

Kang Yong Electric Public Company Limited

Condensed interim financial statements
for the three-month and nine-month periods ended
31 December 2020
and
Independent auditor's review report

Independent Auditor’s Report on Review of Interim Financial Information

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

I have reviewed the accompanying statement of financial position in which the equity method is applied and separate statement of financial position of Kang Yong Electric Public Company Limited as at 31 December 2020; the related statements of comprehensive income for the three-month and nine-month periods ended 31 December 2020, the statements of changes in equity and cash flows for the nine-month period ended 31 December 2020; and condensed notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, “Interim Financial Reporting”. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Sophit Prompol)
Certified Public Accountant
Registration No. 10042

KPMG Phoomchai Audit Ltd.
Bangkok
11 February 2021

Kang Yong Electric Public Company Limited
Statement of financial position

		Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
Assets	<i>Note</i>	31 December 2020 (Unaudited)	31 March 2020	31 December 2020 (Unaudited)	31 March 2020
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		1,391,006	964,561	1,391,006	964,561
Other current financial assets		2,500,000	2,330,000	2,500,000	2,330,000
Trade accounts receivable	4	972,721	1,118,692	972,721	1,118,692
Value added tax refundable		39,019	28,457	39,019	28,457
Other receivables	4	26,736	32,064	26,736	32,064
Dividend receivables	4	97,284	171,415	97,284	171,415
Short-term loans to related party	4	91,860	83,911	91,860	83,911
Inventories		719,734	784,725	719,734	784,725
Other current assets		7,288	8,697	7,288	8,697
Total current assets		5,845,648	5,522,522	5,845,648	5,522,522
Non-current assets					
Other non-current financial assets	3, 13	160,159	159,008	160,159	159,008
Investment in associate	5	16,631	19,482	3,000	3,000
Investment properties		3,908	4,189	3,908	4,189
Property, plant and equipment	6	1,476,770	1,536,029	1,476,770	1,536,029
Right-of-use assets	3, 7	21,961	-	21,961	-
Intangible assets		31,218	35,394	31,218	35,394
Deferred tax assets		85,930	85,043	85,930	85,043
Other non-current assets		13,929	19,387	13,929	19,387
Total non-current assets		1,810,506	1,858,532	1,796,875	1,842,050
Total assets		7,656,154	7,381,054	7,642,523	7,364,572

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

Kang Yong Electric Public Company Limited
Statement of financial position

	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		31 December	31 March	31 December	31 March
		2020	2020	2020	2020
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Liabilities and equity					
<i>Current liabilities</i>					
Trade accounts payable	4	648,947	789,304	648,947	789,304
Other payables	4	255,547	355,365	255,547	355,365
Current portion of lease liabilities	3, 9	7,671	-	7,671	-
Current income tax payable		19,447	48,953	19,447	48,953
Other current liabilities		19,465	11,337	19,465	11,337
Total current liabilities		951,077	1,204,959	951,077	1,204,959
<i>Non-current liabilities</i>					
Lease liabilities	3, 9	14,682	-	14,682	-
Provision for warranties		106,355	112,196	106,355	112,196
Non-current provisions for employee benefits		334,366	317,632	334,366	317,632
Provident funds		12,050	12,148	12,050	12,148
Total non-current liabilities		467,453	441,976	467,453	441,976
Total liabilities		1,418,530	1,646,935	1,418,530	1,646,935
<i>Equity</i>					
Share capital:					
Authorised share capital					
<i>(19,800,000 ordinary shares, par value at Baht 10 per share)</i>					
		198,000	198,000	198,000	198,000
Issued and paid-up share capital					
<i>(19,800,000 ordinary shares, par value at Baht 10 per share)</i>					
		198,000	198,000	198,000	198,000
Share premium:					
Share premium on ordinary shares					
		726,100	726,100	726,100	726,100
Retained earnings					
Appropriated					
Legal reserve					
		22,000	22,000	22,000	22,000
Other reserve					
		420,000	420,000	420,000	420,000
Unappropriated					
		4,873,499	4,370,914	4,859,868	4,354,432
Other component of equity					
		(1,975)	(2,895)	(1,975)	(2,895)
Total equity		6,237,624	5,734,119	6,223,993	5,717,637
Total liabilities and equity		7,656,154	7,381,054	7,642,523	7,364,572

