,646,934,653</b>	<b>1,728,596,083</b>
<b>Equity</b>					
Share capital:	15				
Authorised share capital		198,000,000	220,000,000	198,000,000	220,000,000
Issued and paid-up share capital		198,000,000	220,000,000	198,000,000	220,000,000
Treasury shares	15	-	(970,420,000)	-	(970,420,000)
Share premium:					
Share premium on ordinary shares	15	726,100,000	726,100,000	726,100,000	726,100,000
Retained earnings					
Appropriated					
Legal reserve	16	22,000,000	22,000,000	22,000,000	22,000,000
Treasury shares reserve	15, 16	-	970,420,000	-	970,420,000
Other reserve		420,000,000	420,000,000	420,000,000	420,000,000
Unappropriated		4,370,914,119	3,829,422,060	4,354,432,138	3,812,875,913
Other component of equity	16	(2,894,891)	(121,713)	(2,894,891)	(121,713)
<b>Total equity</b>		<b>5,734,119,228</b>	<b>5,217,400,347</b>	<b>5,717,637,247</b>	<b>5,200,854,200</b>
<b>Total liabilities and equity</b>		<b>7,381,053,881</b>	<b>6,945,996,430</b>	<b>7,364,571,900</b>	<b>6,929,450,283</b>

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

**Kang Yong Electric Public Company Limited**  
**Statement of comprehensive income**

		<b>Financial statements</b>				
		<b>in which the equity method</b>		<b>Separate financial statements</b>		
		<b>is applied</b>				
		Year ended 31 March		Year ended 31 March		
<i>Note</i>		2020	2019	2020	2019	
		<i>(in Baht)</i>				
<b>Revenue</b>						
	Revenue from sale of goods and rendering of services	4, 17	7,703,406,711	7,960,185,979	7,703,406,711	7,960,185,979
	Investment income	4, 18	480,041,305	261,434,146	480,221,305	261,944,146
	Net foreign exchange gain		21,875,724	17,370,503	21,875,724	17,370,503
	Other income	4	39,872,261	44,555,403	39,872,261	44,555,403
	<b>Total revenue</b>		<b>8,245,196,001</b>	<b>8,283,546,031</b>	<b>8,245,376,001</b>	<b>8,284,056,031</b>
<b>Expenses</b>						
	Cost of sale of goods and rendering of services	4, 20	6,435,414,054	6,946,517,375	6,435,414,054	6,946,517,375
	Distribution costs	4, 20	418,443,081	440,404,891	418,443,081	440,404,891
	Administrative expenses	4, 20	720,949,097	726,976,171	720,949,097	726,976,171
	<b>Total expenses</b>		<b>7,574,806,232</b>	<b>8,113,898,437</b>	<b>7,574,806,232</b>	<b>8,113,898,437</b>
	Share of profit of associate	9	115,834	549,048	-	-
	<b>Profit before income tax expense</b>		<b>670,505,603</b>	<b>170,196,642</b>	<b>670,569,769</b>	<b>170,157,594</b>
	Tax income (expense)	21	(49,219,952)	9,949,301	(49,219,952)	9,949,301
	<b>Profit for the year</b>		<b>621,285,651</b>	<b>180,145,943</b>	<b>621,349,817</b>	<b>180,106,895</b>
<b>Other comprehensive income</b>						
<i>Item that will be reclassified subsequently to profit or loss</i>						
	Losses on remeasuring available-for-sale investments	6	(3,466,473)	(2,611,197)	(3,466,473)	(2,611,197)
	Income tax relating to item that will be reclassified subsequently to profit or loss	21	693,295	522,239	693,295	522,239
	<b>Total items that will be reclassified subsequently to profit or loss</b>		<b>(2,773,178)</b>	<b>(2,088,958)</b>	<b>(2,773,178)</b>	<b>(2,088,958)</b>
<i>Item that will not be reclassified subsequently to profit or loss</i>						
	Losses on remeasurements of defined benefit plans	14	(14,629,490)	(7,297,991)	(14,629,490)	(7,297,991)
	Income tax relating to item that will not be reclassified to profit or loss	21	2,925,898	1,459,598	2,925,898	1,459,598
	<b>Total items that will not be reclassified to profit or loss</b>		<b>(11,703,592)</b>	<b>(5,838,393)</b>	<b>(11,703,592)</b>	<b>(5,838,393)</b>
	<b>Other comprehensive income (expense) for the year, net of tax</b>		<b>(14,476,770)</b>	<b>(7,927,351)</b>	<b>(14,476,770)</b>	<b>(7,927,351)</b>
	<b>Total comprehensive income (expense) for the year</b>		<b>606,808,881</b>	<b>172,218,592</b>	<b>606,873,047</b>	<b>172,179,544</b>
	<b>Basic earnings per share</b>	22	<b>31.38</b>	<b>8.56</b>	<b>31.38</b>	<b>8.56</b>

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

# Kang Yong Electric Public Company Limited

## Statement of changes in equity

Financial statements in which the equity method is applied											
								Other component of equity			
								Retained earnings			
			Share premium					Available- for-sale			
Note	Issued and paid-up share capital	Treasury shares	on ordinary shares	Legal reserve	Treasury shares reserve <i>(in Baht)</i>	Other reserve	Unappropriated	investments	Total equity		
<b>Year ended 31 March 2019</b>											
<b>Balance at 1 April 2018</b>	<b>220,000,000</b>	-	<b>726,100,000</b>	<b>22,000,000</b>	-	<b>420,000,000</b>	<b>4,985,234,510</b>	<b>1,967,245</b>	<b>6,375,301,755</b>		
<b>Transactions with owners, recorded directly in equity</b>											
<i>Distributions to owners of the Company</i>											
Treasury shares purchased	15	-	(970,420,000)	-	-	970,420,000	-	(970,420,000)	-	(970,420,000)	
Dividends to owners of the Company	23	-	-	-	-	-	-	(359,700,000)	-	(359,700,000)	
<i>Total distributions to owners of the Company</i>		<b>-</b>	<b>(970,420,000)</b>	<b>-</b>	<b>-</b>	<b>970,420,000</b>	<b>-</b>	<b>(1,330,120,000)</b>	<b>-</b>	<b>(1,330,120,000)</b>	
<b>Total transactions with owners, recorded directly in equity</b>		<b>-</b>	<b>(970,420,000)</b>	<b>-</b>	<b>-</b>	<b>970,420,000</b>	<b>-</b>	<b>(1,330,120,000)</b>	<b>-</b>	<b>(1,330,120,000)</b>	
<b>Comprehensive income (expense) for the year</b>											
Profit		-	-	-	-	-	-	180,145,943	-	180,145,943	
Other comprehensive income (expense)		-	-	-	-	-	-	(5,838,393)	(2,088,958)	(7,927,351)	
<b>Comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>174,307,550</b>	<b>(2,088,958)</b>	<b>172,218,592</b>	
<b>Balance at 31 March 2019</b>	<b>220,000,000</b>	<b>(970,420,000)</b>	<b>726,100,000</b>	<b>22,000,000</b>	<b>970,420,000</b>	<b>420,000,000</b>	<b>3,829,422,060</b>	<b>(121,713)</b>	<b>5,217,400,347</b>		

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

# Kang Yong Electric Public Company Limited

## Statement of changes in equity

Financial statements in which the equity method is applied										
	Note	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Retained earnings			Other component of equity	Total equity	
					Legal reserve	Treasury shares reserve <i>(in Baht)</i>	Other reserve	Unappropriated		Available- for-sale investments
<b>Year ended 31 March 2020</b>										
<b>Balance at 1 April 2019</b>		<b>220,000,000</b>	<b>(970,420,000)</b>	<b>726,100,000</b>	<b>22,000,000</b>	<b>970,420,000</b>	<b>420,000,000</b>	<b>3,829,422,060</b>	<b>(121,713)</b>	<b>5,217,400,347</b>
<b>Transactions with owners, recorded directly in equity</b>										
<i>Distributions to owners of the Company</i>										
Write-off treasury shares - reduction of ordinary shares	15	(22,000,000)	970,420,000	-	-	(970,420,000)	-	22,000,000	-	-
Dividends to owners of the Company	23	-	-	-	-	-	-	(90,090,000)	-	(90,090,000)
<b>Total distributions to owners of the Company</b>		<b>(22,000,000)</b>	<b>970,420,000</b>	<b>-</b>	<b>-</b>	<b>(970,420,000)</b>	<b>-</b>	<b>(68,090,000)</b>	<b>-</b>	<b>(90,090,000)</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>(22,000,000)</b>	<b>970,420,000</b>	<b>-</b>	<b>-</b>	<b>(970,420,000)</b>	<b>-</b>	<b>(68,090,000)</b>	<b>-</b>	<b>(90,090,000)</b>
<b>Comprehensive income (expense) for the year</b>										
Profit		-	-	-	-	-	-	621,285,651	-	621,285,651
Other comprehensive income (expense)		-	-	-	-	-	-	(11,703,592)	(2,773,178)	(14,476,770)
<b>Comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>609,582,059</b>	<b>(2,773,178)</b>	<b>606,808,881</b>
<b>Balance at 31 March 2020</b>		<b>198,000,000</b>	<b>-</b>	<b>726,100,000</b>	<b>22,000,000</b>	<b>-</b>	<b>420,000,000</b>	<b>4,370,914,119</b>	<b>(2,894,891)</b>	<b>5,734,119,228</b>

