

Kang Yong Electric Public Company Limited

Financial statements for the year ended

31 March 2019

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 2019, 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 2019 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 16 to the financial statements	
The key audit matter	How the matter was addressed in the audit
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.	My audit procedures included, among others: <ul style="list-style-type: none"> - Inquiring management to gain understanding on the process for estimation of provision for warranties. - Testing the reliability of actual warranties report by comparing actual claimed data with actual warranties report including testing on sampling basis of relevant documents. - Challenging management regarding the method used for estimation to evaluate the reasonableness of the method and assumptions used. - Considering the appropriateness of assumptions used for estimation of expected damage from warranty by comparing with historical actual claimed data. - Testing the calculation of provision for warranties by consider total sales of finished goods, total actual warranty expense and average claimed year. - Considering the adequacy of the Company's disclosures in accordance with the related Thai Financial Reporting Standards.

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.

(Pornthip Rimdusit)
Certified Public Accountant
Registration No. 5565

KPMG Phoomchai Audit Ltd.
Bangkok
22 May 2019

Kang Yong Electric Public Company Limited
Statement of financial position

Assets	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied		31 March	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Current assets					
Cash and cash equivalents	5	789,953,293	609,288,331	789,953,293	609,288,331
Current investment	6	2,100,000,000	3,300,000,000	2,100,000,000	3,300,000,000
Trade accounts receivable	4, 7	1,320,572,790	1,289,039,709	1,320,572,790	1,289,039,709
Value added tax refundable		32,643,607	36,424,835	32,643,607	36,424,835
Other receivables	4	24,973,078	26,486,941	24,973,078	26,486,941
Short-term loan to related party	4	23,221,994	27,508,007	23,221,994	27,508,007
Inventories	8	896,613,221	1,046,186,172	896,613,221	1,046,186,172
Other current assets		7,469,681	14,277,214	7,469,681	14,277,214
Total current assets		5,195,447,664	6,349,211,209	5,195,447,664	6,349,211,209
Non-current assets					
Available-for-sale investments	6	5,113,344	7,724,541	5,113,344	7,724,541
Investment in associate	9	19,546,147	19,507,099	3,000,000	3,000,000
Other long-term investments	6	157,361,700	157,361,700	157,361,700	157,361,700
Investment properties	10	4,188,669	4,188,669	4,188,669	4,188,669
Property, plant and equipment	11	1,421,737,943	1,463,284,639	1,421,737,943	1,463,284,639
Intangible assets	12	41,173,894	44,675,017	41,173,894	44,675,017
Deferred tax assets	13	76,009,019	64,077,861	76,009,019	64,077,861
Other non-current assets		25,418,050	25,835,319	25,418,050	25,835,319
Total non-current assets		1,750,548,766	1,786,654,845	1,734,002,619	1,770,147,746
Total assets		6,945,996,430	8,135,866,054	6,929,450,283	8,119,358,955

The accompanying notes are an integral part of these financial statements.

Kang Yong Electric Public Company Limited

Statement of financial position

		Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		31 March		31 March	
Liabilities and equity	Note	2019	2018	2019	2018
<i>(in Baht)</i>					
Current liabilities					
Trade accounts payable	4, 14	879,201,096	894,460,316	879,201,096	894,460,316
Other payables	4, 15	480,768,921	500,410,176	480,768,921	500,410,176
Other current liabilities		14,396,156	22,087,687	14,396,156	22,087,687
Total current liabilities		1,374,366,173	1,416,958,179	1,374,366,173	1,416,958,179
Non-current liabilities					
Provision for warranties	16	103,562,761	108,624,795	103,562,761	108,624,795
Non-current provisions for employee benefits	17	237,346,665	220,420,086	237,346,665	220,420,086
Provident funds	26	13,320,484	14,561,239	13,320,484	14,561,239
Total non-current liabilities		354,229,910	343,606,120	354,229,910	343,606,120
Total liabilities		1,728,596,083	1,760,564,299	1,728,596,083	1,760,564,299
Equity					
Share capital	18				
Authorised share capital		220,000,000	220,000,000	220,000,000	220,000,000
Issued and paid-up share capital		220,000,000	220,000,000	220,000,000	220,000,000
Treasury shares	19	(970,420,000)	-	(970,420,000)	-
Share premium					
Share premium on ordinary shares	18	726,100,000	726,100,000	726,100,000	726,100,000
Retained earnings					
Appropriated					
Legal reserve	20	22,000,000	22,000,000	22,000,000	22,000,000
Treasury shares reserve	19, 20	970,420,000	-	970,420,000	-
Other reserve		420,000,000	420,000,000	420,000,000	420,000,000
Unappropriated		3,829,422,060	4,985,234,510	3,812,875,913	4,968,727,411
Other component of equity	20	(121,713)	1,967,245	(121,713)	1,967,245
Total equity		5,217,400,347	6,375,301,755	5,200,854,200	6,358,794,656
Total liabilities and equity		6,945,996,430	8,135,866,054	6,929,450,283	8,119,358,955

The accompanying notes are an integral part of these financial statements.

Kang Yong Electric Public Company Limited

Statement of comprehensive income

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		For the year ended		For the year ended	
		31 March		31 March	
		2019	2018	2019	2018
<i>(in Baht)</i>					
Revenue					
Revenue from sale of goods and rendering of services	4	7,960,185,979	8,631,742,023	7,960,185,979	8,631,742,023
Investment income	4, 22	261,434,146	554,252,738	261,944,146	555,252,738
Net foreign exchange gain		17,370,503	-	17,370,503	-
Other income	4, 23	44,555,403	28,703,336	44,555,403	28,703,336
Total revenue		8,283,546,031	9,214,698,097	8,284,056,031	9,215,698,097
Expenses					
Cost of sale of goods and rendering of services	4	6,946,517,375	7,265,653,309	6,946,517,375	7,265,653,309
Distribution costs	4, 24	440,404,891	416,829,996	440,404,891	416,829,996
Administrative expenses	4, 25	726,976,171	736,712,180	726,976,171	736,712,180
Net foreign exchange loss		-	25,776,919	-	25,776,919
Total expenses		8,113,898,437	8,444,972,404	8,113,898,437	8,444,972,404
Share of profit of associate	9	549,048	1,994,023	-	-
Profit before income tax expense		170,196,642	771,719,716	170,157,594	770,725,693
Tax income (expense)	28	9,949,301	(52,462,446)	9,949,301	(52,462,446)
Profit for the year		180,145,943	719,257,270	180,106,895	718,263,247
Other comprehensive income					
<i>Item that will be reclassified subsequently to profit or loss</i>					
Loss on remeasuring available-for-sale investments	6	(2,611,197)	(3,307,487)	(2,611,197)	(3,307,487)
Income tax relating to item that will be reclassified subsequently to profit or loss	13, 28	522,239	661,497	522,239	661,497
Total item that will be reclassified subsequently to profit or loss		(2,088,958)	(2,645,990)	(2,088,958)	(2,645,990)
<i>Item that will not be reclassified subsequently to profit or loss</i>					
Losses on remeasurements of defined benefit plans	17	(7,297,991)	(7,501,838)	(7,297,991)	(7,501,838)
Income tax relating to item that will not be reclassified to profit or loss	13, 28	1,459,598	1,500,368	1,459,598	1,500,368
Total item that will not be reclassified to profit or loss		(5,838,393)	(6,001,470)	(5,838,393)	(6,001,470)
Other comprehensive income for the year, net of tax		(7,927,351)	(8,647,460)	(7,927,351)	(8,647,460)
Total comprehensive income for the year		172,218,592	710,609,810	172,179,544	709,615,787
Basic earnings per share	30	8.56	32.69	8.56	32.65

