

Thai Steel Cable Public Company Limited
Report and financial statements
30 September 2021

Independent Auditor's Report

To the Shareholders of Thai Steel Cable Public Company Limited

Opinion

I have audited the accompanying financial statements of Thai Steel Cable Public Company Limited (the Company), which comprise the statement of financial position as at 30 September 2021, the related statements of comprehensive income, changes in shareholders' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Steel Cable Public Company Limited as at 30 September 2021, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. 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 the matter that, in my professional judgement, was of most significance in my audit of the financial statements of the current period. This matter was addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on this matter.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to this matter. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matter below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matter and how audit procedures respond for such matter are described below.

Sales

Sales are significant to the Company's financial statements and directly impact on the Company's operating results. Moreover, the Company has both domestic and overseas sales transactions under various terms and conditions. I therefore focused on the Company's recognition of sales, especially the timing of revenue recognition.

I assessed and tested the Company's internal controls related to revenue cycle by making enquiry of responsible executives, gaining an understanding of the controls and selecting representative samples to test the operation of the designed key controls. On a sampling basis, I checked documents supporting sales transactions occurring during the year and near the period end. I reviewed credit notes issued by the Company to customers after the end of the reporting period and performed analytical review of the sales accounts.

Other Information

Management is responsible for the other information. The other information comprises the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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

My objectives are to obtain reasonable assurance about whether the 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 Thai Standards on Auditing 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.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the 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 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, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 the matter that was of most significance in the audit of the financial statements of the current period and is therefore the key audit matter. I describe this matter 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.

I am responsible the audit resulting in this independent auditor's report.

Kunlapee Piyawannasuth
Certified Public Accountant (Thailand) No. 6137

EY Office Limited
Bangkok: 23 November 2021

Thai Steel Cable Public Company Limited**Statement of financial position****As at 30 September 2021**

		(Unit: Baht)	
	Note	2021	2020
Assets			
Current assets			
Cash and cash equivalents	8	177,518,095	475,852,108
Current investments		-	15,000,000
Trade and other receivables	9	427,821,088	377,700,974
Inventories	10	195,523,678	147,713,510
Other current financial assets	11	358,638,151	-
Other current assets		18,083,599	20,985,604
Total current assets		<u>1,177,584,611</u>	<u>1,037,252,196</u>
Non-current assets			
Long-term investment		-	25,704,000
Investment in equity instrument of a non-listed company	12	40,240,754	-
Investment properties	13	118,755,447	120,784,194
Property, plant and equipment	14	931,106,987	953,196,724
Intangible assets	15	6,786,031	10,201,116
Deferred tax assets	24	8,497,442	414,269
Other non-current assets		37,438,269	30,248,736
Total non-current assets		<u>1,142,824,930</u>	<u>1,140,549,039</u>
Total assets		<u><u>2,320,409,541</u></u>	<u><u>2,177,801,235</u></u>

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

Thai Steel Cable Public Company Limited
Statement of financial position (continued)
As at 30 September 2021

		(Unit: Baht)	
	Note	2021	2020
Liabilities and shareholders' equity			
Current liabilities			
Short-term loan from a bank	16	100,000,000	100,000,000
Trade and other payables	17	476,461,262	404,519,230
Current portion of finance lease payables	18	-	573,735
Current portion of lease liabilities	18	2,262,508	-
Income tax payable		4,059,299	-
Other current liabilities		15,548,494	11,877,046
Total current liabilities		598,331,563	516,970,011
Non-current liabilities			
Finance lease payables - net of current portion	18	-	165,060
Lease liabilities - net of current portion	18	3,032,032	-
Provision for long-term employee benefits	19	50,625,065	46,679,592
Provision for product warranty	20	73,233,522	39,091,521
Deferred tax liability	24	2,907,351	-
Other non-current liabilities		999,600	1,473,000
Total non-current liabilities		130,797,570	87,409,173
Total liabilities		729,129,133	604,379,184

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

Thai Steel Cable Public Company Limited
Statement of financial position (continued)
As at 30 September 2021