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

# Kang Yong Electric Public Company Limited

## Statement of changes in equity

	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 <i>(in Baht)</i>	Other reserve			
<b>Year ended 31 March 2019</b>										
Balance at 1 April 2018		220,000,000	-	726,100,000	22,000,000	-	420,000,000	4,968,727,411	1,967,245	6,358,794,656
<b>Transactions with owners, recorded directly in equity</b>										
<i>Distributions to owners of the Company</i>										
Treasury shares purchased	15	-	(970,420,000)	-	-	970,420,000	-	(970,420,000)	-	(970,420,000)
Dividends to owners of the Company	23	-	-	-	-	-	-	(359,700,000)	-	(359,700,000)
<i>Total distributions to owners of the Company</i>		-	(970,420,000)	-	-	970,420,000	-	(1,330,120,000)	-	(1,330,120,000)
<b>Total transactions with owners, recorded directly in equity</b>		-	(970,420,000)	-	-	970,420,000	-	(1,330,120,000)	-	(1,330,120,000)
<b>Comprehensive income (expense) for the year</b>										
Profit		-	-	-	-	-	-	180,106,895	-	180,106,895
Other comprehensive income (expense)		-	-	-	-	-	-	(5,838,393)	(2,088,958)	(7,927,351)
<b>Comprehensive income (expense) for the year</b>		-	-	-	-	-	-	174,268,502	(2,088,958)	172,179,544
<b>Balance at 31 March 2019</b>		<b>220,000,000</b>	<b>(970,420,000)</b>	<b>726,100,000</b>	<b>22,000,000</b>	<b>970,420,000</b>	<b>420,000,000</b>	<b>3,812,875,913</b>	<b>(121,713)</b>	<b>5,200,854,200</b>

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

**Kang Yong Electric Public Company Limited**

**Statement of changes in equity**

	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 <i>(in Baht)</i>	Other reserve			
<b>Year ended 31 March 2020</b>										
<b>Balance at 1 April 2019</b>		<b>220,000,000</b>	<b>(970,420,000)</b>	<b>726,100,000</b>	<b>22,000,000</b>	<b>970,420,000</b>	<b>420,000,000</b>	<b>3,812,875,913</b>	<b>(121,713)</b>	<b>5,200,854,200</b>
<b>Transactions with owners, recorded directly in equity</b>										
<i>Distributions to owners of the Company</i>										
Write-off treasury shares - reduction of ordinary shares	15	(22,000,000)	970,420,000	-	-	(970,420,000)	-	22,000,000	-	-
Dividends to owners of the Company	23	-	-	-	-	-	-	(90,090,000)	-	(90,090,000)
<b>Total distributions to owners of the Company</b>		<b>(22,000,000)</b>	<b>970,420,000</b>	<b>-</b>	<b>-</b>	<b>(970,420,000)</b>	<b>-</b>	<b>(68,090,000)</b>	<b>-</b>	<b>(90,090,000)</b>
<b>Total transactions with owners, recorded directly in equity</b>		<b>(22,000,000)</b>	<b>970,420,000</b>	<b>-</b>	<b>-</b>	<b>(970,420,000)</b>	<b>-</b>	<b>(68,090,000)</b>	<b>-</b>	<b>(90,090,000)</b>
<b>Comprehensive income (expense) for the year</b>										
Profit		-	-	-	-	-	-	621,349,817	-	621,349,817
Other comprehensive income (expense)		-	-	-	-	-	-	(11,703,592)	(2,773,178)	(14,476,770)
<b>Comprehensive income (expense) for the year</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>609,646,225</b>	<b>(2,773,178)</b>	<b>606,873,047</b>
<b>Balance at 31 March 2020</b>		<b>198,000,000</b>	<b>-</b>	<b>726,100,000</b>	<b>22,000,000</b>	<b>-</b>	<b>420,000,000</b>	<b>4,354,432,138</b>	<b>(2,894,891)</b>	<b>5,717,637,247</b>

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

**Kang Yong Electric Public Company Limited**  
**Statement of cash flows**

	<b>Financial statements</b>			
	<b>in which the equity method</b>		<b>Separate financial statements</b>	
	<b>is applied</b>			
	Year ended 31 March		Year ended 31 March	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<b><i>Cash flows from operating activities</i></b>				
Profit for the year	621,285,651	180,145,943	621,349,817	180,106,895
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax (income) expense	49,219,952	(9,949,301)	49,219,952	(9,949,301)
Depreciation	352,080,559	350,425,335	352,080,559	350,425,335
Amortisation	8,224,722	8,168,114	8,224,722	8,168,114
Provision for warranties	87,286,255	79,320,574	87,286,255	79,320,574
Non-current provisions for employee benefits	83,381,669	20,805,266	83,381,669	20,805,266
Unrealised gain on exchange	(21,598,150)	(6,641,548)	(21,598,150)	(6,641,548)
Share of profit of associate	(115,834)	(549,048)	-	-
Reversal of losses on inventories devaluation	(8,838,716)	(6,463,028)	(8,838,716)	(6,463,028)
(Gain) loss on disposal of plant and equipment	297,162	(844,581)	297,162	(844,581)
Dividend income	(414,682,753)	(194,640,458)	(414,862,753)	(195,150,458)
Interest income	(48,181,032)	(49,616,168)	(48,181,032)	(49,616,168)
Rental income	(17,177,520)	(17,177,520)	(17,177,520)	(17,177,520)
	<u>691,181,965</u>	<u>352,983,580</u>	<u>691,181,965</u>	<u>352,983,580</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	215,351,769	(23,772,341)	215,351,769	(23,772,341)
Value added tax refundable	4,186,836	3,781,228	4,186,836	3,781,228
Other receivables	(9,559,562)	1,830,570	(9,559,562)	1,830,570
Inventories	120,727,026	156,035,979	120,727,026	156,035,979
Other current assets	(1,227,208)	6,807,533	(1,227,208)	6,807,533
Other non-current assets	1,747,230	1,768,641	1,747,230	1,768,641
Trade accounts payable	(90,645,722)	(16,067,206)	(90,645,722)	(16,067,206)
Other payables	(112,354,150)	(34,507,365)	(112,354,150)	(34,507,365)
Other current liabilities	(3,059,684)	(7,691,531)	(3,059,684)	(7,691,531)
Warranties paid	(78,652,767)	(84,382,608)	(78,652,767)	(84,382,608)
Employee benefits paid	(17,726,129)	(11,176,679)	(17,726,129)	(11,176,679)
Provident fund paid	(1,172,798)	(1,240,755)	(1,172,798)	(1,240,755)
Net cash generated from operating	<u>718,796,806</u>	<u>344,369,046</u>	<u>718,796,806</u>	<u>344,369,046</u>
Taxes paid	(1,397,800)	(1,351,372)	(1,397,800)	(1,351,372)
<b>Net cash from operating activities</b>	<b><u>717,399,006</u></b>	<b><u>343,017,674</u></b>	<b><u>717,399,006</u></b>	<b><u>343,017,674</u></b>

