

Kang Yong Electric Public Company Limited

Condensed interim financial statements
for the three-month period ended
30 June 2020
and
Independent auditor's review report

Independent Auditor's Report on Review of Interim Financial Information

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

I have reviewed the accompanying statement of financial position in which the equity method is applied and separate statement of financial position of Kang Yong Electric Public Company Limited as at 30 June 2020; the related statements of comprehensive income, changes in equity and cash flows for the three-month period ended 30 June 2020; and condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Sophit Prompol)
Certified Public Accountant
Registration No. 10042

KPMG Phoomchai Audit Ltd.
Bangkok
7 August 2020

Kang Yong Electric Public Company Limited
Statement of financial position

		Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
Assets	<i>Note</i>	30 June 2020 (Unaudited)	31 March 2020 (Unaudited)	30 June 2020 (Unaudited)	31 March 2020 (Unaudited)
<i>(in thousand Baht)</i>					
Current assets					
Cash and cash equivalents		1,359,181	964,561	1,359,181	964,561
Other current financial assets		2,420,000	2,330,000	2,420,000	2,330,000
Trade accounts receivable	4	903,135	1,118,692	903,135	1,118,692
Value added tax refundable		22,235	28,457	22,235	28,457
Other receivables	4	28,897	32,064	28,897	32,064
Dividend receivables	4	-	171,415	-	171,415
Short-term loan to related party	4	88,948	83,911	88,948	83,911
Inventories		690,512	784,725	690,512	784,725
Other current assets		7,020	8,697	7,020	8,697
Total current assets		5,519,928	5,522,522	5,519,928	5,522,522
Non-current assets					
Other non-current financial assets	3, 12	160,032	159,008	160,032	159,008
Investment in associate	5	17,309	19,482	3,000	3,000
Investment properties		4,189	4,189	4,189	4,189
Property, plant and equipment	6	1,491,585	1,536,029	1,491,585	1,536,029
Right-of-use assets	3, 7	24,339	-	24,339	-
Intangible assets		33,655	35,394	33,655	35,394
Deferred tax assets		85,176	85,043	85,176	85,043
Other non-current assets		19,367	19,387	19,367	19,387
Total non-current assets		1,835,652	1,858,532	1,821,343	1,842,050
Total assets		7,355,580	7,381,054	7,341,271	7,364,572

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

Kang Yong Electric Public Company Limited
Statement of financial position

	Note	Financial statements			
		in which the equity method		Separate financial statements	
		is applied			
		30 June	31 March	30 June	31 March
		2020	2020	2020	2020
		(Unaudited)		(Unaudited)	
		<i>(in thousand Baht)</i>			
Liabilities and equity					
<i>Current liabilities</i>					
Trade accounts payable	4	644,558	789,304	644,558	789,304
Other payables	4	326,977	355,365	326,977	355,365
Current portion of lease liabilities	3, 9	7,239	-	7,239	-
Current income tax payable		72,013	48,953	72,013	48,953
Other current liabilities		12,129	11,337	12,129	11,337
Total current liabilities		1,062,916	1,204,959	1,062,916	1,204,959
<i>Non-current liabilities</i>					
Lease liabilities	3, 9	17,030	-	17,030	-
Provision for warranties		107,457	112,196	107,457	112,196
Non-current provisions for employee benefits		323,449	317,632	323,449	317,632
Provident funds		12,129	12,148	12,129	12,148
Total non-current liabilities		460,065	441,976	460,065	441,976
Total liabilities		1,522,981	1,646,935	1,522,981	1,646,935
<i>Equity</i>					
Share capital:					
Authorised share capital					
<i>(19,800,000 ordinary shares, par value at Baht 10 per share)</i>					
		198,000	198,000	198,000	198,000
Issued and paid-up share capital					
<i>(19,800,000 ordinary shares, par value at Baht 10 per share)</i>					
		198,000	198,000	198,000	198,000
Share premium:					
Share premium on ordinary shares					
		726,100	726,100	726,100	726,100
Retained earnings					
Appropriated					
Legal reserve					
		22,000	22,000	22,000	22,000
Other reserve					
		420,000	420,000	420,000	420,000
Unappropriated					
		4,468,575	4,370,914	4,454,266	4,354,432
Other component of equity					
		(2,076)	(2,895)	(2,076)	(2,895)
Total equity		5,832,599	5,734,119	5,818,290	5,717,637
Total liabilities and equity		7,355,580	7,381,054	7,341,271	7,364,572