	Note	2021	(Unit: Baht) 2020
Shareholders' equity			
Share capital			
Registered			
268,500,000 ordinary shares of Baht 1 each		268,500,000	268,500,000
Issued and paid-up			
259,800,000 ordinary shares of Baht 1 each		259,800,000	259,800,000
Share premium		464,870,185	464,870,185
Retained earnings			
Appropriated - statutory reserve	21	26,850,000	26,850,000
Unappropriated		828,130,820	821,901,866
Other components of shareholders' equity		11,629,403	-
Total shareholders' equity		1,591,280,408	1,573,422,051
Total liabilities and shareholders' equity		2,320,409,541	2,177,801,235
		-	-

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

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Directors
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Thai Steel Cable Public Company Limited
Statement of comprehensive income
For the year ended 30 September 2021

(Unit: Baht)

	Note	2021	2020
Profit or loss:			
Revenues			
Sales	22	2,594,891,339	2,023,889,502
Other income		18,221,853	22,120,126
Total revenues		<u>2,613,113,192</u>	<u>2,046,009,628</u>
Expenses			
Cost of sales		2,124,354,009	1,745,220,575
Selling and distribution expenses		39,477,734	27,017,152
Administrative expenses		211,874,127	188,959,630
Total expenses		<u>2,375,705,870</u>	<u>1,961,197,357</u>
Profit from operating activities		237,407,322	84,812,271
Finance income		3,047,330	2,604,405
Finance cost		(1,574,597)	(831,955)
Profit before income tax expenses		238,880,055	86,584,721
Income tax expenses	24	(1,774,590)	(4,224,735)
Profit for the year		<u>237,105,465</u>	<u>82,359,986</u>
Other comprehensive income:			
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>			
Gain on changes in value of equity investments designated at fair value through other comprehensive income - net of income tax	12	2,028,175	-
Actuarial gain - net of income tax	19, 24	2,943,289	2,686,909
Other comprehensive income for the year		<u>4,971,464</u>	<u>2,686,909</u>
Total comprehensive income for the year		<u>242,076,929</u>	<u>85,046,895</u>
Earnings per share			
26			
Basic earnings per share			
Profit attributable to equity holders of the Company		0.91	0.32
Weighted average number of ordinary shares (shares)		<u>259,800,000</u>	<u>259,800,000</u>

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

Thai Steel Cable Public Company Limited**Cash flows statement****For the year ended 30 September 2021**

	(Unit: Baht)	
	2021	2020
Cash flows from operating activities		
Profit before tax	238,880,055	86,584,721
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities		
Depreciation and amortisation	119,146,568	121,893,421
Reduction of inventory to net realisable value (reversal)	1,687,633	(5,846,353)
Gain on disposal of equipment	(163,274)	(2,226,627)
Provisions	35,241,193	34,060,933
Provision for long-term employee benefits	6,983,801	6,103,185
Unrealised (gain) loss on exchange	(400,374)	133,846
Finance income	(3,047,330)	(2,604,405)
Finance cost	1,574,597	831,955
Profit from operating activities before changes in operating assets and liabilities	399,902,869	238,930,676
Operating assets (increase) decrease		
Trade and other receivables	(46,956,889)	101,765,166
Inventories	(49,497,801)	49,199,744
Other current assets	2,902,005	17,417,598
Other non-current assets	(21,275,533)	(14,678,406)
Operating liabilities increase (decrease)		
Trade and other payables	69,569,264	(197,107,446)
Other current liabilities	3,671,448	(2,019,244)
Other non-current liabilities	(473,400)	1,379,944
Cash flows from operating activities	357,841,963	194,888,032
Cash paid for provision for long-term employee benefits	-	(23,756,069)
Cash paid for provision for product warranty	(1,099,192)	(1,096,602)
Cash paid for interest expenses	(1,574,597)	(831,955)
Cash paid for income tax	(5,893,503)	(3,426,111)
Net cash flows from operating activities	349,274,671	165,777,295