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

# Kang Yong Electric Public Company Limited

## Statement of cash flows

	<b>Financial statements</b>			
	<b>in which the equity method</b>		<b>Separate financial statements</b>	
	<b>is applied</b>			
	Year ended 31 March		Year ended 31 March	
	2020	2019	2020	2019
	<i>(in Baht)</i>			
<b><i>Cash flows from investing activities</i></b>				
(Increase) decrease in current investments	(230,000,000)	1,200,000,000	(230,000,000)	1,200,000,000
Proceeds from disposal of plant and equipment	1,282,330	2,093,483	1,282,330	2,093,483
Acquisitions of plant and equipment	(481,135,205)	(295,667,854)	(481,135,205)	(295,667,854)
Acquisitions of computer software	(2,444,498)	(4,666,990)	(2,444,498)	(4,666,990)
Short-term loan to related party	(353,450,140)	(338,484,105)	(353,450,140)	(338,484,105)
Proceeds from short-term loan to related party	292,761,142	342,770,118	292,761,142	342,770,118
Dividends received	243,447,195	195,150,458	243,447,195	195,150,458
Interest received	50,637,395	49,378,453	50,637,395	49,378,453
Rental received	17,187,450	17,193,725	17,187,450	17,193,725
<b>Net cash from (used in) investing activities</b>	<b>(461,714,331)</b>	<b>1,167,767,288</b>	<b>(461,714,331)</b>	<b>1,167,767,288</b>
<b><i>Cash flows from financing activities</i></b>				
Payment to acquire treasury shares	-	(970,420,000)	-	(970,420,000)
Dividends paid to owners of the Company	(90,090,000)	(359,700,000)	(90,090,000)	(359,700,000)
<b>Net cash used in financing activities</b>	<b>(90,090,000)</b>	<b>(1,330,120,000)</b>	<b>(90,090,000)</b>	<b>(1,330,120,000)</b>
Net increase in cash and cash equivalents, before effect of exchange rates	165,594,675	180,664,962	165,594,675	180,664,962
Effect of exchange rate changes on cash and cash equivalents	9,013,380	-	9,013,380	-
<b>Net increase in cash and cash equivalents</b>	<b>174,608,055</b>	<b>180,664,962</b>	<b>174,608,055</b>	<b>180,664,962</b>
Cash and cash equivalents at 1 April	789,953,293	609,288,331	789,953,293	609,288,331
<b>Cash and cash equivalents at 31 March</b>	<b>964,561,348</b>	<b>789,953,293</b>	<b>964,561,348</b>	<b>789,953,293</b>
<b><i>Non-cash transactions</i></b>				
Dividend receivables	171,415,558	-	171,415,558	-
Plant and equipment purchased during the year are detailed as follows:				
Plant and equipment purchased during the year	(467,950,793)	(310,127,542)	(467,950,793)	(310,127,542)
Increase (decrease) in payables on purchases of plant and equipment	(13,184,412)	14,459,688	(13,184,412)	14,459,688
<b>Net purchase of plant and equipment paid by cash</b>	<b>(481,135,205)</b>	<b>(295,667,854)</b>	<b>(481,135,205)</b>	<b>(295,667,854)</b>

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

**Kang Yong Electric Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

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**Kang Yong Electric Public Company Limited**  
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These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 20 May 2020.

**1 General information**

Kang Yong Electric Public Company Limited, the “Company”, is incorporated in Thailand and was listed on the Stock Exchange of Thailand in October 1993. The Company’s registered office at 67 Moo 11, Debaratna Road, K.M. 20, Bangchalong, Bangplee, Samutprakarn.

The immediate parent company during the financial year was Mitsubishi Electric Corporation (45.70% shareholding), which was incorporated in Japan.

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 financial statements**

*(a) Statement of compliance*

The financial statements are prepared in accordance with Thai Financial Reporting Standards (TFRS), guidelines promulgated by the Federation of Accounting Professions and applicable rules and regulations of the Thai Securities and Exchange Commission.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2019. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies. There is no material impact on the Company’s financial statements. The Company has initial applied TFRS 15 *Revenue from Contracts with Customers* which replaces TAS 18 *Revenue*, TAS 11 *Construction Contracts* and related interpretations. The details of accounting policies are disclosed in note 3(p).

In addition, the Company has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 26.

*(b) Functional and presentation currency*

The financial statements are prepared in Thai Baht, which is the Company’s functional currency.

*(c) Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

**Kang Yong Electric Public Company Limited**  
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**For the year ended 31 March 2020**

Assumptions and estimation uncertainties

Information about assumption and estimation uncertainties at 31 March 2020 that have a significant risk of resulting in a material adjustments to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

Note 10	Impairment test: key assumptions underlying recoverable amounts;
Note 13	Recognition and measurement of provision for warranties: key assumptions about the likelihood and magnitude of an outflow of resources; and
Note 14	Measurement of defined benefit obligations: key actuarial assumptions.

**3 Significant accounting policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

**(a) Basis of preparation of the financial statements in which the equity method is applied**

The financial statements in which the equity method is applied relate to the Company and the Company's interests in an associate.

*Interests in equity-accounted investee*

The Company's interests in equity-accounted investee comprise interest in an associate.

Associate is an entity in which the Company has significant influence, but not control or joint control, over the financial and operating policies.

Interest in an associate is accounted for using the equity method. It is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements in which the equity method is applied include the Company's share of the profit or loss and other comprehensive income of equity-accounted investee, until the date on which significant influence ceases.

**(b) Foreign currencies**

*Foreign currency transactions*

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

Foreign currency differences are generally recognised in profit or loss.

**(c) Cash and cash equivalents**

Cash and cash equivalents in the statements of cash flows comprise cash balances, call deposits and highly liquid short-term investments.

**Kang Yong Electric Public Company Limited**  
**Notes to the financial statements**  
**For the year ended 31 March 2020**

**(d) Trade and other accounts receivable and contract assets**

A receivable is recognised when the Company has an unconditional right to receive consideration. If revenue has been recognised before the Company has an unconditional right to receive consideration, the amount is presented as a contract asset.

A receivable is stated at invoice value less allowance for doubtful accounts which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Contract assets are measured at the amount of consideration that the Company is entitled to, less impairment losses.

**(e) Inventories**

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

Cost is calculated using the weighted average cost principle, and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work-in-progress, cost is calculated using standard cost adjusted to approximate average cost and includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and to make the sale.

An allowance is made for all deteriorated, damaged, obsolete and slow-moving inventories.

**(f) Investments**

*Investment in associate*

Investment in associate in the separate financial statements of the Company is accounted for using the cost method. Investment in associate in the financial statements in which the equity method is applied is accounted for using the equity method.

*Investments in other equity securities*

Marketable equity securities, other than those securities held for trading or intended to be held to maturity, are classified as available-for-sale investments. Available-for-sale investments are, subsequent to initial recognition, stated at fair value, and changes therein, other than impairment losses are recognised directly in equity. Impairment losses are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss.

Equity securities which are not marketable are stated at cost less any impairment losses.

The fair value of financial instruments classified as available-for-sale is determined as the quoted bid price at the reporting date.

**Kang Yong Electric Public Company Limited**  
**Notes to the financial statements**  
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*Disposal of investments*

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Company disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

**(g) *Investment properties***

Investment properties are properties which are held to earn rental income, for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes.

Investment properties are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, and other costs directly attributable to bringing the investment property to a working condition for its intended use and capitalised borrowing costs.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each property. The estimated useful lives are as follow:

Buildings	20 years
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No depreciation is provided on freehold land and assets under construction and installation.

**(h) *Property, plant and equipment***

*Recognition and measurement*

*Owned assets*

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised in profit or loss.

**Kang Yong Electric Public Company Limited**  
**Notes to the financial statements**  
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*Subsequent costs*

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

*Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis (except for factory equipment - moulds and jigs using the double declining balance method) over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives are as follows:

Land improvements	5	years
Buildings and improvements	5 - 20	years
Machinery and equipment	5 - 25	years
Factory equipment	5	years
Office equipment	5	years
Vehicles	5	years

No depreciation is provided on freehold land or assets under construction and installation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

**(i) Intangible assets**

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

*Subsequent expenditure*

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

*Amortisation*

Amortisation is based on the cost of the asset, or other amount substituted for cost.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset.

The estimated useful lives for the current and comparative periods are as follows:

Software licences	10	years
Computer software	5	years
Golf course membership	5	years

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Amortisation methods and useful lives are reviewed at each financial year-end and adjusted if appropriate.

**(j) Impairment**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

*Calculation of recoverable amount*

The recoverable amount of available-for-sale financial assets is calculated by reference to the fair value.

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

*Reversals of impairment*

An impairment loss in respect of a financial asset is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised in other comprehensive income.

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**(k) Trade and other accounts payable**

Trade and other accounts payable are stated at cost.

**Kang Yong Electric Public Company Limited**  
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**(l) Employee benefits**

*Defined contribution plans*

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

*Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

*Other long-term employee benefits*

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

*Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

**(m) Provisions**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

**Kang Yong Electric Public Company Limited**  
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*Provision for warranties*

A provision for product warranties is recognised when the underlying products or services are sold. The provision is based on historical actual claimed data and a weighting of all possible outcomes against their associated probabilities.

**(n) Measurement of fair values**

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of TFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Audit Committee.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1*: quoted prices in active markets for identical assets or liabilities.
- Level 2*: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3*: inputs for the asset or liability that are based on unobservable input.

If the inputs used to measure the fair value of an asset or liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

**(o) Repurchase of share capital (treasury shares)**

When share capital recognised as equity is repurchased, the amount of consideration paid, including directly attributable costs, is classified as treasury shares and recognised as a deduction from equity. An equal amount is appropriated from retained earnings and taken to a reserve for treasury shares within equity. When treasury shares are sold, the amount received is recognised as an increase in equity by crediting the cost of the treasury shares sold, calculated using the weighted average method, to the treasury shares account and transferring the equivalent amount back from reserve for treasury shares to retained earnings. Surpluses on the sale of treasury shares are taken directly to a separate category within equity, 'Surplus on treasury shares'. Net deficits on sale or cancellation of treasury shares are debited to retained earnings after setting off against any remaining balance of surplus on treasury shares.