The accompanying notes are an integral part of these 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	Share premium on ordinary shares	Retained earnings			Other component of equity	Total equity
				Legal reserve	Other reserve	Unappropriated	Available- for-sale investments	
<i>(in Baht)</i>								
Year ended 31 March 2018								
Balance at 1 April 2017		220,000,000	726,100,000	22,000,000	420,000,000	4,939,898,710	4,613,235	6,332,611,945
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends	31	-	-	-	-	(667,920,000)	-	(667,920,000)
Total distributions to owners of the Company		-	-	-	-	(667,920,000)	-	(667,920,000)
Total transactions with owners, recorded directly in equity		-	-	-	-	(667,920,000)	-	(667,920,000)
Comprehensive income for the year								
Profit		-	-	-	-	719,257,270	-	719,257,270
Other comprehensive income		-	-	-	-	(6,001,470)	(2,645,990)	(8,647,460)
Comprehensive income for the year		-	-	-	-	713,255,800	(2,645,990)	710,609,810
Balance at 31 March 2018		220,000,000	726,100,000	22,000,000	420,000,000	4,985,234,510	1,967,245	6,375,301,755

The accompanying notes are an integral part of these 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	Total equity	
	Retained earnings									
	Note	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Legal reserve	Treasury shares reserve	Other reserve	Unappropriated		Available- for-sale investments
<i>(in Baht)</i>										
Year ended 31 March 2019										
Balance at 1 April 2018		220,000,000	-	726,100,000	22,000,000	-	420,000,000	4,985,234,510	1,967,245	6,375,301,755
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the Company</i>										
Treasury shares purchased	19, 20	-	(970,420,000)	-	-	970,420,000	-	(970,420,000)	-	(970,420,000)
Dividends	31	-	-	-	-	-	-	(359,700,000)	-	(359,700,000)
Total contributions by and distributions to owners of the Company		-	(970,420,000)	-	-	970,420,000	-	(1,330,120,000)	-	(1,330,120,000)
Total transactions with owners, recorded directly in equity		-	(970,420,000)	-	-	970,420,000	-	(1,330,120,000)	-	(1,330,120,000)
Comprehensive income for the year										
Profit		-	-	-	-	-	-	180,145,943	-	180,145,943
Other comprehensive income		-	-	-	-	-	-	(5,838,393)	(2,088,958)	(7,927,351)
Comprehensive income for the year		-	-	-	-	-	-	174,307,550	(2,088,958)	172,218,592
Balance at 31 March 2019		220,000,000	(970,420,000)	726,100,000	22,000,000	970,420,000	420,000,000	3,829,422,060	(121,713)	5,217,400,347

The accompanying notes are an integral part of these financial statements.

Kang Yong Electric Public Company Limited

Statement of changes in equity

	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	Available-for-sale investments	
(in Baht)								
Year ended 31 March 2018								
Balance at 1 April 2017		220,000,000	726,100,000	22,000,000	420,000,000	4,924,385,634	4,613,235	6,317,098,869
Transactions with owners, recorded directly in equity								
<i>Distributions to owners of the Company</i>								
Dividends	31	-	-	-	-	(667,920,000)	-	(667,920,000)
<i>Total distributions to owners of the Company</i>		-	-	-	-	(667,920,000)	-	(667,920,000)
Total transactions with owners, recorded directly in equity		-	-	-	-	(667,920,000)	-	(667,920,000)
Comprehensive income for the year								
Profit		-	-	-	-	718,263,247	-	718,263,247
Other comprehensive income		-	-	-	-	(6,001,470)	(2,645,990)	(8,647,460)
Comprehensive income for the year		-	-	-	-	712,261,777	(2,645,990)	709,615,787
Balance at 31 March 2018		220,000,000	726,100,000	22,000,000	420,000,000	4,968,727,411	1,967,245	6,358,794,656

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	Other reserve			
					<i>(in Baht)</i>					
Year ended 31 March 2019										
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
Transactions with owners, recorded directly in equity										
<i>Contributions by and distributions to owners of the Company</i>										
Treasury shares purchased	19, 20	-	(970,420,000)	-	-	970,420,000	-	(970,420,000)	-	(970,420,000)
Dividends	31	-	-	-	-	-	-	(359,700,000)	-	(359,700,000)
Total contributions by and distributions to owners of the Company		-	(970,420,000)	-	-	970,420,000	-	(1,330,120,000)	-	(1,330,120,000)
Total transactions with owners, recorded directly in equity		-	(970,420,000)	-	-	970,420,000	-	(1,330,120,000)	-	(1,330,120,000)
Comprehensive income for the year										
Profit		-	-	-	-	-	-	180,106,895	-	180,106,895
Other comprehensive income		-	-	-	-	-	-	(5,838,393)	(2,088,958)	(7,927,351)
Comprehensive income for the year		-	-	-	-	-	-	174,268,502	(2,088,958)	172,179,544
Balance at 31 March 2019		220,000,000	(970,420,000)	726,100,000	22,000,000	970,420,000	420,000,000	3,812,875,913	(121,713)	5,200,854,200

Kang Yong Electric Public Company Limited

Statement of cash flows

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied			
	For the year ended 31 March		For the year ended 31 March	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the year	180,145,943	719,257,270	180,106,895	718,263,247
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax (income) expense	(9,949,301)	52,462,446	(9,949,301)	52,462,446
Depreciation	350,425,335	344,484,753	350,425,335	344,484,753
Amortisation	8,168,114	7,121,932	8,168,114	7,121,932
Provision for warranties	79,320,574	30,910,776	79,320,574	30,910,776
Non-current provisions for employee benefits	20,805,266	18,981,004	20,805,266	18,981,004
Unrealised (gain) loss on exchange	(6,641,548)	5,157,430	(6,641,548)	5,157,430
Share of profit of associate	(549,048)	(1,994,023)	-	-
(Reversal of) losses on inventories devaluation	(6,463,028)	28,166,221	(6,463,028)	28,166,221
Gain on disposal of equipment	(844,581)	(305,882)	(844,581)	(305,882)
Dividend income	(194,640,458)	(478,914,270)	(195,150,458)	(479,914,270)
Interest income	(49,616,168)	(58,150,447)	(49,616,168)	(58,150,447)
Rental income	(17,177,520)	(17,188,020)	(17,177,520)	(17,188,020)
	<u>352,983,580</u>	<u>649,989,190</u>	<u>352,983,580</u>	<u>649,989,190</u>
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	(23,772,341)	105,309,201	(23,772,341)	105,309,201
Value added tax refundable	3,781,228	915,637	3,781,228	915,637
Other receivables	1,830,570	(9,256,968)	1,830,570	(9,256,968)
Inventories	156,035,979	(196,125,093)	156,035,979	(196,125,093)
Other current assets	6,807,533	(4,001,983)	6,807,533	(4,001,983)
Other non-current assets	1,768,641	(2,790,669)	1,768,641	(2,790,669)
Trade accounts payable	(16,067,206)	(64,364,241)	(16,067,206)	(64,364,241)
Other payables	(34,507,365)	(86,272,402)	(34,507,365)	(86,272,402)
Other current liabilities	(7,691,531)	6,072,073	(7,691,531)	6,072,073
Warranties paid	(84,382,608)	(63,398,198)	(84,382,608)	(63,398,198)
Employee benefits paid	(11,176,679)	(6,547,277)	(11,176,679)	(6,547,277)
Provident fund paid	(1,240,755)	(539,218)	(1,240,755)	(539,218)
Net cash generated from operating	344,369,046	328,990,052	344,369,046	328,990,052
Taxes paid	(1,351,372)	(105,626,799)	(1,351,372)	(105,626,799)
Net cash from operating activities	<u>343,017,674</u>	<u>223,363,253</u>	<u>343,017,674</u>	<u>223,363,253</u>