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

Thai Steel Cable Public Company Limited**Cash flows statement (continued)**

For the year ended 30 September 2021

	(Unit: Baht)	
	2021	2020
Cash flows from investing activities		
Increase in other current financial assets	(343,638,151)	(10,152,571)
Cash paid for purchase of equipment	(67,858,263)	(75,004,125)
Cash paid for purchase of intangible assets	-	(1,020,000)
Proceeds from sales of equipment	310,692	8,545,251
Interest received	797,931	2,439,739
Net cash flows used in investing activities	(410,387,791)	(75,191,706)
Cash flows from financing activities		
Increase in short-term loan from a bank	-	100,000,000
Payment of principal portion of lease liabilities	(3,401,093)	(2,352,051)
Dividend paid	(233,819,800)	(155,880,000)
Net cash flows used in financing activities	(237,220,893)	(58,232,051)
Net increase (decrease) in cash and cash equivalents	(298,334,013)	32,353,538
Cash and cash equivalents at beginning of year	475,852,108	443,498,570
Cash and cash equivalents at end of year (Note 8)	177,518,095	475,852,108
	-	-
Non-cash items		
Increase (decrease) in other payables		
from purchase of equipment	1,859,316	(3,771,201)
Right-of-use assets increased from lease liabilities	137,588	-
Transfer other non-current assets to equipment	14,086,000	14,075,442

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

Thai Steel Cable Public Company Limited

Statement of changes in shareholders' equity

For the year ended 30 September 2021

(Unit: Baht)

	Issued and paid-up share capital	Share premium	Retained earnings		Other component of shareholders' equity	Total shareholders' equity
			Appropriated - statutory reserve	Unappropriated	Other comprehensive income - Fair value reserve	
Balance as at 1 October 2019	259,800,000	464,870,185	26,850,000	892,734,971	-	1,644,255,156
Profit for the year	-	-	-	82,359,986	-	82,359,986
Other comprehensive income for the year	-	-	-	2,686,909	-	2,686,909
Total comprehensive income for the year	-	-	-	85,046,895	-	85,046,895
Dividend paid (Note 29)	-	-	-	(155,880,000)	-	(155,880,000)
Balance as at 30 September 2020	259,800,000	464,870,185	26,850,000	821,901,866	-	1,573,422,051
Balance as at 1 October 2020	259,800,000	464,870,185	26,850,000	821,901,866	-	1,573,422,051
Cumulative effect of change in accounting policy (Note 4)	-	-	-	-	9,601,228	9,601,228
Balance as at 1 October 2020 - as restated	259,800,000	464,870,185	26,850,000	821,901,866	9,601,228	1,583,023,279
Profit for the year	-	-	-	237,105,465	-	237,105,465
Other comprehensive income for the year	-	-	-	2,943,289	2,028,175	4,971,464
Total comprehensive income for the year	-	-	-	240,048,754	2,028,175	242,076,929
Dividend paid (Note 29)	-	-	-	(233,819,800)	-	(233,819,800)
Balance as at 30 September 2021	259,800,000	464,870,185	26,850,000	828,130,820	11,629,403	1,591,280,408
	-	-	-	-	-	-
	-	-	-	-	-	-

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

Thai Steel Cable Public Company Limited

Notes to financial statements

For the year ended 30 September 2021

1. General information

Thai Steel Cable Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. The registered office of the Company is at 700/737, Moo 1, Tambol Panthong, Amphur Panthong, Chonburi.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547 and their presentation has been made in compliance with the stipulations of the Notification of the Department of Business Development, issued under the Accounting Act B.E. 2543.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the Thai language financial statements.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the year, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, the new standard involves changes to key principles, which are summarised below:

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

The impact of the adoption of these standards on the Company's financial statements is as follows.

- Classification and measurement of investment in equity instrument of a non-listed company - The Company has decided to measure this investment at fair value and classify it as financial asset at fair value through other comprehensive income.
- Recognition of expected credit losses - The Company recognises an allowance for expected credit losses on its debt instruments measured at amortised cost or fair value through other comprehensive income, and it is no longer necessary for a credit-impaired event to have occurred.

The Company recognised the cumulative effect of the adoption of these financial reporting standards as an adjustment to retained earnings and other component of shareholders' equity as at 1 October 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Company recognised the cumulative effect of the adoption of this financial reporting standard as an adjustment to retained earnings as at 1 October 2020, and the comparative information was not restated.

The cumulative effect of the change is described in Note 4 to the financial statements.

Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Treatment Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

During the year ended 30 September 2020, the Company elected to apply the temporary relief measures on accounting alternatives relating to identification of asset impairment indicator.

During the first quarter of 2021, the Company has assessed financial impacts on the valuation of assets arising from uncertainty of the COVID-19 Pandemic and therefore discontinues to apply the temporary relief measure on accounting alternative in the financial statements for the year ended 2021 which does not have any significant impact on the Company's financial statements.

b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The management of the Company has evaluated that the adoption of these financial reporting standards do not have any significant impact on the Company's financial statements.

c) Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Company believes that the adoption of these amendments will not have any significant impact on the Company's financial statements.