**(p) Revenue**

***Accounting policies for revenue recognition in 2019***

Revenue is recognised 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, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

**Kang Yong Electric Public Company Limited**  
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*Sale of goods and rendering of services*

Revenue from sales of goods is recognised when a customer obtains control of the goods, generally on delivery of the goods to the customers. For contracts that permit the customers to return the goods, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore the amount of revenue recognised is adjusted for estimated returns, which are estimated based on the historical data.

Revenue for rendering of services is recognised over time as the services are provided. The related costs are recognised in profit or loss when they are incurred.

*Accounting policies for revenue recognition in 2018*

Revenue excludes value added taxes and is arrived at after deduction of trade discounts.

*Sale of goods and rendering of services*

Revenue is recognised in profit or loss when the significant risks and rewards of ownership have been transferred to the buyer. No revenue is recognised if there is continuing management involvement with the goods or there are significant uncertainties regarding recovery of the consideration due, associated costs or the probable return of goods. Revenue from rendering of services is recognised as services are provided.

**(q) Rental income**

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income. Contingent rentals are recognised as income in the accounting period in which they are earned.

**(r) Investment income**

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

**(s) Finance costs**

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial periods of time to be prepared for its intended use or sale.

**(t) Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight line basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense, over the term of the lease.

**(u) Income tax**

Income tax expense for the year comprises current and deferred tax. Current and deferred tax are recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

**Kang Yong Electric Public Company Limited**  
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Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**(v) *Earnings per share***

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year, adjusted for own shares held.

**(w) *Related parties***

A related party is a person or entity that has direct or indirect control or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company; or the Company has direct or indirect control or has significant influence over the financial and managerial decision-making of a person or entity.

**(x) *Segment reporting***

Segment results that are reported to the Company's CEO (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly assets, liabilities, investment income, gain (loss) on exchange rate, other income, some of selling and administrative expenses.

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**4 Related parties**

Relationship with an associate is described in note 9. Other related parties that the Company had significant transactions with during the year were as follows:

<b>Name of entities</b>	<b>Country of incorporation/ nationality</b>	<b>Nature of relationships</b>
Key management personnel	Japanese, Thai	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Mitsubishi Electric Corporation	Japan	Parent, 45.70% shareholding
Kulthorn Kirby Public Company Limited	Thailand	Common director
Mitsubishi Electric Kang Yong Watana Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent and common director
Siam Compressor Industry Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Life-Network Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Engineering Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric Taiwan Co., Ltd.	Taiwan	A subsidiary of the Company's parent
Mitsubishi Electric Asia Pte. Ltd.	Singapore	A subsidiary of the Company's parent
Mitsubishi Electric Australia Pty. Ltd.	Australia	A subsidiary of the Company's parent
Mitsubishi Electric Sales Malaysia Sdn. Bhd.	Malaysia	A subsidiary of the Company's parent
Mitsubishi Electric (Malaysia) Sdn. Bhd.	Malaysia	A subsidiary of the Company's parent
Setsuyo Astec Corporation	Japan	A subsidiary of the Company's parent
Melco Thai Capital Co., Ltd.	Thailand	A subsidiary of the Company's parent
Melco Travel Co., Ltd.	Japan	A subsidiary of the Company's parent
Mitsubishi Electric (Hong Kong) Ltd.	Hongkong	A subsidiary of the Company's parent
Mitsubishi Electric Automation (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
K.G.M. Services Co., Ltd.	Thailand	A subsidiary of the Company's parent
Melco Logistics (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Trading Corp.	Japan	A subsidiary of the Company's parent
Melco Trading (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric & Electronic (Shanghai) Co., Ltd.	China	A subsidiary of the Company's parent
Mitsubishi Electric Vietnam Company Limited	Vietnam	A subsidiary of the Company's parent
PT. Mitsubishi Electric Indonesia	Indonesia	A subsidiary of the Company's parent
Setsuyo Astec (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric (Russia) LLC	Russia	A subsidiary of the Company's parent
Mitsubishi Electric Factory Automation (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Asia (Thailand) Co., Ltd.	Thailand	A subsidiary of the Company's parent

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The pricing policies for transactions with related parties are explained further below:

<b>Transactions</b>	<b>Pricing policies</b>
Domestic sales	Weighted average of standard cost plus margin for all products
Export sales	Resale price method which are dependent on market and competitive conditions of the particular country
Other income	Prices agreed between the parties
Purchase of goods/ raw materials	Prices agreed between the parties
Purchase of property, plant and equipment	Prices agreed between the parties
Royalty fee	Contractually agreed rate
Product development fee	Actual amount
Technical assistance fee	Contractually agreed rate
Rental fee	Based on the market value
Inventory management service fee	Based on the area used
Interest income/ expense from pooling bank account with Mitsubishi Group	Based on the surplus funds or the funds used, at the interest rate of average deposit or loan interest rates offered by the financial institution
Interest income/ expense from short-term loan to and loan from	Based on the interest rate of the financial institution
Product warranty expense	Actual amount
Distribution costs and administrative expenses	Prices agreed between the parties
Key management personnel compensation	The Nomination and Remuneration Committee and the Company's policy
Dividend income	Declared amount

Significant transactions for the years ended 31 March with related parties were as follows:

<i>Year ended 31 March</i>	<b>Financial statements</b>		<b>Separate financial</b>	
	<b>in which the equity</b>		<b>statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Parent</b>				
Revenue from sale of goods	3,193,146	2,940,997	3,193,146	2,940,997
Other income	17	18	17	18
Royalty fee	167,939	176,455	167,939	176,455
Product development fee	270,494	275,108	270,494	275,108
Product warranty expense	56,758	63,459	56,758	63,459
Technical assistance fee	19,122	16,154	19,122	16,154
Distribution costs and administrative expenses	8,725	7,514	8,725	7,514
<b>Associate</b>				
Revenue from sale of goods	153	128	153	128
Rental income	171,178	17,178	171,178	17,178
Dividend income	-	-	180	510
Other income	555	686	555	686
Inventory management service fee	69,345	79,143	69,345	79,143
Distribution costs and administrative expenses	5,725	6,949	5,725	6,949

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<i>Year ended 31 March</i>	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<b>Key management personnel</b>				
Key management personnel compensation				
Short-term employee benefits	87,754	84,537	87,754	84,537
Post-employment benefits	1,622	1,042	1,622	1,042
Other long-term benefits	14	10	14	10
Total key management personnel compensation	<u>89,390</u>	<u>85,589</u>	<u>89,390</u>	<u>85,589</u>
<b>Other related parties</b>				
Revenue from sale of goods	4,507,301	5,015,878	4,507,301	5,015,878
Purchases of raw material	985,423	1,043,822	985,423	1,043,822
Purchases of equipment	4,881	8,484	4,881	8,484
Dividend income	414,406	194,625	414,406	194,625
Interest income	492	234	492	234
Other income	239	1,785	239	1,785
Product warranty expense	9,962	8,566	9,962	8,566
Distribution costs and administrative expenses	82,858	86,191	82,858	86,191

Balances as at 31 March with related parties were as follows:

<i>Trade accounts receivable</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Parent	345,082	370,941
Associate	5	10
Other related parties	773,459	949,403
<b>Total</b>	<u><b>1,118,546</b></u>	<u><b>1,320,354</b></u>

<i>Other receivables</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Parent	1,232	2,471
Associate	1,485	1,495
Other related parties	1,446	1,375
<b>Total</b>	<u><b>4,163</b></u>	<u><b>5,341</b></u>

<i>Dividend receivables</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Other related parties	<u><b>171,416</b></u>	<u><b>-</b></u>

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<i>Movement of short-term loans to</i>	Interest rate	Financial statements in which the equity method is applied and separate financial statements			
		At 31 March (% per annum)	At 1 April	Increase (in thousand Baht)	Decrease
<b>2020</b>					
Other related party	0.60 - 1.56	<u>23,222</u>	353,450	(292,761)	<u>83,911</u>
<b>2019</b>					
Other related party	1.00	<u>27,508</u>	338,484	(342,770)	<u>23,222</u>

<i>Trade accounts payable</i>	Financial statements in which the equity method is applied and separate financial statements	
	2020	2019
Other related parties	<u>104,500</u>	<u>123,646</u>

*(in thousand Baht)*

<i>Other payables</i>	Financial statements in which the equity method is applied and separate financial statements	
	2020	2019
Parent	139,413	272,476
Associate	6,905	8,693
Other related parties	25,998	31,171
<b>Total</b>	<u><b>172,316</b></u>	<u><b>312,340</b></u>

*(in thousand Baht)*

***Significant agreements with related parties***

*Technical assistance agreement*

The Company entered into agreement with Mitsubishi Electric Corporation (MELCO) whereby such company agreed to provide the Company the technical information and know-how of production. In consideration thereof, the Company agreed to pay royalty fees, development fees and technical assistance fees computed based on agreed formula to MELCO. The term of the agreement was for a period of 5 years and is automatically extended for a successive period of 5 years each unless either party notifies in writing to the other party any intention of termination at least 6 months prior to expiration of the agreement.