The accompanying notes are an integral part of these financial statements.

Kang Yong Electric Public Company Limited

Statement of cash flows

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied			
	For the year ended 31 March		For the year ended 31 March	
	2019	2018	2019	2018
	<i>(in Baht)</i>			
<i>Cash flows from investing activities</i>				
(Increase) decrease in current investment	1,200,000,000	(800,000,000)	1,200,000,000	(800,000,000)
Proceeds from disposal of equipment	2,093,483	2,302,932	2,093,483	2,302,932
Acquisitions of property, plant and equipment	(295,667,854)	(444,478,038)	(295,667,854)	(444,478,038)
Acquisitions of computer software	(4,666,990)	(14,227,360)	(4,666,990)	(14,227,360)
Short-term loan to related party	(338,484,105)	(520,027,252)	(338,484,105)	(520,027,252)
Proceeds from short-term loan to related party	342,770,118	566,793,111	342,770,118	566,793,111
Dividends received	195,150,458	653,787,550	195,150,458	653,787,550
Interest received	49,378,453	61,498,799	49,378,453	61,498,799
Rental received	17,193,725	17,190,022	17,193,725	17,190,022
Net cash from (used in) investing activities	<u>1,167,767,288</u>	<u>(477,160,236)</u>	<u>1,167,767,288</u>	<u>(477,160,236)</u>
<i>Cash flows from financing activities</i>				
Payment to acquire treasury shares	(970,420,000)	-	(970,420,000)	-
Dividends paid to owners of the Company	(359,700,000)	(667,920,000)	(359,700,000)	(667,920,000)
Net cash used in financing activities	<u>(1,330,120,000)</u>	<u>(667,920,000)</u>	<u>(1,330,120,000)</u>	<u>(667,920,000)</u>
Net increase (decrease) in cash and cash equivalents	180,664,962	(921,716,983)	180,664,962	(921,716,983)
Cash and cash equivalents at 1 April	609,288,331	1,531,005,314	609,288,331	1,531,005,314
Cash and cash equivalents at 31 March	<u>789,953,293</u>	<u>609,288,331</u>	<u>789,953,293</u>	<u>609,288,331</u>
<i>Non-cash transactions</i>				
Property, plant and equipment purchased during the year are detailed as follows:				
Property, plant and equipment purchased during the year	(310,127,542)	(443,850,265)	(310,127,542)	(443,850,265)
Increase (decrease) in payables on purchases of property, plant and equipment	14,459,688	(627,773)	14,459,688	(627,773)
Net purchase of property, plant and equipment paid by cash	<u>(295,667,854)</u>	<u>(444,478,038)</u>	<u>(295,667,854)</u>	<u>(444,478,038)</u>

The accompanying notes are an integral part of these financial statements.

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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 22 May 2019.

1 General information

Kang Yong Electric Public Company Limited, the “Company”, is incorporated in Thailand and has its registered office at 67 Moo 11 Bangna-Trad Road, Km. 20, Bangchalong, Bangplee, Samutprakarn Province.

The Company was listed on the Stock Exchange of Thailand in October 1993.

The immediate parent company during the financial year was Mitsubishi Electric Corporation (41.13% 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 2018. The initial application of these new and revised TFRS has resulted in changes in certain of the Company’s accounting policies. These changes have no material effect on the financial statements.

In addition, a number of new and revised TFRS are not yet effective for current periods. The Company has not early adopted these standards in preparing these financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 35.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items.

<i>Items</i>	<i>Measurement bases</i>
Available-for-sale investments	Fair value
Defined benefit liabilities	Present value of the defined benefit obligations as explained in Note 3 (1)

Kang Yong Electric Public Company Limited
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(c) *Functional and presentation currency*

The financial statements are prepared and presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the financial statements to the nearest thousand unless otherwise stated.

(d) *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 accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

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

Note 10	Impairment test: key assumptions underlying recoverable amounts;
Note 13	Recognition of deferred tax assets: availability of future taxable profit against which tax losses carried forward can be used;
Note 16	Recognition and measurement of provision for warranties: key assumptions about the likelihood and magnitude of an outflow of resources; and
Note 17	Measurement of defined benefit obligations: key actuarial assumptions.

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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 (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3*: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Kang Yong Electric Public Company Limited
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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.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 10 - Investment properties; and
- Note 32 - Financial instruments

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 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 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 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.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2019

(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.

(d) *Trade and other accounts receivable*

Trade and other accounts receivable are stated at their invoice value less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

(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 process, 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 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 on available-for-sale items, 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 stated 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.

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.

(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. 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 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
Other computer software	5	years
Golf course membership	5	years

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

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Notes to the financial statements
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(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.

(l) Employee benefits

Defined contribution plans

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

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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.

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.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2019

(n) 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.

(o) Revenue

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. Service income is recognised as services are provided.

Investments

Revenue from investments comprises rental income from investment properties and dividend and interest income from investments and bank deposits.

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.

Dividend income

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

Interest income

Interest income is recognised in profit or loss as it accrues.

Other income

Other income is recognised in profit or loss as it accrues.

(p) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred.

Kang Yong Electric Public Company Limited
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(q) Lease payments

Payments made under operating leases are recognised in profit or loss on a straight line basis over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether such an arrangement is or contains a lease. A specific asset is the subject of a lease if fulfilment of the arrangement is dependent on the use of that specified asset. An arrangement conveys the right to use the asset if the arrangement conveys to the Company the right to control the use of the underlying asset.

At inception or upon reassessment of the arrangement, the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Company's incremental borrowing rate.

(r) 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.

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.

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Notes to the financial statements
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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.

(s) 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.

(t) Segment reporting

Segment results that are reported to the Company's 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 mainly comprise assets, liabilities, investment income, gain/loss on foreign exchange, other income and certain items of selling and administrative expenses.