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

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

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied			
	Three-month period ended 30 June		Three-month period ended 30 June	
<i>Note</i>	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
Revenue				
Revenue from sales of goods				
and rendering of services	4, 8	1,828,440	1,866,346	1,828,440
Investment income	4	14,035	15,920	14,035
Other income	4	12,261	17,759	12,261
Total revenue		1,854,736	1,900,025	1,854,736
Expenses				
Cost of sale of goods				
and rendering of services	4	1,492,151	1,620,964	1,492,151
Distribution costs	4	78,242	93,423	78,242
Administrative expenses	4	146,023	175,586	146,023
Net foreign exchange loss		15,364	9,051	15,364
Total expenses		1,731,780	1,899,024	1,731,780
Profit from operating activities		122,956	1,001	122,956
Finance costs		(90)	-	(90)
Share of loss of associate	5	(2,173)	(1,487)	-
Profit (loss) before income tax expense		120,693	(486)	122,866
Tax income (expense)	10	(23,032)	651	(23,032)
Profit for the period		97,661	165	99,834
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Gain (loss) on investments in equity instruments designated				
at fair value through other comprehensive income		1,024	(263)	1,024
Income tax relating to items that will not be reclassified		(205)	53	(205)
Other comprehensive income (expense) for the period, net of tax		819	(210)	819
Total comprehensive income (expense) for the period		98,480	(45)	100,653
Basic earnings per share (in Baht)	11	4.93	0.01	5.04

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

Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

	Financial statements in which the equity method is applied							Other component	Total
	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Legal reserve	Treasury shares reserve	Other reserve	Unappropriated	Retained earnings	
								Loss on investments in equity instruments designated at fair value through other comprehensive income	equity
	<i>(in thousand Baht)</i>								
Three-month period ended 30 June 2019									
Balance at 1 April 2019	220,000	(970,420)	726,100	22,000	970,420	420,000	3,829,422	(122)	5,217,400
Comprehensive income (expense) for the period									
Profit	-	-	-	-	-	-	165	-	165
Other comprehensive income (expense)	-	-	-	-	-	-	-	(210)	(210)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	165	(210)	(45)
Balance at 30 June 2019	220,000	(970,420)	726,100	22,000	970,420	420,000	3,829,587	(332)	5,217,355

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

Kang Yong Electric Public Company Limited

Statement of changes in equity (Unaudited)

	Separate financial statements							Other component of equity	Total equity
	Issued and paid-up share capital	Treasury shares	Share premium on ordinary shares	Legal reserve	Treasury shares reserve	Other reserve	Unappropriated		
								Loss on investments in equity instruments designated at fair value through other comprehensive income	
	<i>(in thousand Baht)</i>								
Three-month period ended 30 June 2019									
Balance at 1 April 2019	220,000	(970,420)	726,100	22,000	970,420	420,000	3,812,876	(122)	5,200,854
Comprehensive income (expense) for the period									
Profit	-	-	-	-	-	-	1,652	-	1,652
Other comprehensive income (expense)	-	-	-	-	-	-	-	(210)	(210)
Total comprehensive income (expense) for the period	-	-	-	-	-	-	1,652	(210)	1,442
Balance at 30 June 2019	220,000	(970,420)	726,100	22,000	970,420	420,000	3,814,528	(332)	5,202,296

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

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

	Financial statements			
	in which the equity method			
	is applied		Separate financial statements	
	Three-month period ended 30 June		Three-month period ended 30 June	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from operating activities</i>				
Profit for the period	97,661	165	99,834	1,652
<i>Adjustments to reconcile profit to cash receipts (payments)</i>				
Tax (income) expense	23,032	(651)	23,032	(651)
Finance costs	90	-	90	-
Depreciation	93,378	81,372	93,378	81,372
Amortisation	2,047	2,128	2,047	2,128
Provision for warranties	8,637	18,660	8,637	18,660
Non-current provisions for employee benefits	6,264	63,977	6,264	63,977
Unrealised loss on exchange	26,562	12,363	26,562	12,363
Share of loss of associate	2,173	1,487	-	-
(Reversal of) loss on inventories devaluation	551	(875)	551	(875)
Gain on disposal of equipment	(95)	(14)	(95)	(14)
Dividend income	(276)	(277)	(276)	(277)
Interest income	(9,465)	(11,349)	(9,465)	(11,349)
Rental income	(4,294)	(4,294)	(4,294)	(4,294)
	246,265	162,692	246,265	162,692
<i>Changes in operating assets and liabilities</i>				
Trade accounts receivable	191,528	395,457	191,528	395,457
Value added tax refundable	6,222	47	6,222	47
Other receivables	4,764	(7,613)	4,764	(7,613)
Inventories	93,662	(15,119)	93,662	(15,119)
Other current assets	1,677	570	1,677	570
Other non-current assets	20	454	20	454
Trade accounts payable	(142,140)	(219,515)	(142,140)	(219,515)
Other payables	(19,647)	(125,591)	(19,647)	(125,591)
Other current liabilities	792	8,032	792	8,032
Warranties paid	(13,376)	(17,193)	(13,376)	(17,193)
Employee benefits paid	(447)	-	(447)	-
Provident fund paid	(19)	-	(19)	-
Net cash generated from operating	369,301	182,221	369,301	182,221
Taxes paid	(310)	(354)	(310)	(354)
Net cash from operating activities	368,991	181,867	368,991	181,867