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

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

	<i>Note</i>	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		Three-month period ended		Three-month period ended	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sales of goods					
and rendering of services	4, 8	1,926,115	1,559,172	1,926,115	1,559,172
Investment income	4	119,677	139,188	119,677	139,188
Net foreign exchange gain		-	4,107	-	4,107
Other income	4	14,559	7,552	14,559	7,552
Total revenue		2,060,351	1,710,019	2,060,351	1,710,019
Expenses					
Cost of sale of goods					
and rendering of services	4	1,567,948	1,302,395	1,567,948	1,302,395
Distribution costs	4	115,321	78,081	115,321	78,081
Administrative expenses	4	153,153	165,325	153,153	165,325
Net foreign exchange loss		14,312	-	14,312	-
Total expenses		1,850,734	1,545,801	1,850,734	1,545,801
Profit from operating activities		209,617	164,218	209,617	164,218
Finance costs		(83)	-	(83)	-
Share of loss of associate	5	(334)	(1,476)	-	-
Profit before income tax expense		209,200	162,742	209,534	164,218
Tax expense	10	(19,124)	(7,030)	(19,124)	(7,030)
Profit for the period		190,076	155,712	190,410	157,188
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on investments in equity instruments designated					
at fair value through other comprehensive income		171	(430)	171	(430)
Income tax relating to items that will not be reclassified		(34)	86	(34)	86
Other comprehensive income (expense) for the period,					
 net of tax		137	(344)	137	(344)
Total comprehensive income for the period		190,213	155,368	190,547	156,844
Basic earnings per share (in Baht)	<i>11</i>	9.60	7.86	9.62	7.94

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

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

	<i>Note</i>	Financial statements in which the equity method is applied		Separate financial statements	
		Nine-month period ended		Nine-month period ended	
		31 December		31 December	
		2020	2019	2020	2019
<i>(in thousand Baht)</i>					
Revenue					
Revenue from sales of goods and rendering of services	4, 8	5,957,929	5,434,797	5,957,929	5,434,797
Investment income	4	464,246	292,838	464,270	293,018
Other income	4	38,890	31,793	38,890	31,793
Total revenue		6,461,065	5,759,428	6,461,089	5,759,608
Expenses					
Cost of sale of goods and rendering of services	4	4,771,981	4,634,045	4,771,981	4,634,045
Distribution costs	4	301,232	281,664	301,232	281,664
Administrative expenses	4	459,953	528,177	459,953	528,177
Net foreign exchange loss		18,623	5,016	18,623	5,016
Total expenses		5,551,789	5,448,902	5,551,789	5,448,902
Profit from operating activities		909,276	310,526	909,300	310,706
Finance costs		(258)	-	(258)	-
Share of loss of associate	5	(2,827)	(3,119)	-	-
Profit before income tax expense		906,191	307,407	909,042	310,706
Tax expense	10	(92,746)	(9,852)	(92,746)	(9,852)
Profit for the period		813,445	297,555	816,296	300,854
Other comprehensive income					
<i>Items that will not be reclassified to profit or loss</i>					
Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income		1,150	(1,429)	1,150	(1,429)
Income tax relating to items that will not be reclassified		(230)	286	(230)	286
Other comprehensive income (expense) for the period, net of tax		920	(1,143)	920	(1,143)
Total comprehensive income for the period		814,365	296,412	817,216	299,711
Basic earnings per share (in Baht)	11	41.08	15.03	41.23	15.19

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

Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

	Financial statements in which the equity method is applied							Other component of equity	Total equity
	Retained earnings	Share premium		Treasury shares	Other reserve	Unappropriated	Loss on investments in equity instruments designated at fair value through other comprehensive income		
Note	Issued and paid-up share capital	Treasury shares	on ordinary shares	Legal reserve	reserve	reserve			
Nine-month period ended 31 December 2019									
Balance at 1 April 2019	220,000	(970,420)	726,100	22,000	970,420	420,000	3,829,422	(122)	5,217,400
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
Write-off treasury shares - reduction of ordinary shares	(22,000)	970,420	-	-	(970,420)	-	22,000	-	-
Dividends to owners of the Company	12 -	-	-	-	-	-	(90,090)	-	(90,090)
Total distributions to owners of the Company	(22,000)	970,420	-	-	(970,420)	-	(68,090)	-	(90,090)
Total transactions with owners, recorded directly in equity	(22,000)	970,420	-	-	(970,420)	-	(68,090)	-	(90,090)
Comprehensive income (expense) for the period									
Profit	-	-	-	-	-	-	297,555	-	297,555
Other comprehensive income (expense)	-	-	-	-	-	-	-	(1,143)	(1,143)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	297,555	(1,143)	296,412
Balance at 31 December 2019	198,000	-	726,100	22,000	-	420,000	4,058,887	(1,265)	5,423,722