*Building rental agreement*

The Company entered into a building rental agreement with Smile Super Express Co., Ltd., an associate, whereby the Company will provide building rental to the associate for use as a warehouse for its finished goods. The agreement was for a period of 2 years with rental rate as specified in the agreement. This agreement is renewed by either party notification in writing to the other party at least 60 days before expiration of this agreement. In May 2019, the Company notified to renew such agreement for a period of 2 years expiring on 31 July 2021.

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*Inventory management service agreement*

The Company entered into an inventory management service agreement with Smile Super Express Co., Ltd., an associate. Under the term of the agreement, the Company agrees to pay an inventory management service fee in an amount and a condition as specified in the agreement. The agreement has a term of 1 year and shall be automatically extended for successive 1 year term unless terminated by either party.

*Thai Baht pooling service agreement*

In May 2002, the Company entered into the Thai Baht Pooling Service Agreement with Melco Thai Capital Co., Ltd. (MTC), other related party, whereby MTC agreed to provide management service relating to Thai Baht current account of the Company. In consideration thereof, the Company is committed to pay or earn the interest at the rate and method as specified in the agreement. There is no expiration of the agreement unless there are any cases complying with termination conditions as specified in the agreement.

*Short term loan to related party*

On 6 January 2020, the Company entered into a loan agreement with Melco Thai Capital Co., Ltd. (MTC), other related party, whereby the related party issued the promissory note to the Company amounting to Baht 70 million which bears interest at the rate of 1.56% per annum and will be due on 6 January 2021.

**5 Cash and cash equivalents**

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Cash on hand	100	100
Cash at banks - current and savings accounts	199,461	49,853
Highly liquid short-term investments	765,000	740,000
<b>Total</b>	<b>964,561</b>	<b>789,953</b>

**6 Other investments**

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b><i>Current investments</i></b>		
Short-term deposits at financial institutions	2,330,000	2,100,000
	<b>2,330,000</b>	<b>2,100,000</b>
<b><i>Other long-term investments</i></b>		
Equity securities available-for-sale	1,647	5,113
Other non-marketable equity securities	157,362	157,362
	<b>159,009</b>	<b>162,475</b>
<b>Total</b>	<b>2,489,009</b>	<b>2,262,475</b>

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As at 31 March 2020, short-term deposits at financial institutions of Baht 2,330 million (2019: Baht 2,100 million) have period of maturity from 92 days to 366 days and interest rates ranging from 0.35% to 1.88% per annum (2019: 1.25% to 1.75% per annum).

Equity securities available-for-sale as at 31 March was as follows:

	<b>Financial statements in which the equity method is applied and separate financial statements</b>			
	2020		2019	
	Cost	Fair value	Cost	Fair value
		<i>(in thousand Baht)</i>		
<b>Marketable securities - Available-for-sale securities</b>				
Kulthorn Kirby Public Co., Ltd.	4,965	1,120	4,965	4,596
City Sports and Recreation Public Co., Ltd.	300	527	300	517
	<b>5,265</b>	<b>1,647</b>	<b>5,265</b>	<b>5,113</b>
Less valuation adjustment	(3,618)	-	(152)	-
<b>Net</b>	<b>1,647</b>	<b>1,647</b>	<b>5,113</b>	<b>5,113</b>

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Other non-marketable equity securities as at 31 March 2019 and 2020 and dividend income for the years ended were as follows:

Investee	Type of business	Financial statements in which the equity method is applied and separate financial statements										Dividend income for the year	
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		2020	2019
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		<i>(%)</i>						<i>(in thousand Baht)</i>					
Thai Refrigeration Components Co., Ltd.	Manufacturing of roll-bond evaporators	10.57	10.57	50,000	50,000	5,286	5,286	-	-	5,286	5,286	264	264
Mitsubishi Electric Consumer Products (Thailand) Co., Ltd.	Manufacturing of air conditioners	10.00	10.00	1,200,000	1,200,000	120,000	120,000	-	-	120,000	120,000	394,435	180,696
Siam Compressor Industry Co., Ltd.	Manufacturing of compressors for air conditioners	2.00	2.00	1,603,800	1,603,800	32,076	32,076	-	-	32,076	32,076	19,971	13,472
<b>Total</b>						<u>157,362</u>	<u>157,362</u>	<u>-</u>	<u>-</u>	<u>157,362</u>	<u>157,362</u>	<u>414,670</u>	<u>194,432</u>

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**7 Trade accounts receivable**

		<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	<i>Note</i>	2020	2019
		<i>(in thousand Baht)</i>	
<b>Related parties</b>			
Within credit terms		1,094,222	1,299,485
Overdue:			
Less than 3 months		24,324	20,869
		<u>1,118,546</u>	<u>1,320,354</u>
<i>Less</i> allowance for doubtful accounts		-	-
<b>Net</b>	4	<u>1,118,546</u>	<u>1,320,354</u>
<b>Other parties</b>			
Within credit terms		146	219
<i>Less</i> allowance for doubtful accounts		-	-
<b>Net</b>		<u>146</u>	<u>219</u>
<b>Total</b>		<u>1,118,692</u>	<u>1,320,573</u>

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

**8 Inventories**

		<b>Financial statements in which the equity method is applied and separate financial statements</b>	
		2020	2019
		<i>(in thousand Baht)</i>	
Finished goods		280,024	323,416
Work in progress		50,611	58,663
Raw materials and factory supplies		440,408	531,981
Goods in transit		47,142	24,852
		<u>818,185</u>	<u>938,912</u>
<i>Less</i> allowance for decline in value		(33,460)	(42,299)
<b>Net</b>		<u>784,725</u>	<u>896,613</u>
Inventories recognised in 'cost of sales of goods':			
- Cost		6,444,253	6,952,980
- Reversal of write-down to net realisable value		(8,839)	(6,463)
<b>Net</b>		<u>6,435,414</u>	<u>6,946,517</u>

**Kang Yong Electric Public Company Limited**  
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**9 Investment in associate**

	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
		<i>(in thousand Baht)</i>		
At 1 April	19,546	19,507	3,000	3,000
Share of profits of associate	116	549	-	-
Dividend income	(180)	(510)	-	-
<b>At 31 March</b>	<b><u>19,482</u></b>	<b><u>19,546</u></b>	<b><u>3,000</u></b>	<b><u>3,000</u></b>

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Investment in an associate as at 31 March 2020 and 2019 and dividend income from the investment for the years then ended were as follows:

<b>Financial statements in which the equity method is applied</b>											
Investee	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the year	
		2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
		(%)				(in thousand Baht)					
Smile Super Express Co.,	Logistic	27.12	27.12	11,060	11,060	<b>3,000</b>	<b>3,000</b>	<b>19,482</b>	<b>19,546</b>	<b>180</b>	<b>510</b>

<b>Separate financial statements</b>												
Investee	Ownership		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the year	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	(%)				(in thousand Baht)							
Smile Super Express Co.,	27.12	27.12	11,06	11,06	<b>3,000</b>	<b>3,000</b>	-	-	<b>3,000</b>	<b>3,000</b>	<b>180</b>	<b>510</b>

Smile Super Express Co. Ltd. was incorporated and operate in Thailand.

None of the Company's associate is publicly listed and consequently does not have published price quotation.

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*Associate*

The following table summarises the financial information of the associate as included in its own financial statements, adjusted for fair value adjustments at acquisition and differences in accounting policies. The table also reconciles the summarised financial information to the carrying amount of the Company's interest in the associate.