4. Cumulative effects of change in accounting policy due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Company has adopted the set of financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards was recognised as an adjustment to retained earnings and other component of shareholders' equity as at 1 October 2020. Therefore, the comparative information was not restated.

The impacts of changes in accounting policies on the statements of financial position as at 1 October 2020 due to the adoption of these standards are presented as follows:

(Unit: Thousand Baht)

	30 September 2020	The impacts of		1 October 2020
		Financial reporting standards related to financial instruments	TFRS 16	
Statement of financial position				
Assets				
Current assets				
Current investment	15,000	(15,000)	-	-
Other current financial asset	-	15,000	-	15,000
Non-current assets				
Long-term investment	25,704	(25,704)	-	-
Investment in equity instrument of a non-listed company	-	37,705	-	37,705
Property, plant and equipment	953,197	-	7,819	961,016
Liabilities and shareholders' equity				
Current liabilities				
Current portion of finance lease payables	574	-	(574)	-
Current portion of lease liabilities	-	-	3,379	3,379
Non-current liabilities				
Finance lease payables - net of current portion	165	-	(165)	-
Lease liabilities - net of current portion	-	-	5,179	5,179
Deferred tax liability	-	2,400	-	2,400
Shareholders' equity				
Other component of shareholders' equity	-	9,601	-	9,601

4.1 Financial instruments

As at 1 October 2020, classification and measurement of financial assets required by TFRS 9, in comparison with classification and the former carrying amount, are as follows:

(Unit: Thousand Baht)

	Carrying amounts under the former basis	Classification and measurement in accordance with TFRS 9		
		Fair value through other comprehensive income	Amortised cost	Total
Financial assets as at 1 October 2020				
Cash and cash equivalents	475,852	-	475,852	475,852
Trade and other receivables	377,701	-	377,701	377,701
Other current financial asset	15,000	-	15,000	15,000
Investment in equity instrument of a non-listed company	25,704	37,705	-	37,705
Total financial assets	894,257	37,705	868,553	906,258

As at 1 October 2020, the Company has not designated any financial liabilities at fair value through profit or loss.

4.2 Leases

On adoption of TFRS 16, the Company recognised lease liabilities in relation to leases that previously classified as operating leases measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as of 1 October 2020. For leases that previously classified as finance leases, the Company recognised the carrying amount of the lease assets and lease liabilities before transition as right-of-use assets and lease liabilities, respectively at the date of initial application.

	(Unit: Thousand Baht)
Operating lease commitments as at 30 September 2020	28,090
Less: Short-term leases and leases of low-value assets	(1,980)
Less: Contracts reassessed as service agreements	(17,779)
Less: Deferred interest expenses	(512)
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Increase in lease liabilities due to TFRS 16 adoption	7,819
Liabilities under finance lease agreements as at	
30 September 2020	739
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Lease liabilities as at 1 October 2020	8,558
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Weighted average incremental borrowing rate (percent per annum)	3.75
Comprise of:	
Current lease liabilities	3,379
Non-current lease liabilities	5,179
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	8,558
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The adjustment of right-of-use assets due to TFRS 16 adoption as at 1 October 2020 is related to motor vehicles.

5. Significant accounting policies

5.1 Revenue and expense recognition

Sales of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon delivery of the goods. Revenue is measured at the amount of the consideration received or receivable after deducting any consideration payable to customers, excluding value added tax.

Interest income

Interest income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

Finance cost

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

Dividends

Dividends are recognised when the right to receive the dividends is established.

5.2 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.3 Inventories

Finished goods and work in process are valued at the lower of cost under the first-in, first-out method and net realisable value. The cost of inventories is measured using the standard cost method, which approximates actual cost and includes raw material costs, labour costs and attributable factory overheads.

Raw materials, spare parts and factory supplies are valued at the lower of average cost and net realisable value and are charged to production costs whenever consumed.

5.4 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation of investment properties is calculated by reference to their costs on the straight-line basis over estimated useful lives of 20 years and 40 years. Depreciation of the investment properties is included in determining income.

On disposal of investment properties, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the year when the asset is derecognised.