4 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationship with an associate was described in note 9. Relationships with key management and other related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
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, 41.13% shareholding
Thai Refrigeration Components Co., Ltd.	Thailand	Common director
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 Home Appliance Co., Ltd.	Japan	A subsidiary of the Company's parent

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2019

Name of entities	Country of incorporation/ nationality	Nature of relationships
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 Ryoden Air - Conditioning & Visual Information Systems (Hong Kong) Ltd.	Hongkong	A subsidiary of the Company's parent
Mitsubishi Electric Sales Malaysia Sdn.	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
Ryoden International Co., Ltd.	Hongkong	A subsidiary of the Company's parent
Melco Thai Capital Co., Ltd.	Thailand	A subsidiary of the Company's parent
Mitsubishi Electric Information Network	Japan	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
Mitsubishi Electric India Pvt. Ltd.	India	A subsidiary of the Company's parent
International Elevator & Equipment Inc.	Philippines	A subsidiary of the Company's parent
PT. Mitsubishi Electric Indonesia	Indonesia	A subsidiary of the Company's parent
Mitsubishi Electric Europe B.V. (Moscow Branch)	Russia	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
K.Y. Intertrade Co., Ltd.	Thailand	Common director

The Company has a policy on pricing based on “normal business practice or market price under normal trade conditions” for business transactions with its related parties, including purchases and sales of goods and services, as specified as follows:

- 1 Sales prices policy
 - Domestic sales prices are determined at weighted average of standard cost plus margin for all products.
 - Export sales prices are determined at resale price method which are dependent on market and competitive conditions of the particular country.
- 2 Other income are prices agreed between the parties.
- 3 Purchase policy of raw materials are prices agreed between the parties.
- 4 Purchase policy of property, plant and equipment are prices agreed between the parties.
- 5 Royalty fee is payable annually at a proportion of sales.
- 6 Product development fee is payable based on actual amount.
- 7 Technical assistance fee chargeable under technical assistance agreement with 5 years term and automatic rollover period of 5 years.

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- 8 The Company entered into a rental agreement with an associate. The rental fee is based on the market value.
- 9 The Company has inventory management service fee with an associate. The service fee is based on the area used.
- 10 The Company entered into an agreement with various companies in the Mitsubishi Group, to manage total funding of the Group by the use of pooling accounts. The Company may earn or pay interest, which is 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.
- 11 Interest rates on short-term loans from or to related parties are determined by based on the interest rate of the financial institution.
- 12 Product warranty expense is based on actual amount claims.
- 13 Distribution costs and administrative expenses are prices agreed between the parties.
- 14 Key management personnel compensation is determined by the Nomination and Remuneration Committee and the Company's policy.
- 15 Dividend income as declared amount.

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

<i>Year ended 31 March</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Parent				
Revenue from sale of goods	2,940,997	3,639,622	2,940,997	3,639,622
Other income	18	268	18	268
Royalty fee	176,455	192,533	176,455	192,533
Product development fee	275,108	295,117	275,108	295,117
Product warranty expense	63,459	58,433	63,459	58,433
Technical assistance fee	16,154	16,699	16,154	16,699
Distribution costs and administrative expenses	7,514	11,564	7,514	11,564
Associate				
Revenue from sale of goods	128	80	128	80
Rental income	17,178	17,178	17,178	17,178
Dividend income	-	-	510	1,000
Other income	686	951	686	951
Inventory management service fee	79,143	82,864	79,143	82,864
Distribution costs and administrative expenses	6,949	7,511	6,949	7,511
Key management personnel				
Key management personnel compensation				
Short-term employee benefits	84,537	73,032	84,537	73,032
Post-employment benefits	1,042	1,167	1,042	1,167
Other long-term benefits	10	12	10	12
Total key management personnel compensation	<u>85,589</u>	<u>74,211</u>	<u>85,589</u>	<u>74,211</u>

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<i>Year ended 31 March</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Other related parties				
Revenue from sale of goods	5,015,878	4,988,463	5,015,878	4,988,463
Purchases of raw material	1,043,822	1,166,339	1,043,822	1,166,339
Purchases of equipment	8,484	13,408	8,484	13,408
Dividend income	194,625	478,901	194,625	478,901
Interest income	234	240	234	240
Other income	1,785	9,602	1,785	9,602
Product warranty expense	8,566	3,160	8,566	3,160
Distribution costs and administrative expenses	86,191	97,411	86,191	97,411

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

Trade accounts receivable - related parties

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Parent	370,941	293,365
Associate	10	-
Other related parties	949,403	995,493
Total	1,320,354	1,288,858

Other receivables - related parties

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Parent	2,471	-
Associate	1,495	1,679
Other related parties	1,375	4,088
Total	5,341	5,767

Short-term loan to related party

	Interest rate		Financial statements in which the equity method is applied and separate financial statements	
	2019	2018	2019	2018
	<i>(% per annum)</i>		<i>(in thousand Baht)</i>	
Other related party	1.00	0.80	23,222	27,508

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Movements during the years ended 31 March of short-term loan to related party were as follows:

<i>Short-term loan to related party</i>	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Other related party		
At 1 April	27,508	74,274
Increase	338,484	520,027
Decrease	(342,770)	(566,793)
At 31 March	23,222	27,508

<i>Trade accounts payable - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Other related parties	123,646	115,615

<i>Other payables - related parties</i>	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Parent	272,476	278,086
Associate	8,693	8,769
Other related parties	31,171	39,257
Total	312,340	326,112

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 five years and is automatically extended for a successive period of five years each unless either party notifies in writing to the other party any intention of termination at least six 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 two 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 sixty days before expiration of this agreement. In May 2017, the Company notified to renew such agreement for a period of two years expiring on 31 July 2019.

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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 one 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) 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.

5 Cash and cash equivalents

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Cash on hand	100	150
Cash at banks - savings and current accounts	49,853	89,138
Highly liquid short-term investments	740,000	520,000
Total	789,953	609,288

6 Other investments

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in million Baht)</i>	
<i>Current investment</i>		
Short-term deposits at financial institutions	2,100,000	3,300,000
	2,100,000	3,300,000
<i>Other long-term investments</i>		
Equity securities available-for-sale	5,113	7,724
Other non-marketable equity securities	157,362	157,362
	162,475	165,086
Total	2,262,475	3,465,086

As at 31 March 2019, short-term deposits at financial institutions of Baht 2,100 million (2018: Baht 3,300 million) have period of maturity from 92 to 366 days and interest rates ranging from 1.25% to 1.75% per annum (2018: 1.25% to 1.60% per annum).