	Smile Super Express Co., Ltd.	
	2020	2019
	<i>(in thousand Baht)</i>	
Revenue	173,842	167,061
Total comprehensive income (100%)	427	2,025
% hold	27.12	27.12
<b>Company's share of total comprehensive income</b>	<b>116</b>	<b>549</b>
Current assets	71,432	81,065
Non-current assets	21,775	12,659
Current liabilities	(13,268)	(14,252)
Non-current liabilities	(8,103)	(7,400)
Net assets (100%)	71,836	72,072
% hold	27.12	27.12
<b>Carrying amount of interest in associate</b>	<b>19,482</b>	<b>19,546</b>

**10 Investment properties**

	<b>Financial statements in which the equity method is applied and separate financial statements</b>		
	Land	Buildings	Total
	<i>(in thousand Baht)</i>		
<i>Cost</i>			
At 1 April 2018	9,578	91,436	101,014
At 31 March 2019 and 1 April 2019	<b>9,578</b>	<b>91,436</b>	<b>101,014</b>
At 31 March 2020	<b>9,578</b>	<b>91,436</b>	<b>101,014</b>
<i>Depreciation and impairment losses</i>			
At 1 April 2018	5,389	91,436	96,825
At 31 March 2019 and 1 April 2019	<b>5,389</b>	<b>91,436</b>	<b>96,825</b>
At 31 March 2020	<b>5,389</b>	<b>91,436</b>	<b>96,825</b>
<i>Net book value</i>			
At 31 March 2019	<b>4,189</b>	-	<b>4,189</b>
At 31 March 2020	<b>4,189</b>	-	<b>4,189</b>

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<i>Year ended 31 March</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<i>Amounts recognised in profit or loss for investment properties</i>		
Rental income	17,178	17,178
<i>At 31 March</i>	2020	2019
	<i>(in thousand Baht)</i>	
<i>Minimum lease payments under non-cancellable operating lease receivable:</i>		
Within 1 year	17,178	5,726
1 - 5 years	5,726	-
<b>Total</b>	<b>22,904</b>	<b>5,726</b>

Investment properties comprise land and buildings that are leased to an associate and plots of land that are not used in operations. Renewals are negotiated with the lessee. No contingent rents are charged.

The fair value of investment properties as at 31 March 2020 of Baht 155.56 million (2019: Baht 155.56 million) was determined by independent professional valuers, at discounted cash flow using risk-adjusted discount rates for land and buildings that are leased to an associate and was considered by appraisal value of the Treasury Department for land not used in operations. The fair value of investment property has been categorised as a Level 3 fair value.

*Valuation technique and significant unobservable inputs*

The following table shows the valuation technique used in measuring the fair value of investment property, as well as the significant unobservable inputs used.

<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Inter-relationship between key unobservable inputs and fair value measurement</b>
<i>Discounted cash flows;</i> The valuation model considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate and capitalisation rate. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the location, ability to generate revenue stream, competitors and risk-free rate.	<input type="checkbox"/> Expected market rental growth ( 10% every 3 years). <input type="checkbox"/> Capitalisation rate (7.5%). <input type="checkbox"/> Risk- adjusted discount rates (10.5%).	The estimated fair value increase (decrease) if: <input type="checkbox"/> Expected market rental growth were higher (lower); <input type="checkbox"/> Capitalisation rate were higher (lower); or <input type="checkbox"/> The risk-adjusted discount rate were lower (higher).

**Kang Yong Electric Public Company Limited**  
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**11 Property, plant and equipment**

	Financial statements in which the equity method is applied and separate financial statements							Total
	Land and improvements	Buildings and improvements	Machinery and equipment	Factory equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	
<b>Cost</b>								
At 1 April 2018	163,969	740,550	1,716,978	3,334,464	136,518	188	47,475	6,140,142
Additions	-	404	9,476	35,820	14,461	55	249,912	310,128
Transfers	22,940	6,460	70,884	143,580	1,290	1,402	(246,556)	-
Disposals / write-off	-	(120)	(26,036)	(71,800)	(7,478)	-	-	(105,434)
<b>At 31 March 2019 and 1 April 2019</b>	<b>186,909</b>	<b>747,294</b>	<b>1,771,302</b>	<b>3,442,064</b>	<b>144,791</b>	<b>1,645</b>	<b>50,831</b>	<b>6,344,836</b>
Additions	-	1,519	12,863	40,409	11,565	-	401,595	467,951
Transfers	18,151	10,887	39,085	284,708	7,052	-	(359,883)	-
Disposals / write-off	-	(1,841)	(17,759)	(72,983)	(1,401)	-	-	(93,984)
<b>At 31 March 2020</b>	<b>205,060</b>	<b>757,859</b>	<b>1,805,491</b>	<b>3,694,198</b>	<b>162,007</b>	<b>1,645</b>	<b>92,543</b>	<b>6,718,803</b>
<b>Depreciation</b>								
At 1 April 2018	34,471	655,239	1,162,894	2,734,118	90,025	110	-	4,676,857
Depreciation charge for the year	609	16,820	78,778	237,905	16,023	290	-	350,425
Disposals / write-off	-	(120)	(25,384)	(71,450)	(7,230)	-	-	(104,184)
<b>At 31 March 2019 and 1 April 2019</b>	<b>35,080</b>	<b>671,939</b>	<b>1,216,288</b>	<b>2,900,573</b>	<b>98,818</b>	<b>400</b>	<b>-</b>	<b>4,923,098</b>
Depreciation charge for the year	1,184	16,983	81,510	234,740	17,351	313	-	352,081
Disposals / write-off	-	(1,758)	(16,966)	(72,407)	(1,274)	-	-	(92,405)
<b>At 31 March 2020</b>	<b>36,264</b>	<b>687,164</b>	<b>1,280,832</b>	<b>3,062,906</b>	<b>114,895</b>	<b>713</b>	<b>-</b>	<b>5,182,774</b>
<b>Net book value</b>								
At 31 March 2019	151,829	75,355	555,014	541,491	45,973	1,245	50,831	1,421,738
At 31 March 2020	168,796	70,695	524,659	631,292	47,112	932	92,543	1,536,029

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The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 March 2020 amounted to Baht 3,966.44 million (2019: Baht 3,810.23 million).

**12 Intangible assets**

	<b>Financial statements in which the equity method is applied and separate financial statements</b>			Total
	Software licences	Computer software	Golf course membership	
	<i>(in thousand Baht)</i>			
<b>Cost</b>				
At 1 April 2018	36,550	23,215	962	60,727
Additions	910	3,756	-	4,666
<b>At 31 March 2019 and 1 April 2019</b>	<b>37,460</b>	<b>26,971</b>	<b>962</b>	<b>65,393</b>
Additions	-	2,445	-	2,445
<b>At 31 March 2020</b>	<b>37,460</b>	<b>29,416</b>	<b>962</b>	<b>67,838</b>
<b>Amortisation</b>				
At 1 April 2018	3,958	11,665	429	16,052
Amortisation for the year	3,892	4,083	192	8,167
<b>At 31 March 2019 and 1 April 2019</b>	<b>7,850</b>	<b>15,748</b>	<b>621</b>	<b>24,219</b>
Amortisation for the year	4,038	3,995	192	8,225
<b>At 31 March 2020</b>	<b>11,888</b>	<b>19,743</b>	<b>813</b>	<b>32,444</b>
<b>Net book value</b>				
<b>At 31 March 2019</b>	<b>29,610</b>	<b>11,223</b>	<b>341</b>	<b>41,174</b>
<b>At 31 March 2020</b>	<b>25,572</b>	<b>9,673</b>	<b>149</b>	<b>35,394</b>

**13 Provision for warranties**

	<b>Financial statements in which the equity method is applied and separate financial statements (in thousand Baht)</b>
At 1 April 2018	108,625
Provisions made	79,321
Provisions used	(84,383)
<b>At 31 March 2019 and 1 April 2019</b>	<b>103,563</b>
Provisions made	87,286
Provisions used	(78,653)
<b>At 31 March 2020</b>	<b>112,196</b>

A provision for product warranties is recognised when the underlying products or services are sold. The provision is based on historical actual claimed data and a weighting of all possible outcomes against their associated probabilities. Management estimates the provision for warranties by estimation from the proportion of actual warranty claimed and total sales of products during average claimed years.

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**14 Non-current provisions for employee benefits**

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
Post-employment benefits		
Defined benefit plan	301,369	220,386
Other long-term employee benefits	16,263	16,961
<b>Total</b>	<b>317,632</b>	<b>237,347</b>

***Defined benefit plan***

The Company operate a defined benefit plan based on the requirement of Thai Labour Protection Act B.E 2541 (1998) to provide retirement benefits to employees based on pensionable remuneration and length of service. The defined benefit plans expose the Company to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b><i>Present value of the defined benefit obligations</i></b>		
At 1 April	237,347	220,420
<b>Included in profit or loss:</b>		
Current service cost	19,256	14,532
Past service cost	57,117	527
Interest on obligations	7,009	5,746
	<b>83,382</b>	<b>20,805</b>
<b>Included in other comprehensive income</b>		
Actuarial (gain) loss		
- Demographic assumptions	(8,694)	-
- Financial assumptions	30,704	5,882
- Experience adjustment	(7,381)	1,416
	<b>14,629</b>	<b>7,298</b>
Benefit paid	(17,726)	(11,176)
<b>At 31 March</b>	<b>317,632</b>	<b>237,347</b>

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 2019. As a result of this change, the provision for retirement benefits as well as past service cost recognised increased.

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<i>Principal actuarial assumptions</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	(%)	
Discount rate	1.09 - 1.35	2.50
Future salary growth	5.00	5.00

Assumptions regarding future mortality have been based on published statistics and mortality tables.