5.5 Property, plant and equipment/Depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of plant and equipment is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Land improvement	-	20 years
Building	-	20, 40 years
Building improvement	-	5 - 25 years
Machinery and factory equipment	-	3 - 20 years
Tools	-	1 - 20 years
Molds	-	1 - 10 years
Furniture, fixtures and operating equipment	-	3 - 10 years
Motor vehicles	-	10 years

Depreciation is included in determining income.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.6 Intangible assets

The intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

A summary of the intangible assets with finite useful lives is as follows:

	<u>Useful lives</u>
Computer software	3 - 10 years

5.7 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company as a lessee

Accounting policies adopted since 1 October 2020

The Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Right-of-use assets of the Company are motor vehicles. Depreciation of right-of-use assets are calculated by reference to their costs, on the straight-line basis over the shorter of their estimated useful lives and the lease term which are between 1 and 4 years.

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right of use are presented as property, plant and equipment in the financial position.

Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company discounted the present value of the lease payments by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

Accounting policies adopted before 1 October 2020

Leases of equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in long-term payables, while the interest element is charged to profit or loss over the lease period. The assets acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

5.8 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include associated companies and individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors, and officers with authority in the planning and direction of the Company's operations.

5.9 Foreign currencies

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.10 Impairment of non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property, plant and equipment, right-of-use asset, investment properties and other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

5.11 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefit

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plan and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other long-term employee benefit plan, namely long service awards. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan and other long-term employee benefit plan is determined by a professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from defined benefit plans are recognised immediately in other comprehensive income and actuarial gains and losses arising from other long-term benefit are recognised in profit and loss.

5.12 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.13 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

5.14 Financial instruments

Accounting policies adopted since 1 October 2020

The Company initially measures financial assets at its fair value plus, in the case of financial assets that are not measured at fair value through profit or loss, transaction costs. However, trade receivables, that do not contain a significant financing component are measured at the transaction price as disclosed in the accounting policy relating to revenue recognition.

Classification and measurement of financial assets

Financial assets are classified, at initial recognition, as to be subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through profit or loss (FVTPL). The classification of financial assets at initial recognition is driven by the Company's business model for managing the financial assets and the contractual cash flows characteristics of the financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if the financial asset is held in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated at FVOCI (equity instruments)

Upon initial recognition, the Company can elect to irrevocably classify its equity investments which are not held for trading as equity instruments designated at FVOCI. The classification is determined on an instrument-by-instrument basis.

Gains and losses recognised in other comprehensive income on these financial assets are never recycled to profit or loss.

Dividends are recognised as other income in profit or loss, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

Equity instruments designated at FVOCI are not subject to impairment assessment.

Classification and measurement of financial liabilities

Except for derivative liabilities, at initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. In determining amortised cost, the Company takes into account any fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in profit or loss.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either the Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Company considers a significant increase in credit risk to have occurred when contractual payments are more than 30 days past due, and considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Accounting policies adopted before 1 October 2020

Trade accounts receivable

Trade accounts receivable are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of receivables. The allowance is generally based on collection experience and analysis of debt aging.

Investment

Investment in non-marketable equity security, which the Company classifies as other investment, is stated at cost net of allowance for impairment loss (if any).

The weighted average method is used for computation of the cost of investment.

5.15 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categorise of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

6. Significant accounting judgements and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgements and estimates regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgements and estimates are as follows:

Property plant and equipment/Depreciation

In determining depreciation of plant and equipment, the management is required to make estimates of the useful lives and residual values of the plant and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, plant and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

Assurance-type warranty to customers

The management estimates the warranty expenses for product return and repair of which sales are incurred during the year and are under warranty policy. The estimation is based on past experience and the history of actual claim.

Litigation

The Company has contingent liabilities as a result of litigation. This requires judgements from management to assess of the results of the litigation.

7. Related party transactions

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	2021	2020	Transfer Pricing Policy
<u>Transactions with related companies</u>			
Sales of goods	159	102	Cost plus margin
Other income	10	2	Cost plus margin
Purchases of raw materials and finished goods	381	282	Cost plus margin
Purchases of assets	3	1	Agreed upon basis
Royalty fee	17	15	2% on the net sales amount

As at 30 September 2021 and 2020, the balances of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Trade and other receivables - related parties (Note 9)		
<u>Trade receivables - related parties</u>		
Related companies	35,060	16,696
<u>Other receivables - related parties</u>		
Related companies	25	262
Trade and other payables - related parties (Note 17)		
<u>Trade payables - related parties</u>		
Related companies	70,566	54,596
<u>Other payables - related parties</u>		
Related companies	1,398	550
<u>Accrued royalty fee - related party</u>		
Related company	3,803	3,959

Directors and management's benefits

During the years ended 30 September 2021 and 2020, the Company provided employee benefit expenses to its directors and management as below.