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

	Financial statements in which the equity method is applied and separate financial statements			
	2019		2018	
	Cost	Fair value <i>(in thousand Baht)</i>	Cost	Fair value
Marketable securities -				
Available for-sale securities				
Kulthorn Kirby Public Co., Ltd.	4,965	4,596	4,965	7,222
City Sports and Recreation Public Co., Ltd.	300	517	300	502
	5,265	5,113	5,265	7,724
Add / (less) valuation adjustment	(152)	-	2,459	-
Total / Net	5,113	5,113	7,724	7,724

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Other non-marketable equity securities as at 31 March 2018 and 2019 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			
		Ownership interest		Paid-up capital		Cost		Impairment		At cost - net					
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018		
		(%)													
		<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	180,696	445,212		
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	13,472	33,038		
Total						<u>157,362</u>	<u>157,362</u>	<u>-</u>	<u>-</u>	<u>157,362</u>	<u>157,362</u>	<u>194,432</u>	<u>478,514</u>		

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7 Trade accounts receivable

		Financial statements in which the equity method is applied and separate financial statements	
	<i>Note</i>	2019	2018
		<i>(in thousand Baht)</i>	
Related parties	4	1,320,354	1,288,858
Other parties		219	182
Total		<u>1,320,573</u>	<u>1,289,040</u>
Bad and doubtful debts expense for the year		<u>-</u>	<u>-</u>

Aging analyses for trade accounts receivable were as follows:

		Financial statements in which the equity method is applied and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties			
Within credit terms		1,299,485	1,287,589
Overdue			
Less than 3 months		20,869	1,269
		<u>1,320,354</u>	<u>1,288,858</u>
Other parties			
Within credit terms		<u>219</u>	<u>182</u>
Total		<u>1,320,573</u>	<u>1,289,040</u>

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

8 Inventories

		Financial statements in which the equity method is applied and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Finished goods		323,416	381,065
Work in progress		58,663	81,439
Raw materials and factory supplies		531,981	605,034
Goods in transit		24,852	27,410
		<u>938,912</u>	<u>1,094,948</u>
<i>Less</i> allowance for decline in value		<i>(42,299)</i>	<i>(48,762)</i>
Net		<u>896,613</u>	<u>1,046,186</u>
Inventories recognised as an expense in ‘cost of sales of goods’			
- Cost		6,952,980	7,237,487
- Write-down to net realisable value		11,962	40,451
- Reversal of write-down		<i>(18,425)</i>	<i>(12,285)</i>
Net		<u>6,946,517</u>	<u>7,265,653</u>

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9 Investment in associate

	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
		<i>(in thousand Baht)</i>		
At 1 April	19,507	18,513	3,000	3,000
Share of profits of associate	549	1,994	-	-
Dividend income	(510)	(1,000)	-	-
At 31 March	19,546	19,507	3,000	3,000

On 6 March 2018, Smile Super Express Co., Ltd., an associate increased the share capital from Baht 9 million (divided into 9,000 shares at par value of Baht 1,000 per share) to Baht 11.06 million (divided into 11,060 shares at par value of Baht 1,000). The Company did not exercise the right to purchase newly issue shares in the associate resulting to a decrease of proportionate of shareholding from 33.33% to 27.12%. However, the Company still has significant influence in such associate.

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Investment in associate as at 31 March 2019 and 2018 and dividend income from the investment for the years then ended were as follows:

Investee	Type of business	Ownership interest		Financial statements in which the equity method is applied						Dividend income	
		2019	2018	Paid-up capital		Cost		Equity		2019	2018
		(%)		2019	2018	2019	2018	2019	2018	2019	2018
Smile Super Express Co., Ltd.	Logistic	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>19,546</u>	<u>19,507</u>	<u>510</u>	<u>1,000</u>
Investee	Ownership interest		Paid-up capital		Separate financial statements				Dividend income		
	2019	2018	2019	2018	Cost		Impairment		At cost - net		
	(%)		2019	2018	2019	2018	2019	2018	2019	2018	2019

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

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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.

	For the year ended 31 March 2019	Smile Super Express Co., Ltd.		For the year ended 31 March 2018
		For the period 1 April 2017 - 28 February 2018	For the period 1 March 2018 - 31 March 2018	
Revenue	167,061	159,316	17,229	176,545
Total comprehensive income (100%)	2,025	3,942	2,507	6,449
% hold	27.12	33.33	27.12	
Company's share of total comprehensive income	549	1,314	680	1,994
Current assets	81,065			81,194
Non-current assets	12,659			11,230
Current liabilities	(14,252)			(15,289)
Non-current liabilities	(7,400)			(5,787)
Net assets (100%)	72,072			71,348
% hold	27.12			27.12
Carrying amount of interest in associate	19,546			19,507

10 Investment properties

	Financial statements in which the equity method is applied and separate financial statements		
	Land	Buildings	Total
	<i>(in thousand Baht)</i>		
Cost			
At 1 April 2017	9,578	91,436	101,014
At 31 March 2018 and 1 April 2018	9,578	91,436	101,014
At 31 March 2019	9,578	91,436	101,014
Depreciation and impairment losses			
At 1 April 2017	5,389	91,436	96,825
At 31 March 2018 and 1 April 2018	5,389	91,436	96,825
At 31 March 2019	5,389	91,436	96,825
Net book value			
At 1 April 2017	4,189	-	4,189
At 31 March 2018 and 1 April 2018	4,189	-	4,189
At 31 March 2019	4,189	-	4,189

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Investment properties comprise land and buildings that are leased to an associate and plots of land that are not used in operations.

The fair value of investment properties as at 31 March 2019 of Baht 155.56 million (2018: Baht 154.56 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 Treasury Department for land not used in operations. The fair value measurement for investment property has been categorised as a Level 3 fair value.

Measurement of fair value

Fair value hierarchy

The fair value of investment properties was determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of the property being valued. The independent valuers provide the fair value of the Company's investment properties regularly.

The fair value measurement for investment properties has been categorised as a Level 3 fair value based on the inputs to the valuation technique used.

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.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
<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).

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11 Property, plant and equipment

	Financial statements in which the equity method is applied and separate financial statements							
	Land and improvements	Buildings and improvements	Machinery and equipment	Factory equipment <i>(in thousand Baht)</i>	Office equipment	Vehicles	Assets under construction and installation	Total
<i>Cost</i>								
At 1 April 2017	163,969	716,283	1,577,462	3,031,375	125,471	1,167	155,171	5,770,898
Additions	-	944	12,642	66,064	9,797	3	354,400	443,850
Transfers	-	23,323	146,422	286,899	5,452	-	(462,096)	-
Disposals	-	-	(19,548)	(49,874)	(4,202)	(982)	-	(74,606)
At 31 March 2018 and 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)
At 31 March 2019	186,909	747,294	1,771,302	3,442,064	144,791	1,645	50,831	6,344,836
<i>Depreciation</i>								
At 1 April 2017	34,471	633,364	1,111,324	2,545,573	79,182	1,068	-	4,404,982
Depreciation charge for the year	-	21,875	70,599	236,975	15,011	24	-	344,484
Disposals	-	-	(19,029)	(48,430)	(4,168)	(982)	-	(72,609)
At 31 March 2018 and 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)
At 31 March 2019	35,080	671,939	1,216,288	2,900,573	98,818	400	-	4,923,098

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	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	
<i>Net book value</i>								
At 1 April 2017	<u>129,498</u>	<u>82,919</u>	<u>466,138</u>	<u>485,802</u>	<u>46,289</u>	<u>99</u>	<u>155,171</u>	<u>1,365,916</u>
At 31 March 2018 and 1 April 2018	<u>129,498</u>	<u>85,311</u>	<u>554,084</u>	<u>600,346</u>	<u>46,493</u>	<u>78</u>	<u>47,475</u>	<u>1,463,285</u>
At 31 March 2019	<u>151,829</u>	<u>75,355</u>	<u>555,014</u>	<u>541,491</u>	<u>45,973</u>	<u>1,245</u>	<u>50,831</u>	<u>1,421,738</u>

The gross amount of the Company's fully depreciated plant and equipment that was still in use as at 31 March 2019 amounted to Baht 3,810.23 million (2018: Baht 3,630.30 million).