At 31 March 2020, the weighted-average duration of the defined benefit obligation was 10 - 14 years (2019: 9 years).

*Sensitivity analysis*

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant.

<i>Effect to the defined benefit obligation At 31 March</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>			
	1% increase in assumption 2020	1% increase in assumption 2019	1% decrease in assumption 2020	1% decrease in assumption 2019
	(in thousand Baht)			
Discount rate	(25,805)	(24,158)	30,048	25,994
Future salary growth	21,883	22,329	(19,205)	(19,591)

**15 Share capital and treasury shares**

	Par value per share (in Baht)	2020		2019	
		Number	Amount	Number	Amount
<i>Authorised</i>					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
Reduction of shares	10	(2,200)	(22,000)	-	-
At 31 March					
- ordinary shares	<b>10</b>	<b>19,800</b>	<b>198,000</b>	<b>22,000</b>	<b>220,000</b>
<i>Issued and paid-up</i>					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
Reduction of shares	10	(2,200)	(22,000)	-	-
At 31 March					
- ordinary shares	<b>10</b>	<b>19,800</b>	<b>198,000</b>	<b>22,000</b>	<b>220,000</b>

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*Share premium*

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

*Treasury shares*

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.

**16 Reserves**

Reserves comprise:

*Appropriations of profit and/or retained earnings*

**Legal reserve**

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

**Treasury shares reserve**

The treasury shares reserve represents the amount appropriated from retained earnings equal to the cost of the Company’s own shares held by the Company. The treasury shares reserve is not available for dividend distribution.

*Other component of equity*

**Fair value changes in available-for-sale investments**

The fair value changes in available-for-sale investments account within equity comprises the cumulative net change in the fair value of available-for-sale investments until the investments are derecognised or impaired.

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**17 Segment information and disaggregation of revenue**

The Company operates in a single line of business, namely the manufacturing and selling of household electrical appliances, which is an integrated line of product. The Company sales goods in domestic and overseas. The chief operating decision maker (CODM) determines operating segment on a geographical basis as follows:

- Segment 1 Sale of goods and rendering of services in Thailand
- Segment 2 Sale of goods in Japan
- Segment 3 Sale of goods in other countries

The Company's strategic divisions are managed separately because they require different marketing strategies. For each of the strategic divisions, the chief operating decision maker (CODM) reviews internal management reports at least on a monthly basis.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit, as included in the internal management reports that are reviewed by the Company's CODM. Segment operating profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.



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	Domestic		Overseas				Total	
	2020	2019	Japan	2019	2020	Others	2019	2020
<i>For the year ended 31 March</i>			2020	2019	2020	2020	2019	2020
<i>Disaggregation of revenue</i>								
<b>Timing of revenue recognition</b>								
At a point in time	2,977,098	3,101,656	3,331,034	3,129,722	1,395,275	1,728,808	7,703,407	7,960,186
Over time	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b><u>2,977,098</u></b>	<b><u>3,101,656</u></b>	<b><u>3,331,034</u></b>	<b><u>3,129,722</u></b>	<b><u>1,395,275</u></b>	<b><u>1,728,808</u></b>	<b><u>7,703,407</u></b>	<b><u>7,960,186</u></b>

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*Major customers*

Revenues from major customers of the Company's 1 and 2 segments represents approximately Baht 6,163.55 million (2019: Baht 6,036.38 million) of the Company's total revenue.

*Promotional privileges*

The Company has been granted promotional certificates by the Office of the Board of Investment for manufacturing and distributing household electrical appliances business. The Company has been granted several privileges including exemption from payment of import duty on imported raw material for using in production for export from promoted operations with certain terms and conditions prescribed in the promotional certificates.

As a promoted company, the Company must comply with certain terms and conditions prescribed in the promotional certificate.

**18 Investment income**

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		2020	2019	2020	2019
		<i>(in thousand Baht)</i>			
<b>Rental income</b>					
Rental income from operating lease of investment properties	4, 10	17,178	17,178	17,178	17,178
<b>Dividend income</b>					
Associate	9	-	-	180	510
Other related parties	4	414,406	194,625	414,406	194,625
Other parties		277	15	277	15
		<u>414,683</u>	<u>194,640</u>	<u>414,863</u>	<u>195,150</u>
<b>Interest income</b>					
Other related parties	4	492	234	492	234
Other parties		47,688	49,382	47,688	49,382
		<u>47,180</u>	<u>49,616</u>	<u>48,180</u>	<u>49,616</u>
<b>Total</b>		<b><u>480,041</u></b>	<b><u>261,434</u></b>	<b><u>480,221</u></b>	<b><u>261,944</u></b>

**19 Employee benefit expenses**

	Note	Financial statements in which the equity method is applied and separate financial statements	
		2020	2019
		<i>(in thousand Baht)</i>	
Wages and salaries		900,690	907,363
Defined contribution plans		26,207	35,667
Defined benefit plan	14	83,382	20,805
Others		89,843	91,637
<b>Total</b>		<b><u>1,100,122</u></b>	<b><u>1,055,472</u></b>

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*Defined contribution plans*

The provident fund presented under non-current liabilities includes a provident fund which the Company had established prior to 2000. Contributions were made by employees' voluntarily at 3% of their monthly salaries and by the Company at rates ranging from 5% to 7% of salaries depending on length of service of the employees.

Since 2001, the defined contribution plan comprises a provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at minimum rates ranging from 6% to 8%, but not exceed 15% of their basic salaries and by the Company at rates ranging from 6% to 8% of the employees' basic salaries depending on length of service of the employees. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

**20 Expenses by nature**

The statements of comprehensive income include an analysis of expenses by function. Expenses by nature disclosed in accordance with the requirements of various TFRS were as follows:

	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b><i>Included in cost of sale of goods:</i></b>		
Changes in inventories of finished goods and work in progress	51,445	80,425
Raw materials and consumables used	4,897,537	5,344,675
Employee benefit expenses	877,251	842,191
Depreciation and amortisation	337,654	336,118
<b><i>Included in distribution costs:</i></b>		
Royalty fee	167,939	176,455
Transportation expenses	94,613	109,342
Product warranty expense	87,286	79,321
Advertising and sales promotion expenses	40,240	46,856
<b><i>Included in administrative expenses:</i></b>		
Product development fee	270,494	275,108
Employee benefit expenses	199,277	191,678
Warehouse rental charge	69,345	81,387

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**21 Income tax**

<i>Income tax recognised in profit or loss</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<b>Current tax expense</b>		
Current year	46,559	-
Adjustment for prior years	8,076	-
	<u>54,635</u>	<u>-</u>
<b>Deferred tax expense</b>		
Movements in temporary differences	973	-
Movements in temporary differences - over provided in prior years	(6,388)	-
	<u>(5,415)</u>	<u>(9,949)</u>
<b>Total tax (income) expense</b>	<u>49,220</u>	<u>(9,949)</u>

	<b>Financial statements in which the equity method is applied and separate financial statements</b>					
	2020	2019				
<i>Income tax</i>	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
<b>Recognised in other comprehensive income</b>						
Available-for-sale securities	(3,466)	693	(2,773)	(2,611)	522	(2,089)
Defined benefit plan actuarial losses	(14,629)	2,926	(11,703)	(7,298)	1,460	(5,838)
<b>Total</b>	<u>(18,095)</u>	<u>3,619</u>	<u>(14,476)</u>	<u>(9,909)</u>	<u>1,982</u>	<u>(7,927)</u>

<i>Reconciliation of effective tax rate</i>	<b>Financial statements in which the equity method is applied</b>			
	2020	2019		
	Rate (%)	Rate (%)		
			<i>(in thousand Baht)</i>	
Profit before tax expense			670,506	170,197
Income tax using the Thai corporation tax rate	20.00	20.00	134,101	34,039
Income not subject to tax			(82,960)	(39,038)
Additional deduction expenses for tax purposes			(3,887)	(5,325)
Expenses not deductible for tax purposes			278	375
Under provided in prior years			1,688	-
<b>Total</b>	<u>7.34</u>	<u>(5.85)</u>	<u>49,220</u>	<u>(9,949)</u>

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<i>Reconciliation of effective tax rate</i>	<b>Separate financial statements</b>			
	2020		2019	
	<i>Rate</i> (%)	<i>(in</i> <i>thousand</i> <i>Baht)</i>	<i>Rate</i> (%)	<i>(in</i> <i>thousand</i> <i>Baht)</i>
Profit before tax expense		670,570		170,158
Income tax using the Thai corporation tax rate	20.00	134,114	20.00	34,031
Income not subject to tax		(82,973)		(39,030)
Additional deduction expenses for tax purposes		(3,887)		(5,325)
Expenses not deductible for tax purposes		278		375
Under provided in prior years		1,688		-
<b>Total</b>	<b>7.34</b>	<b>49,220</b>	<b>(5.85)</b>	<b>(9,949)</b>