	(Unit: Thousand Baht)	
	2021	2020
Short-term employee benefits	82,791	56,719
Post-employee benefits	4,131	3,106
Total	86,922	59,825

8. Cash and cash equivalents

	(Unit: Thousand Baht)	
	2021	2020
Cash	411	377
Bank deposits	177,107	475,475
Total	177,518	475,852

As at 30 September 2021, bank deposits carried interests between 0.05 and 0.75 percent per annum (2020: between 0.05 and 0.75 percent per annum).

9. Trade and other receivables

	(Unit: Thousand Baht)	
	2021	2020
<u>Trade receivables - related parties</u>		
Aged on the basis of due dates		
Not yet due	30,828	16,696
Past due up to 3 months	4,232	-
Total trade receivables - related parties	<u>35,060</u>	<u>16,696</u>
<u>Trade receivables - unrelated parties</u>		
Aged on the basis of due dates		
Not yet due	379,727	360,179
Past due		
Up to 3 months	6,615	2
3 - 6 months	124	-
6 - 12 months	4	-
Total trade receivables - unrelated parties	<u>386,470</u>	<u>360,181</u>
Total trade receivables - net	<u>421,530</u>	<u>376,877</u>
<u>Other receivables</u>		
Other receivables - related parties	25	262
Other receivables - unrelated parties	6,266	562
Total other receivables - net	<u>6,291</u>	<u>824</u>
Total trade and other receivables - net	<u><u>427,821</u></u>	<u><u>377,701</u></u>

10. Inventories

	(Unit: Thousand Baht)					
	Cost		Reduce cost to net realisable value		Inventories - net	
	2021	2020	2021	2020	2021	2020
Finished goods	42,418	34,823	(553)	(581)	41,865	34,242
Work in process	37,056	24,079	(449)	(169)	36,607	23,910
Raw materials	102,456	80,139	(4,884)	(3,448)	97,572	76,691
Goods in transit	17,133	11,093	-	-	17,133	11,093
Spare parts and factory supplies	2,347	1,778	-	-	2,347	1,778
Total	<u>201,410</u>	<u>151,912</u>	<u>(5,886)</u>	<u>(4,198)</u>	<u>195,524</u>	<u>147,714</u>

During the current year, the Company reduced cost of inventories by Baht 2 million to reflect the net realisable value. This was included in cost of sales. (2020: the Company reversed the write-down of cost of inventories by Baht 6 million and reduced the amount of inventories recognised as expenses during the year).

11. Other current financial assets

It represents fixed deposits with banks with an original maturity of more than three months and are not subject to withdrawal restrictions.

12. Investment in equity instrument of a non-listed company

Company's name	Nature of business	Country of incorporation	Paid-up capital		Shareholding percentage		Cost	
			2021	2020	2021	2020	2021	2020
					(%)	(%)	(Thousand Baht)	(Thousand Baht)
HI-LEX Vietnam Co., Ltd.	Manufacture automobile parts	Vietnam	VND 211,092 million or equivalent to USD 11.15 million	VND 211,092 million or equivalent to USD 11.15 million	6.28	6.28	25,704	25,704
Add:	Adjustment of fair value due to adoption of financial reporting standards related to financial instruments						12,001	-
Add:	Gain on changes in fair value through other comprehensive income						2,536	-
							<u>40,241</u>	<u>25,704</u>

13. Investment properties

The net book value of investment properties as at 30 September 2021 and 2020 are presented below.

	(Unit: Thousand Baht)		
	Land and land improvement	Building and building improvement	Total
30 September 2021:			
Cost	93,510	161,877	255,387
Less: Accumulated depreciation	(4,076)	(132,556)	(136,632)
Net book value	<u>89,434</u>	<u>29,321</u>	<u>118,755</u>
30 September 2020:			
Cost	93,510	161,877	255,387
Less: Accumulated depreciation	(4,076)	(130,527)	(134,603)
Net book value	<u>89,434</u>	<u>31,350</u>	<u>120,784</u>

A reconciliation of the net book value of investment properties for the years 2021 and 2020 are presented below.