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

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

	Financial statements			
	in which the equity method		Separate financial statements	
	is applied			
	Three-month period ended 30 June		Three-month period ended 30 June	
	2020	2019	2020	2019
	<i>(in thousand Baht)</i>			
<i>Cash flows from investing activities</i>				
Net cash outflow of other current financial assets	(90,000)	-	(90,000)	-
Proceeds from disposal of equipment	183	25	183	25
Acquisitions of property, plant and equipment	(55,074)	(102,480)	(55,074)	(102,480)
Acquisitions of intangible assets	(308)	(29)	(308)	(29)
Short-term loan to related party	(54,089)	(71,460)	(54,089)	(71,460)
Proceeds from short-term loans to related party	49,052	69,439	49,052	69,439
Dividends received	171,692	277	171,692	277
Interest received	7,860	10,724	7,860	10,724
Rental received	4,301	4,310	4,301	4,310
Net cash from (used in) investing activities	33,617	(89,194)	33,617	(89,194)
<i>Cash flows from financing activities</i>				
Payment of lease liabilities	(2,062)	-	(2,062)	-
Net cash used in financing activities	(2,062)	-	(2,062)	-
Net increase in cash and cash equivalents, before effect of exchange rates	400,546	92,673	400,546	92,673
Effect of exchange rate changes on cash and cash equivalents	(5,926)	(902)	(5,926)	(902)
Net increase in cash and cash equivalents	394,620	91,771	394,620	91,771
Cash and cash equivalents at 1 April	964,561	789,953	964,561	789,953
Cash and cash equivalents at 30 June	1,359,181	881,724	1,359,181	881,724
<i>Non-cash transactions</i>				
Property, plant and equipment purchased during the period are detailed as follows:				
Property, plant and equipment purchased during the period	(47,120)	(77,343)	(47,120)	(77,343)
Decrease in payables on purchases of property, plant and equipment	(7,954)	(25,137)	(7,954)	(25,137)
Net purchase of property, plant and equipment paid by cash	(55,074)	(102,480)	(55,074)	(102,480)

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

Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

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Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language financial statements and were approved and authorised for issue by the Board of Directors on 7 August 2020.

1 General information

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

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

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

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

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

In addition, the Company has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements.

(b) Use of judgements, estimates and accounting policies

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

3 Changes in accounting policies

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

A. TFRS - Financial instruments standards

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

Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
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These TFRS - Financial instruments standards establish requirements related to definition, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting. The impact from adoption of TFRS - Financial instruments standards are as follows:

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

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

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

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

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

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

Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 30 June 2020 (Unaudited)

(2) Impairment - Financial assets and contract assets

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

B. TFRS 16 Leases

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

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

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

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

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

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

Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
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4 Related parties

Relationships with an associate is described in note 5. For other related parties, there was no material changes in relationships.

Pricing policies have no material changes during the three-month period ended 30 June 2020.

Significant transactions for the three-month period ended 30 June with related parties were as follows:

<i>Three-month period ended 30 June</i>	Financial statements in which the equity method is applied and separate financial statements	
	2020	2019
	<i>(in thousand Baht)</i>	
Parent		
Revenue from sale of goods	860,199	741,444
Other income	-	6
Royalty fee	40,394	40,651
Product development fee	55,726	58,009
Product warranty expense	11,866	13,167
Technical assistance fee	-	2,992
Distribution costs and administrative expenses	1,083	3,890
Associate		
Revenue from sale of goods	12	20
Rental income	4,294	4,294
Other income	170	157
Inventory management service fee	11,949	18,468
Distribution costs and administrative expenses	795	1,724
Key management personnel		
Key management personnel compensation		
Short-term employee benefits	18,191	21,781
Post-employment benefits	361	405
Other long-term benefits	3	4
Total key management personnel compensation	18,555	22,190
Other related parties		
Revenue from sale of goods	967,695	1,124,330
Purchases of raw material	269,130	246,533
Purchases of equipment	775	4,422
Interest income	306	70
Other income	301	99
Product warranty expense	1,096	2,435
Distribution costs and administrative expenses	12,581	9,788