As at 31 March 2018, the Company's land with a cost approximately Baht 9.30 million that was partially under land servitude, was completely free from land servitude.

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12 Intangible assets

	Financial statements in which the equity method is applied and separate financial statements				Total
	Software licences	Other computer software	Golf course membership	Software under installation	
	<i>(in thousand Baht)</i>				
Cost					
At 1 April 2017	17,900	19,237	962	8,400	46,499
Additions	10,250	3,978	-	-	14,228
Transfers	8,400	-	-	(8,400)	-
At 31 March 2018 and 1 April 2018	36,550	23,215	962	-	60,727
Additions	910	3,756	-	-	4,666
At 31 March 2019	37,460	26,971	962	-	65,393
Amortisation					
At 1 April 2017	1,044	7,651	234	-	8,929
Amortisation for the year	2,914	4,014	195	-	7,123
At 31 March 2018 and 1 April 2018	3,958	11,665	429	-	16,052
Amortisation for the year	3,892	4,083	192	-	8,167
At 31 March 2019	7,850	15,748	621	-	24,219
Net book value					
At 1 April 2017	16,856	11,586	728	8,400	37,570
At 31 March 2018 and 1 April 2018	32,592	11,550	533	-	44,675
At 31 March 2019	29,610	11,223	341	-	41,174

13 Deferred tax

Deferred tax assets and liabilities as at 31 March were as follows:

	Financial statements in which the equity method is applied and separate financial statements			
	Assets		Liabilities	
	2019	2018	2019	2018
	<i>(in thousand Baht)</i>			
Total	94,213	79,552	(18,204)	(15,474)
Set off of tax	(18,204)	(15,474)	18,204	15,474
Net deferred tax assets	76,009	64,078	-	-

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Movements in total deferred tax assets and liabilities during the years were as follows:

	Financial statements in which the equity method is applied and separate financial statements			At 31 March 2019
	At 1 April 2018	<u>(Charged) / Credited to:</u>		
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Inventories <i>(allowance for decline in value)</i>	9,752	(1,293)	-	8,459
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
Total	79,552	13,201	1,460	94,213
<i>Deferred tax liabilities</i>				
Available-for-sale securities <i>(revaluation)</i>	(492)	-	522	30
Property, plant and equipment <i>(depreciation gap)</i>	(14,982)	(3,252)	-	(18,234)
Total	(15,474)	(3,252)	522	(18,204)
Net	64,078	9,949	1,982	76,009

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	Financial statements in which the equity method is applied and separate financial statements			At 31 March 2018
	At 1 April 2017	(Charged) / Credited to:		
		Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	
Deferred tax assets				
Inventories <i>(allowance for decline in value)</i>	4,119	5,633	-	9,752
Investment properties <i>(impairment losses on land not used in operations)</i>	1,078	-	-	1,078
Provision for warranties	28,222	(6,497)	-	21,725
Non-current provisions for employee benefits	40,097	2,487	1,500	44,084
Provident funds	3,021	(108)	-	2,913
Total	76,537	1,515	1,500	79,552
Deferred tax liabilities				
Available-for-sale securities <i>(revaluation)</i>	(1,153)	-	661	(492)
Property, plant and equipment <i>(depreciation gap)</i>	(11,846)	(3,136)	-	(14,982)
Total	(12,999)	(3,136)	661	(15,474)
Net	63,538	(1,621)	2,161	64,078

The tax losses expire in 2024. The Company recognised deferred tax assets from tax losses because management considered it probable that future taxable profits would be available against which such losses can be used.

14 Trade accounts payable

	<i>Note</i>	Financial statements in which the equity method is applied and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties	4	123,646	115,615
Other parties		755,555	778,845
Total		879,201	894,460

Kang Yong Electric Public Company Limited
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15 Other payables

	Note	Financial statements in which the equity method is applied and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Related parties	4	312,340	326,112
Others			
Accrued employee benefits		104,901	87,103
Payables on purchases of fixed assets		27,303	12,839
Others		36,225	74,356
Total		480,769	500,410

16 Provision for warranties

	Financial statements in which the equity method is applied and separate financial statements <i>(in thousand Baht)</i>
At 1 April 2017	141,112
Provisions made	30,911
Provisions used	(63,398)
At 31 March 2018 and 1 April 2018	108,625
Provisions made	79,321
Provisions used	(84,383)
At 31 March 2019	103,563

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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17 Non-current provisions for employee benefits

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Statement of financial position		
Non-current provisions for:		
Post-employment benefits		
Defined benefit plan	220,386	204,271
Other long-term employee benefits	16,961	16,149
Total	237,347	220,420
Year ended 31 March		
Statement of comprehensive income:		
Recognised in profit or loss:		
Post-employment benefits		
Defined benefit plan	18,704	17,184
Other long-term employee benefits	2,101	1,797
	20,805	18,981
Recognised in other comprehensive income:		
Actuarial losses recognised in the year	7,298	7,502
Cumulative actuarial losses recognised	47,276	39,978

Defined benefit plan

The Company operates 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 and interest rate risk.

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Movement in the present value of the defined benefit obligations:

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
At 1 April	220,420	200,485
Included in profit or loss:		
Current service cost	14,532	13,409
Past service cost	527	189
Interest on obligations	5,746	5,383
	<u>20,805</u>	<u>18,981</u>
Included in other comprehensive income		
Actuarial loss	<u>7,298</u>	<u>7,502</u>
Other		
Benefit paid	<u>(11,176)</u>	<u>(6,548)</u>
At 31 March	<u><u>237,347</u></u>	<u><u>220,420</u></u>

Actuarial losses recognised in other comprehensive income arising from:

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Demographic assumptions	-	2,253
Financial assumptions	5,882	-
Experience adjustment	1,416	5,249
Total	<u>7,298</u>	<u>7,502</u>

Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	%	
Discount rate	2.50	2.75
Future salary growth	5.00	5.00

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

At 31 March 2019, the weighted-average duration of the defined benefit obligation was 9 years (2018: 8 years).