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

Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

	Note	Financial statements in which the equity method is applied					Other component	Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Retained earnings		of equity	
					Other reserve	Unappropriated	Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	
<i>(in thousand Baht)</i>								
Nine-month period ended 31 December 2020								
Balance at 1 April 2020		198,000	726,100	22,000	420,000	4,370,914	(2,895)	5,734,119
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	12	-	-	-	-	(310,860)	-	(310,860)
Total distributions to owners of the Company		-	-	-	-	(310,860)	-	(310,860)
Total transactions with owners, recorded directly in equity		-	-	-	-	(310,860)	-	(310,860)
Comprehensive income for the period								
Profit		-	-	-	-	813,445	-	813,445
Other comprehensive income		-	-	-	-	-	920	920
Total comprehensive income for the period		-	-	-	-	813,445	920	814,365
Balance at 31 December 2020		198,000	726,100	22,000	420,000	4,873,499	(1,975)	6,237,624

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

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

	Separate financial statements							Other component	Total
		Retained earnings				of equity		Total	
Note	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Legal reserve	Treasury shares reserve	Other reserve	Unappropriated		Loss on investments in equity instruments designated at fair value through other comprehensive income
<i>(in thousand Baht)</i>									
Nine-month period ended 31 December 2019									
Balance at 1 April 2019	220,000	(970,420)	726,100	22,000	970,420	420,000	3,812,876	(122)	5,200,854
Transactions with owners, recorded directly in equity									
<i>Distributions to owners of the Company</i>									
Write-off treasury shares - reduction of ordinary shares	(22,000)	970,420	-	-	(970,420)	-	22,000	-	-
Dividends to owners of the Company	12 -	-	-	-	-	-	(90,090)	-	(90,090)
Total distributions to owners of the Company	(22,000)	970,420	-	-	(970,420)	-	(68,090)	-	(90,090)
Total transactions with owners, recorded directly in equity	(22,000)	970,420	-	-	(970,420)	-	(68,090)	-	(90,090)
Comprehensive income (expense) for the period									
Profit	-	-	-	-	-	-	300,854	-	300,854
Other comprehensive income (expense)	-	-	-	-	-	-	-	(1,143)	(1,143)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	300,854	(1,143)	299,711
Balance at 31 December 2019	198,000	-	726,100	22,000	-	420,000	4,045,640	(1,265)	5,410,475

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

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

	Note	Separate financial statements					Other component	Total equity
		Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings			of equity	
				Legal reserve	Other reserve	Unappropriated	Gain (loss) on investments in equity instruments designated at fair value through other comprehensive income	
<i>(in thousand Baht)</i>								
Nine-month period ended 31 December 2020								
Balance at 1 April 2019		198,000	726,100	22,000	420,000	4,354,432	(2,895)	5,717,637
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends to owners of the Company	12	-	-	-	-	(310,860)	-	(310,860)
Total distributions to owners of the Company		-	-	-	-	(310,860)	-	(310,860)
Total transactions with owners, recorded directly in equity		-	-	-	-	(310,860)	-	(310,860)
Comprehensive income for the period								
Profit		-	-	-	-	816,296	-	816,296
Other comprehensive income		-	-	-	-	-	920	920
Total comprehensive income for the period		-	-	-	-	816,296	920	817,216
Balance at 31 December 2020		198,000	726,100	22,000	420,000	4,859,868	(1,975)	6,223,993

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

Kang Yong Electric Public Company Limited

Statement of cash flows (Unaudited)