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Balances as at 30 June 2020 and 31 March 2020 with related parties were as follows:

<i>Trade accounts receivable</i>	Financial statements in which the equity method is applied and separate financial statements	
	30 June 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Parent	329,119	345,082
Associate	61	5
Other related parties	573,810	773,459
	902,990	1,118,546
<i>Less allowance for impairment</i>	-	-
Net	902,990	1,118,546
	2020	2019
	<i>(in thousand Baht)</i>	
Impairment losses for the Three-month period ended 30 June	-	-
	-	-
 <i>Other receivables</i>	 Financial statements in which the equity method is applied and separate financial statements	
	30 June 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Parent	109	1,232
Associate	1,479	1,485
Other related parties	532	1,446
	2,120	4,163
<i>Less allowance for impairment</i>	-	-
Net	2,120	4,163
	2020	2019
	<i>(in thousand Baht)</i>	
Impairment losses for the Three-month period ended 30 June	-	-
	-	-
 <i>Dividend receivables</i>	 Financial statements in which the equity method is applied and separate financial statements	
	30 June 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Other related parties	-	171,415
	-	171,415

Kang Yong Electric Public Company Limited
Notes to the condensed interim financial statements
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Movements during the three-month period ended 30 June 2020 of short-term loan to related party were as follows:

	Interest rate		Financial statements in which the equity method is applied and separate financial statements			
	31 March 2020	30 June 2020	31 March 2020	Increase	Decrease	30 June 2020
	<i>(% per annum)</i>			<i>(in thousand Baht)</i>		
Other related party	0.60 - 1.56	0.22 - 1.56	83,911	54,089	(49,052)	88,948
Less allowance for impairment			-	-	-	-
Net			83,911			88,948

Trade accounts payable

	Financial statements in which the equity method is applied and separate financial statements	
	30 June 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Other related parties	100,433	104,500

Other payables

	Financial statements in which the equity method is applied and separate financial statements	
	30 June 2020	31 March 2020
	<i>(in thousand Baht)</i>	
Parent	108,326	139,413
Associate	5,159	6,905
Other related parties	5,732	25,998
Total	119,217	172,316

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Notes to the condensed interim financial statements
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5 Investment in associate

Investment in associate as at 30 June 2020 and 31 March 2020, and dividend income from the investment for the three-month period ended 30 June were as follows:

Financial statements in which the equity method is applied

	Type of business	Ownership interest		Paid-up capital		Cost		Equity		Dividend income for the three-month periods ended	
		30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	30 June 2019
		(%)				(in thousand Baht)					
<i>Associate</i>											
Smile Super Express Co., Ltd.	Logistic	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>17,309</u>	<u>19,482</u>	<u>-</u>	<u>-</u>

Separate financial statements

	Ownership interest		Paid-up capital		Cost		Impairment		At cost - net		Dividend income for the nine-month periods ended	
	30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	31 March 2020	30 June 2020	30 June 2019
	(%)						(in thousand Baht)					
<i>Associate</i>												
Smile Super Express Co., Ltd.	27.12	27.12	11,060	11,060	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>-</u>

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

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6 Property, plant and equipment

Acquisitions, disposals and transfers of property, plant and equipment during the three-month period ended 30 June 2020 were as follows:

	Financial statements in which the equity method is applied and separate financial statements	
	Acquisitions and transfers in - at cost	Disposals and transfers out - net book value
	<i>(in thousand Baht)</i>	
Land and improvements	960	-
Buildings and improvements	4,519	-
Machinery and equipment	1,009	-
Factory equipment	23,852	(60)
Office equipment	708	(29)
Assets under construction and installation	32,371	(16,298)
Total	63,419	(16,387)

7 Right-of-use assets

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

<i>Right-of-use assets</i>	<i>Note</i>	Financial statements in which the equity method is applied and separate financial statements		
		Land	Vehicle <i>(in thousand Baht)</i>	Total
At 1 April 2020	3(B)	12,481	13,760	26,241
Less depreciation		(624)	(1,278)	(1,902)
At 30 June 2020		11,857	12,482	24,339