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Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	Financial statements in which the equity method is applied and separate financial statements	
	Increase	Decrease
	<i>(in thousand Baht)</i>	
At 31 March 2019		
Discount rate (0.50% movement)	(12,079)	12,997
Future salary growth (1% movement)	22,329	(19,591)
At 31 March 2018		
Discount rate (0.50% movement)	(9,065)	9,738
Future salary growth (1% movement)	15,802	(13,895)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

18 Share capital

	Par value per share <i>(in Baht)</i>	2019		2018	
		Number	Amount	Number	Amount
		<i>(thousand shares / thousand Baht)</i>			
Authorised					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
At 31 March					
- ordinary shares	10	22,000	220,000	22,000	220,000
Issued and paid-up					
At 1 April					
- ordinary shares	10	22,000	220,000	22,000	220,000
At 31 March					
- ordinary shares	10	22,000	220,000	22,000	220,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at the meeting of the Company. In respect of the Company's shares that are held by the Company ('Treasury shares' (see note 19)) all rights are suspended until those shares are reissued.

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.

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19 Treasury shares

At Board of Directors' meeting of the Company held on 4 September 2018, the Board approved a Share Repurchase Project ('Project') to manage the Company's excess liquidity. Under the project, the Company shall repurchase not more than 10% of the paid-up share capital, or 2,200,000 shares from the existing shareholders at Baht 440 per share. The maximum amount approved for share repurchase under the project shall not exceed Baht 968 million. The Company may purchase the shares through the Stock Exchange of Thailand (SET) during the period from 1 October 2018 to 19 October 2018. The shares purchased may be resold after 6 months but within 3 years from the date of purchase.

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.

20 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.

21 Segment information

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 oversea. 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.

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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 oversea (Japan and other countries). Financial information of the Company by operating segments on a geographical basis for the years ended 31 March 2019 and 2018 was as follows:

<i>Year ended 31 March</i>	Domestic		Oversea				Total	
	2019	2018	Japan 2019	Japan 2018	Others 2019	Others 2018	2019	2018
	<i>(in thousand Baht)</i>							
Revenue from sale of goods and rendering of services	<u>3,101,656</u>	<u>3,001,774</u>	<u>3,129,722</u>	<u>3,825,215</u>	<u>1,728,808</u>	<u>1,804,753</u>	<u>7,960,186</u>	<u>8,631,742</u>
Segment profits	343,727	440,945	399,759	602,570	(15,615)	34,062	727,871	1,077,577
Unallocated expenses							(881,583)	(865,031)
Investment income							261,434	554,253
Net foreign exchange gain (loss)							17,371	(25,777)
Other income							44,555	28,703
Share of profit of associate							549	1,994
Profit before tax income (expense)							170,197	771,719
Tax income (expense)							9,949	(52,462)
Profit for the year							<u>180,146</u>	<u>719,257</u>
Segment assets as at 31 March							<u>6,945,996</u>	<u>8,135,866</u>
Segment liabilities as at 31 March							<u>1,728,596</u>	<u>1,760,564</u>

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Major customers

Revenues from major customers of the Company's 1 and 2 segments represents approximately Baht 6,036.38 million (2018: Baht 6,635.82 million) of the Company's total revenues.

22 Investment income

		Financial statements in which the equity method is applied		Separate financial statements	
	<i>Note</i>	2019	2018	2019	2018
		<i>(in thousand Baht)</i>			
<i>Rental income</i>					
Operating lease rental income					
Investment properties		17,178	17,188	17,178	17,188
<i>Dividend income</i>					
Associate	9	-	-	510	1,000
Related parties	4	194,625	478,901	194,625	478,901
Other parties		15	13	15	13
		<u>194,640</u>	<u>478,914</u>	<u>195,150</u>	<u>479,914</u>
<i>Interest income</i>					
Related parties	4	234	240	234	240
Other parties		49,382	57,911	49,382	57,911
		<u>49,616</u>	<u>58,151</u>	<u>49,616</u>	<u>58,151</u>
Total		<u>261,434</u>	<u>554,253</u>	<u>261,944</u>	<u>555,253</u>

23 Other income

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
Revenue from scrap sales	34,252	13,809
Others	10,303	14,894
Total	<u>44,555</u>	<u>28,703</u>

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24 Distribution costs

	<i>Note</i>	Financial statements in which the equity method is applied and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Royalty fee	4	176,455	192,533
Transportation expenses		109,342	103,627
Product warranty expense	16	79,321	30,911
Advertising and sales promotion expenses		46,856	63,740
Employee benefit expenses		21,603	19,023
Others		6,828	6,996
Total		440,405	416,830

25 Administrative expenses

	<i>Note</i>	Financial statements in which the equity method is applied and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Product development fee	4	275,108	295,117
Employee benefit expenses		191,678	176,462
Warehouse rental charge		81,387	85,109
Tax and duty		24,161	20,688
Depreciation and amortisation		22,474	24,322
Technical assistance fee	4	16,154	16,699
Travelling expenses		9,508	10,731
Others		106,506	107,584
Total		726,976	736,712

26 Employee benefit expenses

	<i>Note</i>	Financial statements in which the equity method is applied and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Wages and salaries		907,363	773,855
Defined contribution plans		35,667	28,622
Defined benefit plan	17	20,805	18,981
Others		91,637	88,073
Total		1,055,472	909,531

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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.

27 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:

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
<i>Included in cost of sale of goods:</i>		
Changes in inventories of finished goods and work in progress	80,425	129,103
Raw materials and consumables used	5,344,675	5,636,304
Employee benefit expenses	842,191	714,046
Depreciation and amortisation	336,118	324,877
<i>Included in distribution costs:</i>		
Royalty fee	176,455	192,533
Transportation expenses	109,342	103,627
Product warranty expense	79,321	30,911
Advertising and sales promotion expenses	46,856	63,740
<i>Included in administrative expenses:</i>		
Product development fee	275,108	295,117
Employee benefit expenses	191,678	176,462
Warehouse rental charge	81,387	85,109

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28 Income tax

Income tax recognised in profit or loss

	Note	Financial statements in which the equity method is applied and separate financial statements	
		2019	2018
		<i>(in thousand Baht)</i>	
Current tax expense			
Current year		-	50,841
		<u>-</u>	<u>50,841</u>
Deferred tax expense	13		
Movements in temporary differences		(9,949)	1,621
		<u>(9,949)</u>	<u>1,621</u>
Total tax (income) expense		<u>(9,949)</u>	<u>52,462</u>

Income tax recognised in other comprehensive income

	Financial statements in which the equity method is applied and separate financial statements					
	Before tax	2019 Tax (expense) benefit	Net of tax	Before tax	2018 Tax (expense) benefit	Net of tax
	<i>(in thousand Baht)</i>					
Available-for-sale securities	(2,611)	522	(2,089)	(3,307)	661	(2,646)
Defined benefit plan actuarial losses	<u>(7,298)</u>	<u>1,460</u>	<u>(5,838)</u>	<u>(7,502)</u>	<u>1,500</u>	<u>(6,002)</u>
Total	<u>(9,909)</u>	<u>1,982</u>	<u>(7,927)</u>	<u>(10,809)</u>	<u>2,161</u>	<u>(8,648)</u>

Reconciliation of effective tax rate

	Financial statements in which the equity method is applied			
	2019	2018	2019	2018
	<i>Rate (%)</i>	<i>(in thousand Baht)</i>	<i>Rate (%)</i>	<i>(in thousand Baht)</i>
Profit before tax expense		<u>170,197</u>		<u>771,720</u>
Income tax using the Thai corporation tax rate	20.00	34,039	20.00	154,344
Income not subject to tax		(39,038)		(96,182)
Additional deduction expenses for tax purposes		(5,325)		(6,238)
Expenses not deductible for tax purposes		375		538
Total	<u>(5.85)</u>	<u>(9,949)</u>	<u>6.80</u>	<u>52,462</u>