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied			
	Nine-month period ended 31 December		Nine-month period ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	813,445	297,555	816,296	300,854
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax expense	92,746	9,852	92,746	9,852
Finance costs	258	-	258	-
Depreciation	286,220	255,327	286,220	255,327
Amortisation	6,162	6,219	6,162	6,219
Impairment loss recognised in profit or loss	281	-	281	-
Provision for warranties	58,719	59,495	58,719	59,495
Non-current provisions for employee benefits	18,793	77,109	18,793	77,109
Unrealised loss on exchange	22,245	2,739	22,245	2,739
Share of loss of associate	2,827	3,119	-	-
Reversal of losses on inventories devaluation	(5,737)	(7,772)	(5,737)	(7,772)
(Gain) loss on disposal of plant and equipment	(257)	349	(257)	349
Dividend income	(425,344)	(243,267)	(425,368)	(243,447)
Interest income	(26,019)	(36,688)	(26,019)	(36,688)
Rental income	(12,883)	(12,883)	(12,883)	(12,883)
	<u>831,456</u>	<u>411,154</u>	<u>831,456</u>	<u>411,154</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	121,282	553,401	121,282	553,401
Value added tax receivable	(10,562)	8,770	(10,562)	8,770
Other receivables	13,105	(5,878)	13,105	(5,878)
Inventories	70,728	(12,066)	70,728	(12,066)
Other current assets	1,409	749	1,409	749
Other non-current assets	5,458	(750)	5,458	(750)
Trade accounts payable	(138,994)	(243,229)	(138,994)	(243,229)
Other payables	(89,790)	(229,734)	(89,790)	(229,734)
Other current liabilities	8,128	21,295	8,128	21,295
Warranties paid	(64,560)	(60,106)	(64,560)	(60,106)
Employee benefits paid	(2,059)	(2,477)	(2,059)	(2,477)
Provident fund paid	(98)	(235)	(98)	(235)
Net cash generated from operating	<u>745,503</u>	<u>440,894</u>	<u>745,503</u>	<u>440,894</u>
Taxes paid	<u>(123,370)</u>	<u>(1,058)</u>	<u>(123,370)</u>	<u>(1,058)</u>
Net cash from operating activities	<u>622,133</u>	<u>439,836</u>	<u>622,133</u>	<u>439,836</u>

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

Kang Yong Electric Public Company Limited

Statement of cash flows (Unaudited)

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied			
	Nine-month period ended 31 December		Nine-month period ended 31 December	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Net cash outflow of other current financial assets	(170,000)	(130,000)	(170,000)	(130,000)
Proceeds from disposal of plant and equipment	390	990	390	990
Acquisitions of plant and equipment	(230,425)	(369,269)	(230,425)	(369,269)
Acquisitions of intangible assets	(1,986)	(1,033)	(1,986)	(1,033)
Short-term loan to related party	(183,661)	(232,132)	(183,661)	(232,132)
Proceeds from short-term loans to related party	175,712	224,019	175,712	224,019
Dividends received	499,499	121,710	499,499	121,710
Interest received	18,237	38,247	18,237	38,247
Rental received	12,888	12,904	12,888	12,904
Net cash from (used in) investing activities	120,654	(334,564)	120,654	(334,564)
<i>Cash flows from financing activities</i>				
Payment of lease liabilities	(5,738)	-	(5,738)	-
Dividends paid to owners of the Company	(310,860)	(90,090)	(310,860)	(90,090)
Net cash used in financing activities	(316,598)	(90,090)	(316,598)	(90,090)
Net increase in cash and cash equivalents, before effect of exchange rates	426,189	15,182	426,189	15,182
Effect of exchange rate changes on cash and cash equivalents	256	5	256	5
Net increase in cash and cash equivalents	426,445	15,187	426,445	15,187
Cash and cash equivalents at 1 April	964,561	789,953	964,561	789,953
Cash and cash equivalents at 31 December	1,391,006	805,140	1,391,006	805,140
<i>Non-cash transactions</i>				
Plant and equipment purchased during the period are detailed as follows:				
Plant and equipment purchased during the period	(221,222)	(348,893)	(221,222)	(348,893)
Decrease in payables on purchases of plant and equipment	(9,203)	(20,376)	(9,203)	(20,376)
Net purchase of plant and equipment paid by cash	(230,425)	(369,269)	(230,425)	(369,269)

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

Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 31 December 2020 (Unaudited)

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Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 31 December 2020 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 11 February 2021.

1 General information

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

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

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

The interim financial statements do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 March 2020.

The Company has initially applied TFRS - Financial instruments standards and TFRS 16 *Leases* and disclosed impact from changes to significant accounting policies in note 3.

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.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 March 2020.

3 Changes in accounting policies

From 1 April 2020, the Company has initially applied TFRS - Financial instruments standards and TFRS 16.

A. TFRS - Financial instruments standards

The Company has adopted TFRS - Financial instruments standards by adjusting the cumulative effects to retained earnings and other components of equity on 1 April 2020. Therefore, the Company did not adjust the information presented for 2019. However, there was no impact to be adjusted on retained earnings as at 1 April 2020.

Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 31 December 2020 (Unaudited)

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. The impact from adoption of TFRS - Financial instruments standards are as follows:

(1) Classification and measurement of financial assets and financial liabilities

TFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification under TFRS 9 is based on the cash flow characteristics of the financial asset and the business model in which they are managed. TFRS 9 eliminates the previous classification of held-to-maturity debt securities, available-for-sale securities, trading securities and general investment as specified by TAS 105.

The following table shows measurement categories under previous standards and TFRS 9, including reconciliation of the carrying amounts of each class of the Company's financial assets and financial liabilities as at 1 April 2020.

Financial statements in which the equity method is applied and separate financial statements				
Classification under previous standards at 31 March 2020		Classification under TFRS 9 at 1 April 2020		
	Carrying amounts	Fair value through profit or loss <i>(in thousand Baht)</i>	Fair value through other comprehensive income	Amortised cost - net
Cash and cash equivalents	964,561	-	-	964,561
Trade accounts receivable	1,118,692	-	-	1,118,692
Other receivables	32,064	-	-	32,064
Short-term loans to related party	83,911	-	-	83,911
Other financial assets				
- Deposits at financial securities	2,330,000	-	-	2,330,000
- Equity instruments available for sale	1,647	-	1,647	-
- Other non-marketable equity securities	157,361	-	157,361	-
Total other financial assets	2,489,008	-	159,008	2,330,000
Total	4,688,236	-	159,008	4,529,228
Trade accounts payable	789,304	-	-	789,304
Other payables	355,365	-	-	355,365
Total	1,144,669	-	-	1,144,669

The Company intends to hold non-marketable equity securities amounted of Baht 157.36 million for the long-term strategic purposes. The Company has designated them as measured at FVOCI. The accumulated gain (loss) on measurement of these investments will not be reclassified to profit or loss.

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(2) Impairment - Financial assets and contract assets

TFRS 9 introduces forward-looking ‘expected credit loss’ (ECL) model whereas previously the Company estimates allowance for doubtful account by analysing payment histories and future expectation of customer payment. TFRS 9 requires considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments measured at FVOCI, lease receivables, except for investments in equity instruments. The Company has determined that the application of TFRS 9’s impairment requirements at 1 April 2020 results in no allowance for impairment loss.

B. TFRS 16 Leases

From 1 April 2020, the Company has initially adopted TFRS 16 on contracts previously identified as leases according to TAS 17 *Leases* and TFRIC 4 *Determining whether an arrangement contains a lease* using the modified retrospective approach.

Previously, the Company, as a lessee, recognised payments made under operating leases in profit or loss on a straight-line basis over the term of the lease. Under TFRS 16, the Company assesses whether a contract is, or contains, a lease. If a contract contains lease and non-lease components, the Group allocates the consideration in the contract based on stand-alone selling price (transaction price). As at 1 April 2020, the Company recognised right-of-use assets and lease liabilities, as a result, the nature of expenses related to those leases was changed because the Company recognised depreciation of right-of-use assets and interest expense on lease liabilities.

On transition, the Company also elected to use the following practical expedients:

- do not recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term;
- use hindsight when determining the lease term;
- apply a single discount rate to a portfolio of leases with similar characteristics;
- rely on previous assessments whether leases are onerous as an alternative to performing an impairment review; and
- exclude initial direct costs from measuring the right-of-use asset.

<i>Impact from the adoption of TFRS 16</i>	Financial statements in which the equity method is applied	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>At 1 April 2020</i>		
Increase in right-of-use assets	26,241	26,241
Increase in lease liabilities	(26,241)	(26,241)

The operating lease commitments as at 31 March 2020 was discounted using the incremental borrowing rate and exemption for short-term leases. Therefore, the Company have recognised lease liabilities as at 1 April 2020 amounted to Baht 26.24 million. Incremental borrowing rate was 1.40% per annum.

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4 Related parties

Relationships with an associate is described in note 5. For other related parties, there was no material changes in relationships during the nine-month period ended 31 December 2020.

Pricing policies have no material changes during the nine-month period ended 31 December 2020.