**Financial statements in which the equity method is applied  
and separate financial statements**

<i>Deferred tax</i> <i>At 31 March</i>	Assets		Liabilities	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Total	96,889	94,243	(11,846)	(18,234)
Set off of tax	(11,846)	(18,234)	11,846	18,234
<b>Net deferred tax assets</b>	<b>85,043</b>	<b>76,009</b>	<b>-</b>	<b>-</b>

**Financial statements in which the equity method is applied  
and separate financial statements**

	<i>(Charged) / Credited to:</i>			
	<b>At 1 April 2019</b>	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	<b>At 31 March 2020</b>
<b>Deferred tax assets</b>				
Inventories <i>(allowance for decline in value)</i>	8,459	(1,767)	-	6,692
Available-for-sale securities <i>(revaluation)</i>	30	-	693	723
Investment properties <i>(impairment losses on land not used in operations)</i>	1,078	-	-	1,078
Provision for warranties	20,713	1,726	-	22,439
Non-current provisions for employee benefits	47,469	13,132	2,926	63,527
Provident funds	2,665	(235)	-	2,430
Loss carry forward	13,829	(13,829)	-	-
<b>Total</b>	<b>94,243</b>	<b>(973)</b>	<b>3,619</b>	<b>96,889</b>
<b>Deferred tax liabilities</b>				
Property, plant and equipment <i>(depreciation gap)</i>	(18,234)	6,388	-	(11,846)
<b>Total</b>	<b>(18,234)</b>	<b>6,388</b>	<b>-</b>	<b>(11,846)</b>
<b>Net</b>	<b>76,009</b>	<b>5,415</b>	<b>3,619</b>	<b>85,043</b>

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	<b>Financial statements in which the equity method is applied and separate financial statements</b>			<b>At 31 March 2019</b>
	<u>(Charged) / Credited to:</u>			
	<b>At 1 April 2018</b>	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<b><i>Deferred tax assets</i></b>				
Inventories <i>(allowance for decline in value)</i>	9,752	(1,293)	-	8,459
Available-for-sale securities <i>(revaluation)</i>	-	-	30	30
Investment properties <i>(impairment losses on land not used in operations)</i>	1,078	-	-	1,078
Provision for warranties	21,725	(1,012)	-	20,713
Non-current provisions for employee benefits	44,084	1,925	1,460	47,469
Provident funds	2,913	(248)	-	2,665
Loss carry forward	-	13,829	-	13,829
<b>Total</b>	<b>79,552</b>	<b>13,201</b>	<b>1,490</b>	<b>94,243</b>
<b><i>Deferred tax liabilities</i></b>				
Available-for-sale securities <i>(revaluation)</i>	(492)	-	492	-
Property, plant and equipment <i>(depreciation gap)</i>	(14,982)	(3,252)	-	(18,234)
<b>Total</b>	<b>(15,474)</b>	<b>(3,252)</b>	<b>492</b>	<b>(18,234)</b>
<b>Net</b>	<b>64,078</b>	<b>9,949</b>	<b>1,982</b>	<b>76,009</b>

**22 Basic earnings per share**

	<b>Financial statements in which the equity method is applied</b>		<b>Separate financial statements</b>	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
<b>Profit attributable to ordinary shareholders of the Company (basic)</b>	<b>621,286</b>	<b>180,146</b>	<b>621,350</b>	<b>180,107</b>
Number of ordinary shares outstanding at 1 April	19,800*	22,000	19,800*	22,000
Effect of own share held	-	(958)	-	(958)
<b>Weighted average number of ordinary shares outstanding (basic)</b>	<b>19,800</b>	<b>21,042</b>	<b>19,800</b>	<b>21,042</b>
<b>Earnings per share (basic) (in Baht)</b>	<b>31.38</b>	<b>8.56</b>	<b>31.38</b>	<b>8.56</b>

\* See note 15

**Kang Yong Electric Public Company Limited**  
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**23 Dividends**

The shareholders of the Company have approved dividends as follows:

	Approval date	Payment schedule	Dividend rate per share (Baht)	Amount (in million Baht)
<b>2019</b>				
Annual dividend	25 July 2019	August 2019	4.55	90.09
<b>2018</b>				
Annual dividend	25 July 2018	August 2018	16.35	359.70

**24 Financial instruments**

***Financial risk management policies***

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

***Capital management***

The Board of Directors' policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board monitors the return on capital which the Company defines as result from operating activities divided by total shareholders' equity and also monitors the level of dividends to ordinary shareholders.

***Interest rate risk***

Interest rate risk is the risk that future movements in market interest rates will affect the results of the Company's operations and its cash flows. However, the management believes that the Company has no material interest rate risk because the Company has insignificant borrowing and the maturity of deposits and other financial assets is short-term and interest is based on market rates. Hence, the Company has no hedging agreements to protect against such risk.

<b>At 31 March</b>	<b>Effective interest rate (% per annum)</b>	<b>Financial statements in which the equity method is applied and separate financial statements Maturity period within 1 year (in thousand Baht)</b>
<b>2020</b>		
<b><i>Financial assets</i></b>		
Deposits at financial institutions	0.25 - 0.58	964,461
Short-term investments - fixed deposits	0.35 - 1.88	2,330,000
Short-term loans to related party	0.60 - 1.56	83,911

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<i>At 31 March</i>	Effective interest rate (% per annum)	<b>Financial statements in which the equity method is applied and separate financial statements</b> Maturity period within 1 year (in thousand Baht)
<b>2019</b>		
<b>Financial assets</b>		
Deposits at financial institutions	1.15 - 1.45	789,853
Short-term investments - fixed deposits	1.25 - 1.75	2,100,000
Short-term loans to related party	1.00	23,222

**Foreign currency risk**

The Company is exposed to foreign currency risk relating to purchases and sales which are denominated in foreign currencies.

At 31 March, the Company was exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

<i>Assets and liabilities denominated in the foreign currencies as at 31 March</i>	<b>Financial statements in which the equity method is applied and separate financial statements</b> 2020                      2019 (in thousand Baht)	
<b>United States Dollars</b>		
Cash and cash equivalents	102,670	-
Trade accounts receivable	375,280	428,050
Trade accounts payable	(71,878)	(60,853)
Other payables	(12,677)	(16,050)
<b>Net exposure</b>	<b>393,395</b>	<b>351,147</b>
<b>Japanese Yen</b>		
Trade accounts receivable	22,776	50,048
Trade accounts payable	(7,321)	(6,400)
Other payables	(90,330)	(96,368)
<b>Net exposure</b>	<b>(74,875)</b>	<b>(52,720)</b>
<b>Russian Ruble</b>		
Trade accounts receivable	1,729	-
<b>Net exposure</b>	<b>1,729</b>	<b>-</b>
<b>Other currencies</b>		
Other payables	(3,039)	(2,466)
<b>Net exposure</b>	<b>(3,039)</b>	<b>(2,466)</b>
<b>Total</b>	<b>317,210</b>	<b>295,961</b>

**Credit risk**

Credit risk is the potential financial loss resulting from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

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Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statements of financial position. However, management does not anticipate material losses from its debt collection.

***Liquidity risk***

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

***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>					
<b>31 March 2020</b>					
<b><i>Financial assets measured at fair value</i></b>					
Equity securities available-for-sale	1,647	1,120	-	527	1,647
<b>31 March 2019</b>					
<b><i>Financial assets measured at fair value</i></b>					
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 loans 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.

**25 Commitments with non-related parties**

	Financial statements in which the equity method is applied and separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
<b><i>Capital commitments</i></b>		
<i>Contracted but not provided for</i>		
Plant and equipment	<b>24,003</b>	<b>34,810</b>

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	<b>Financial statements in which the equity method is applied and separate financial statements</b>	
	2020	2019
	<i>(in thousand Baht)</i>	
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within 1 year	8,101	5,582
1 - 5 years	17,483	10,991
<b>Total</b>	<b>25,584</b>	<b>16,573</b>

As at 31 March 2020, the Company had a letter of guarantee issued by a local bank to the Metropolitan Electricity Authority amounting to Baht 15.77 million.

## **26 Thai Financial Reporting Standards (TFRS) not yet adopted**

New and revised TFRS, which are relevant to the Company's operations, expected to have material impact on the financial statements in which the equity method is applied and separate financial statements when initially adopted, and will become effective for the financial statements in annual reporting periods beginning on or after 1 January 2020, are as follows:

<b>TFRS</b>	<b>Topic</b>
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 TFRS - Financial instruments standards 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 TFRS 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, with recognition exemptions for short-term leases and leases of low-value items. As a result, the Company will recognise new assets and liabilities for its operating leases when this TFRS is effective, some accounting standards and interpretations which are currently effective will be cancelled.

Management is currently considering the potential impact from these TFRS on the financial statements in the initial period adopted.