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	Separate financial statements			
	2019		2018	
	<i>Rate</i> <i>(%)</i>	<i>(in</i> <i>thousand</i> <i>Baht)</i>	<i>Rate</i> <i>(%)</i>	<i>(in</i> <i>thousand</i> <i>Baht)</i>
Profit before tax expense		170,158		770,726
Income tax using the Thai corporation tax rate	20.00	34,031	20.00	154,145
Income not subject to tax		(39,030)		(95,983)
Additional deduction expenses for tax purposes		(5,325)		(6,238)
Expenses not deductible for tax purposes		375		538
Total	(5.85)	(9,949)	6.81	52,462

29 Promotional privilege

By virtue of the provisions of the Industrial Investment Promotional Act B.E. 2520, the Company has been granted privilege by the Board of Investment relating to electrical appliances manufacturing business, which include the exemption from payment of import duty on imported raw material for using in production for export.

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

30 Basic earnings per share

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

	Financial statements in which the equity method is applied		Separate financial statements	
	2019	2018	2019	2018
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	180,146	719,257	180,107	718,263
Number of ordinary shares outstanding at 1 April	22,000	22,000	22,000	22,000
Effect of own share held	(958)	-	(958)	-
Weighted average number of ordinary shares outstanding (basic)	21,042	22,000	21,042	22,000
Earnings per share (basic) (in Baht)	8.56	32.69	8.56	32.65

31 Dividends

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

At the annual general meeting of the shareholders of the Company held on 26 July 2017, the shareholders approved the appropriation of dividends of Baht 30.36 per share, amounting to Baht 667.92 million. The dividend was paid to the shareholders in August 2017.

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32 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.

The effective interest rates of deposits at financial institutions, short-term investments and short-term loans to as at 31 March and the periods in which the term of mature or re-price were as follows:

	Effective interest rate (% per annum)	Financial statements in which the equity method is applied and separate financial statements Within 1 year (in thousand Baht)
2019		
Current		
Deposits at financial institutions	1.15 - 1.45	789,853
Short-term investments - fixed deposits	1.25 - 1.75	2,100,000
Short-term loan to related party	1.00	23,222
2018		
Current		
Deposits at financial institutions	0.50 - 1.15	609,138
Short-term investments - fixed deposits	1.25 - 1.60	3,300,000
Short-term loan to related party	0.80	27,508

Foreign currency risk

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

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

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
<i>United States Dollars</i>		
Trade accounts receivable	428,050	427,028
Trade accounts payable	(60,853)	(75,941)
Other payables	(16,050)	(26,853)
Net exposure	<u>351,147</u>	<u>324,234</u>
<i>Japanese Yen</i>		
Trade accounts receivable	50,048	56,246
Trade accounts payable	(6,400)	(9,186)
Other payables	(96,368)	(86,152)
Net exposure	<u>(52,720)</u>	<u>(39,092)</u>
<i>Russian Ruble</i>		
Trade accounts receivable	-	20,832
Net exposure	<u>-</u>	<u>20,832</u>
<i>Other currencies</i>		
Other payables	(2,466)	(2,952)
Net exposure	<u>(2,466)</u>	<u>(2,952)</u>
Total	<u><u>295,961</u></u>	<u><u>303,022</u></u>

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.

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.

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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	
31 March 2019					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	5,113	4,596	-	517	5,113
31 March 2018					
<i>Financial assets measured at fair value</i>					
Equity securities available-for-sale	7,724	7,222	-	502	7,724

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

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

33 Commitments with non-related parties

	Financial statements in which the equity method is applied and separate financial statements	
	2019	2018
	<i>(in thousand Baht)</i>	
<i>Capital commitments</i>		
<i>Contracted but not provided for</i>		
Plant and equipment	34,810	38,980
<i>Future minimum lease payments under non-cancellable operating leases</i>		
Within one year	5,582	4,010
After one year but within five years	10,991	4,915
Total	16,573	8,925

The Company entered into several long-term lease agreements covering vehicles which have four and five years which will expire in various periods up to the year 2022. In consideration thereof, the Company committed to pay rental fee at various annual rental rates as specified in the agreements.

34 Event after the reporting period

On 5 April 2019, the Labor Protection Act was amended to include a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of twenty years or more, receives severance payment of 400 days of wages at the most recent rate. The Company has therefore amended its retirement plan in accordance with the changes in the Labor Protection Act in the year 2020. As a result of this change, the provision for retirement benefits as well as past service cost recognised during the year 2020 in financial statements in which the equity method is applied and separate financial statements increased by an amount of Baht 57.41 million and Baht 57.41 million, respectively.

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35 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which relevant to the Company's operations are expected to have significant impact on the financial statements in which the equity method is applied and separate financial statements on the date of initial application. Those TFRS become effective for annual financial reporting periods beginning on or after 1 January of the following years

TFRS	Topic	Effective
TFRS 7*	Financial Instruments: Disclosures	2020
TFRS 9*	Financial Instruments	2020
TFRS 15	Revenue from Contracts with Customers	2019
TFRS 16	Leases	2020
TAS 32*	Financial Instruments: Presentation	2020
TFRIC 16*	Hedges of a Net Investment in a Foreign Operation	2020
TFRIC 19*	Extinguishing Financial Liabilities with Equity Instruments	2020

* TFRS - Financial instruments standards

(a) TFRS 15 Revenue from Contracts with Customers

TFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Revenue should be recognised when (or as) an entity transfers control over goods or services to a customer, measured at the amount to which the entity expects to be entitled.

Management is presently considering the potential impact of adopting and initially applying TFRS 15 on the financial statements in which the equity method is applied and separate financial statements.

(b) TFRS - Financial instruments standards

These TFRS establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

Management is presently considering the potential impact of adopting and initially applying TFRS - Financial instruments standards on the financial statements in which the equity method is applied and separate financial statements

(c) TFRS 16 Leases

TFRS 16 introduces a single lessee accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard, i.e. lessors continue to classify leases as finance or operating leases.

Management is presently considering the potential impact of adopting and initially applying TFRS 16 on the financial statements in which the equity method is applied and separate financial statements.

Kang Yong Electric Public Company Limited
Notes to the financial statements
For the year ended 31 March 2019

36 Reclassification of accounts

Certain accounts in the 2018 financial statements have been reclassified to conform to the presentation in the 2019 financial statements as follows:

	2018		
	Financial statements in which the equity method is applied and separate financial statements		
	Before reclassify	Reclassify <i>(in thousand Baht)</i>	After reclassify
<i>Statement of financial position</i>			
Value added tax refundable	-	36,425	36,425
Other receivables	62,912	<u>(36,425)</u>	26,487
		<u> -</u>	

The reclassifications have been made because, in the opinion of management, the new classification is more appropriate to the Company's business.