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

<i>Three-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2563	2562	2563	2562
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	798,999	604,709	798,999	604,709
Royalty fee	41,334	33,947	41,334	33,947
Product development fee	52,778	59,027	52,778	59,027
Product warranty expense	17,419	15,295	17,419	15,295
Technical assistance fee	-	5,494	-	5,494
Distribution costs and administrative expenses	1,167	319	1,167	319
Associate				
Revenue from sale of goods	15	63	15	63
Rental income	4,294	4,294	4,294	4,294
Other income	139	122	139	122
Inventory management service fee	14,703	15,441	14,703	15,441
Distribution costs and administrative expenses	1,237	1,189	1,237	1,189
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	21,121	22,529	21,121	22,529
Post-employment benefits	361	405	361	405
Other long-term benefits	3	4	3	4
Total key management personnel compensation	<u>21,485</u>	<u>22,938</u>	<u>21,485</u>	<u>22,938</u>
Other related parties				
Revenue from sale of goods	1,126,184	953,489	1,126,184	953,489
Purchases of raw material	298,126	227,124	298,126	227,124
Purchases of equipment	8,662	241	8,662	241
Dividend income	107,548	121,737	107,548	121,737
Interest income	299	45	299	45
Other income	-	3	-	3
Product warranty expense	1,868	1,299	1,868	1,299
Distribution costs and administrative expenses	11,152	12,419	11,152	12,419

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<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial Statements	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	2,489,083	2,251,910	2,489,083	2,251,910
Other income	-	17	-	17
Royalty fee	129,183	118,345	129,183	118,345
Product development fee	173,012	193,867	173,012	193,867
Product warranty expense	48,926	44,391	48,926	44,391
Technical assistance fee	-	14,126	-	14,126
Distribution costs and administrative expenses	4,891	3,944	4,891	3,944
Associate				
Revenue from sale of goods	44	108	44	108
Rental income	12,883	12,883	12,833	12,883
Dividend income	-	-	24	180
Other income	431	417	431	417
Inventory management service fee	41,551	51,644	41,551	51,644
Distribution costs and administrative expenses	3,512	4,451	3,512	4,451
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	57,401	65,567	57,401	65,567
Post-employment benefits	1,084	1,216	1,084	1,216
Other long-term benefits	8	11	8	11
Total key management personnel compensation	58,493	66,794	58,493	66,794
Other related parties				
Revenue from sale of goods	3,466,935	3,180,649	3,466,935	3,180,649
Purchases of raw material	789,453	717,081	789,453	717,081
Purchases of equipment	31,029	4,663	31,029	4,663
Dividend income	425,068	242,990	425,068	242,990
Interest income	906	205	906	205
Other income	303	237	303	237
Product warranty expense	3,778	7,068	3,778	7,068
Distribution costs and administrative expenses	41,297	44,008	41,297	44,008

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Balances as at 31 December 2020 and 31 March 2020 with related parties were as follows:

<i>Trade accounts receivable</i>	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Parent	258,417	345,082
Associate	5	5
Other related parties	714,154	773,459
	972,576	1,118,546
<i>Less allowance for impairment</i>	-	-
Net	972,576	1,118,546
	2020	2019
	<i>(in thousand Baht)</i>	
Impairment losses for the Three-month period ended 31 December	-	-
Nine-month period ended 31 December	-	-
	-	-
	-	-
<i>Other receivables</i>	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Parent	-	1,232
Associate	1,480	1,485
Other related parties	1,085	1,446
	2,565	4,163
<i>Less allowance for impairment</i>	-	-
Net	2,565	4,163
	2020	2019
	<i>(in thousand Baht)</i>	
Impairment losses for the Three-month period ended 31 December	-	-
Nine-month period ended 31 December	-	-
	-	-
	-	-
<i>Dividend receivables</i>	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Other related parties	97,284	171,415

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Movements during the nine-month period ended 31 December 2020 of short-term loans to related party were as follows:

	Interest rate		Financial statements in which the equity method is applied and separate financial statements			
	31 March 2020	31 December 2020	31 March 2020	Increase	Decrease	31 December 2020
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
Other related party	0.60 - 1.56	0.22 - 1.56	83,911	183,661	(175,712)	91,860
<i>Less allowance for impairment</i>			-	-	-	-
Net			83,911			91,860

Trade accounts payable

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Other related parties	113,514	104,500

Other payables

	Financial statements in which the equity method is applied and separate financial statements	
	31 December 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Parent	103,766	139,413
Associate	5,911	6,905
Other related parties	23,509	25,998
Total	133,186	172,316

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5 Investment in associate

Investment in associate as at 31 December 2020 and 31 March 2020, and dividend income for the nine-month period ended 31 December were as follows:

Financial statements in which the equity method is applied

	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the nine-month periods ended	
		31	31	31	31	31	31	31	31	31	30
		December 2020	March 2020	December 2020	March 2020	December 2020	March 2020	December 2020	March 2020	December 2020	December 2019
		(%)		(in thousand Baht)							
<i>Associate</i>											
Smile Super Express Co., Ltd.	Logistic	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>16,631</u>	<u>19,482</u>	<u>24</u>	<u>180</u>

Separate financial statements

	Ownership interest	Paid-up capital	Cost	Impairment	At cost - net	Dividend income for the nine-month periods ended						
						31	31	31	31			
						December 2020	March 2020	December 2020	March 2020			
	(%)		(in thousand Baht)									
<i>Associate</i>												
Smile Super Express Co., Ltd.	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>24</u>	<u>180</u>

The associate is not publicly listed and consequently does not have published price quotation.

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6 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the nine-month period ended 31 December 2020 were as follows:

	Financial statements in which the equity method is applied and separate financial statements	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>	
Land improvements	960	-
Buildings improvements	19,073	-
Machinery and equipment	73,819	-
Factory equipment	98,466	(93)
Office equipment	10,952	(40)
Assets under construction and installation	182,614	(164,661)
Total	385,884	(164,794)

7 Right-of-use assets

Movement of right-of-use assets categorised by lease assets is as follows:

<i>Right-of-use assets</i>	<i>Note</i>	Financial statements in which the equity method is applied and separate financial statements		
		Land	Vehicles <i>(in thousand Baht)</i>	Total
At 1 April 2020	3(B)	12,481	13,760	26,241
Additions		-	1,592	1,592
Less depreciation		(1,881)	(3,991)	(5,872)
At 31 December 2020		10,600	11,361	21,961

8 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

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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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The Company's operations mainly involve business segments in manufacturing and selling of household electrical appliances in Thailand and sale goods in both domestic and overseas (Japan and other countries). Financial information of the Company by operating segments on a geographical basis for the three-month and nine-month periods ended 31 December 2020 and 2019 were as follows:

<i>Three-month period ended 31 December</i>	Domestic		Overseas				Total	
	2020	2019	Japan		Others		2020	2019
			2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>							
Revenue from sales of goods and rendering of services	<u>674,859</u>	<u>598,986</u>	<u>808,236</u>	<u>610,981</u>	<u>443,020</u>	<u>349,205</u>	<u>1,926,115</u>	<u>1,559,172</u>
Segment profit (loss)	<u>93,728</u>	<u>92,489</u>	<u>173,705</u>	<u>119,171</u>	<u>8,892</u>	<u>(6,994)</u>	<u>276,325</u>	<u>204,666</u>
Unallocated expenses							(186,632)	(191,295)
Investment income							119,677	139,188
Net foreign exchange gain (loss)							(14,312)	4,107
Other income							14,559	7,552
Finance costs							(83)	-
Share of loss of associate							(334)	(1,476)
Profit before income tax expense							<u>209,200</u>	<u>162,742</u>
Tax expense							<u>(19,124)</u>	<u>(7,030)</u>
Profit for the period							<u>190,076</u>	<u>155,712</u>
 <i>Disaggregation of revenue</i>								
Timing of revenue recognition								
At a point in time	674,859	598,986	808,236	610,981	443,020	349,205	1,926,115	1,559,172
Over time	-	-	-	-	-	-	-	-
Total revenue	<u>674,859</u>	<u>598,986</u>	<u>808,236</u>	<u>610,981</u>	<u>443,020</u>	<u>349,205</u>	<u>1,926,115</u>	<u>1,559,172</u>

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<i>Nine-month period ended 31 December</i>	Domestic		Overseas				Total	
	2020	2019	Japan 2020	Japan 2019	Others 2020	Others 2019	2020	2019
	<i>(in thousand Baht)</i>							
Revenue from sales of goods and rendering of services	2,220,931	2,055,853	2,578,704	2,343,662	1,158,294	1,035,282	5,957,929	5,434,797
Segment profit (loss)	364,505	287,778	546,984	354,559	58,693	(23,717)	970,182	618,620
Unallocated expenses							(545,419)	(627,709)
Investment income							464,246	292,838
Net foreign exchange loss							(18,623)	(5,016)
Other income							38,890	31,793
Finance costs							(258)	-
Share of loss of associate							(2,827)	(3,119)
Profit before income tax expense							906,191	307,407
Tax expense							(92,746)	(9,852)
Profit for the period							813,445	297,555
Disaggregation of revenue								
Timing of revenue recognition								
At a point in time	2,220,931	2,055,853	2,578,704	2,343,662	1,158,294	1,035,282	5,957,929	5,434,797
Over time	-	-	-	-	-	-	-	-
Total revenue	2,220,931	2,055,853	2,578,704	2,343,662	1,158,294	1,035,282	5,957,929	5,434,797
Segment assets as at 31 December 2020 / 31 March 2020							7,656,154	7,381,054
Segment liabilities as at 31 December 2020 / 31 March 2020							1,418,530	1,646,935