8 Segment information and disaggregation of revenue

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

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

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

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

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The Company's operations mainly involve business segments in manufacturing and selling of household electrical appliances in Thailand and sale goods in both domestic and overseas (Japan and other countries). Financial information of the Company by operating segments on a geographical basis for the three-month periods ended 30 June 2020 and 2019 were as follows:

<i>Three-month period ended 30 June</i>	Domestic		Overseas				Total	
	2020	2019	Japan		Others		2020	2019
			2020	2019	2020	2019	2020	2019
	<i>(in thousand Baht)</i>							
Revenue from sale of goods and rendering of services	576,754	681,208	929,413	819,754	322,273	365,384	1,828,440	1,866,346
Segment profit (loss)	91,607	80,590	159,486	111,007	22,788	(10,600)	273,881	180,997
Unallocated expenses							(161,857)	(204,624)
Investment income							14,035	15,920
Net foreign exchange loss							(15,364)	(9,051)
Other income							12,261	17,759
Finance costs							(90)	-
Share of loss of associate							(2,173)	(1,487)
Profit (loss) before tax income							120,693	(486)
Tax income (expense)							(23,032)	651
Profit for the period							97,661	165
Segment assets as at								
30 June 2020 / 31 March 2020							7,355,580	7,381,054
Segment liabilities as at								
30 June 2020 / 31 March 2020							1,522,981	1,646,935

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9 Leases

<i>Three-month period ended 30 June 2020</i>	Financial statements in which the equity method is applied	Separate financial statements
<i>Recognised in profit or loss</i>	<i>(in thousand Baht)</i>	
Interest on lease liabilities	90	90
Expenses relating to short-term leases	290	290

Total cash outflow for leases presented in the statement of cash flows in which the equity method is applied and separate statement of cash flows for the three-month period ended 30 June 2020 were Baht 2.06 million.

10 Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year multiplied by the pre-tax income of the interim reporting period. The Company's effective tax rate in respect of continuing operations for the three-month period ended 30 June 2020 was 19.08% (31 March 2020: 7.34%). This change in effective tax rate was caused mainly by the different treatment for accounting and taxation purposes of certain items of income and expenses.

11 Basic earnings per share

The calculations of basic earnings per share for the three-month periods ended 30 June 2020 and 2019 were based on the profit for the periods attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the periods as follows:

<i>Three-month period ended 30 June</i>	Financial statements in which the equity method is applied		Separate financial statements	
	2020	2019	2020	2019
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>97,661</u>	<u>165</u>	<u>99,834</u>	<u>1,652</u>
Number of ordinary shares outstanding	<u>19,800</u>	<u>19,800</u>	<u>19,800</u>	<u>19,800</u>
Earnings per share (basic) (in Baht)	<u>4.93</u>	<u>0.01</u>	<u>5.04</u>	<u>0.08</u>

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12 Financial instruments

Carrying amounts and fair values

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

	Financial statements in which the equity method is applied and separate financial statements						
	Carrying amount			Fair value			
<i>At 30 June 2020</i>	Fair value through other comprehensive income	Amortised cost - net	Total	Level 1 <i>(in thousand Baht)</i>	Level 2	Level 3	Total
Financial assets							
Other financial assets							
Equity instruments	160,032	-	160,032	2,162	-	157,870	160,032
Total other financial assets	160,032	-	160,032				

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	Carrying amount	Financial statements in which the equity method is applied and separate financial statements			
		Fair value			Total
		Level 1	Level 2	Level 3	
<i>(in thousand Baht)</i>					
At 31 March 2020					
Financial assets measured at fair value					
Equity securities available-for-sale	1,647	1,120	-	527	1,647

Financial instruments measured at fair value

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

Impairment loss

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

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

13 Commitments with non-related parties

	Financial statements in which the equity method is applied and separate financial statements <i>(in thousand Baht)</i>
At 30 June 2020	
Capital commitments	
<i>Contracted but not provided for</i>	
Plant and equipment	46,810
Future minimum lease payments under non-cancellable operating leases	
Within 1 year	625

As at 30 June 2020, the Company had a letter of guarantee issued by a local bank to the Metropolitan Electricity Authority amounting to Baht 15.77 million.

14 Event after the reporting period

At the annual general meeting of the shareholders of the Company held on 23 July 2020, the shareholders approved the appropriation of dividends from net profit of Baht 15.70 per share, amounting to Baht 310.86 million. The dividend will be paid to shareholders in August 2020.