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9 Leases

	Financial statements in which the equity method is applied	Separate financial statements
	<i>(in thousand Baht)</i>	
<i>Three-month period ended 31 December 2020</i>		
<i>Recognised in profit or loss</i>		
Interest on lease liabilities	83	83
Expenses relating to short-term leases	172	172
<i>Nine-month period ended 31 December 2020</i>		
<i>Recognised in profit or loss</i>		
Interest on lease liabilities	258	258
Expenses relating to short-term leases	684	684

Total cash outflow for leases presented in the statement of cash flows in which the equity method is applied and separate statement of cash flows for the nine-month period ended 31 December 2020 were Baht 5.74 million.

10 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Company's effective tax rate in respect of continuing operations for the nine-month period ended 31 December 2020 was 10.23% (31 March 2020: 7.34%). This change in effective tax rate was caused mainly by the different treatment for accounting and taxation purposes of certain items of income and expenses, especially dividend income.

11 Basic earnings per share

The calculations of basic earnings per share for the three-month and nine-month periods ended 31 December 2020 and 2019 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

	Financial statements in which the equity method is applied		Separate financial statements	
<i>Three-month period ended 31 December</i>	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>190,076</u>	<u>155,712</u>	<u>190,410</u>	<u>157,188</u>
Number of ordinary shares outstanding	<u>19,800</u>	<u>19,800</u>	<u>19,800</u>	<u>19,800</u>
Earnings per share (basic) (in Baht)	<u>9.60</u>	<u>7.86</u>	<u>9.62</u>	<u>7.94</u>

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<i>Nine-month period ended 31 December</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>813,445</u>	<u>297,555</u>	<u>816,296</u>	<u>300,854</u>
Number of ordinary shares outstanding	<u>19,800</u>	<u>19,800</u>	<u>19,800</u>	<u>19,800</u>
Earnings per share (basic) <i>(in Baht)</i>	<u>41.08</u>	<u>15.03</u>	<u>41.23</u>	<u>15.19</u>

12 Dividends

The dividends paid by the Company to the shareholders are as follows:

	Approval date	Payment schedule	Dividend rate per share <i>(Baht)</i>	Amount <i>(in million Baht)</i>
<i>2020</i>				
Annual dividend	23 July 2020	August 2020	<u>15.70</u>	<u>310.86</u>
<i>2019</i>				
Annual dividend	25 July 2019	August 2019	<u>4.55</u>	<u>90.10</u>

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13 Financial instruments

Carrying amounts and fair values

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

	Financial statements in which the equity method is applied and separate financial statements						
	Carrying amount			Fair value			
	Fair value through other comprehensive income	Amortised cost - net	Total	Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	Total
<i>At 31 December 2020</i>							
<i>Financial assets</i>							
Other financial assets							
Equity securities	160,159	-	160,159	2,317	-	157,842	160,159
Total other financial assets	160,159	-	160,159				

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	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>					
At 31 March 2020					
Financial assets measured at fair value					
Equity securities available-for-sale	1,647	1,120	-	527	1,647

Financial instruments measured at fair value

The Company determines Level 3 fair values for equity securities classified as financial assets measured at FVOCI using a valuation technique that used significantly unobservable input because the shares were not listed on Stock Exchange, and there were no recent observable arm's length transactions in the shares.

Impairment loss

Impairment on cash and cash equivalents was measured on a 12-month ECLs. The Company considers that cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties.

Allowance for impairment loss for trade receivables and contract assets are measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the historical credit loss experience, adjusted for factors that are specific to the debtors and assessment of both the current and forecast general economic conditions.

14 Commitments with non-related parties

	Financial statements in which the equity method is applied and separate financial statements <i>(in thousand Baht)</i>
At 31 December 2020	
Capital commitments	
Contracted but not provided for Plant and equipment	<u>13,493</u>
Future minimum lease payments under non-cancellable operating leases	
Within 1 year	<u>231</u>

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