	(Unit: Thousand Baht)	
	2021	2020
Net book value at beginning of year	120,784	122,879
Depreciation	(2,029)	(2,095)
Net book value at end of year	<u>118,755</u>	<u>120,784</u>

The fair value of the investment properties as at 30 September 2021 and 2020 stated below:

	(Unit: Thousand Baht)	
	2021	2020
Land	332,400	332,400
Buildings	68,400	68,400
Total	<u>400,800</u>	<u>400,800</u>

The fair value of the investment properties has been determined based on valuation performed by an accredited independent valuer. The fair value of the land has been determined based on market prices, while that of the buildings has been determined using the replacement cost approach. Their fair value hierarchy are at Level 2.

14. Property, plant and equipment

	(Unit: Thousand Baht)	
	2021	2020
Net book value:		
Property, plant and equipment	926,068	953,197
Right-of-use assets (Note 18)	5,039	-
Total	<u>931,107</u>	<u>953,197</u>

(Unit: Thousand Baht)

	Land and land improvement	Building and building improvement	Machinery, factory equipment, tools and molds	Motor vehicles	Furniture, fixtures and operating equipment	Asset under installation and construction	Total
Cost							
1 October 2019	142,981	624,181	1,258,777	12,726	98,573	96,585	2,233,823
Additions	-	2,487	2,879	1,290	364	64,213	71,233
Disposals/write-off	-	-	(27,221)	(5,268)	(26,082)	-	(58,571)
Transfers in (out)	-	360	95,353	-	15	(81,653)	14,075
30 September 2020	142,981	627,028	1,329,788	8,748	72,870	79,145	2,260,560
Adjustments (Note 4)	-	-	-	7,819	-	-	7,819
Additions	-	55	6,530	138	1,392	61,806	69,921
Disposals/write-off	-	(885)	(16,440)	-	(826)	-	(18,151)
Transfers in (out)	-	114	36,503	-	1,162	(23,694)	14,085
30 September 2021	142,981	626,312	1,356,381	16,705	74,598	117,257	2,334,234
Accumulated depreciation							
1 October 2019	207	208,784	949,286	6,489	80,082	-	1,244,848
Depreciation for the year	35	17,379	90,126	1,048	6,179	-	114,767
Depreciation on disposals/ write-off	-	-	(21,021)	(5,268)	(25,963)	-	(52,252)
30 September 2020	242	226,163	1,018,391	2,269	60,298	-	1,307,363
Depreciation for the year	36	16,562	87,826	3,922	5,357	-	113,703
Depreciation on disposals/ write-off	-	(885)	(16,258)	-	(796)	-	(17,939)
30 September 2021	278	241,840	1,089,959	6,191	64,859	-	1,403,127
Net book value							
30 September 2020	142,739	400,865	311,397	6,479	12,572	79,145	953,197
30 September 2021	142,703	384,472	266,422	10,514	9,739	117,257	931,107
Depreciation for the year							
2020 (Baht 108 million included in cost of sales, and the remaining balance in selling and administrative expenses)							114,767
2021 (Baht 104 million included in cost of sales, and the remaining balance in selling and administrative expenses)							113,703

As at 30 September 2021, certain items of plant and equipment were fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 615 million (2020: Baht 553 million).

15. Intangible assets

The net book value of intangible assets as at 30 September 2021 and 2020 are presented below.

	(Unit: Thousand Baht)	
	2021	2020
Computer software:		
Cost	88,660	88,660
Less: Accumulated amortisation	(81,874)	(78,459)
Net book value	<u>6,786</u>	<u>10,201</u>

A reconciliation of the net book value of intangible assets for the years 2021 and 2020 are presented below.

	(Unit: Thousand Baht)	
	2021	2020
Net book value at beginning of year	10,201	14,213
Additions	-	1,020
Amortisation	(3,415)	(5,032)
Net book value at end of year	<u>6,786</u>	<u>10,201</u>

16. Short-term loan from a bank

		(Unit: Thousand Baht)	
	Interest rate (% per annum)	2021	2020
Promissory note	1.10 and 1.45	100,000	100,000

The short-term loan from a bank is clean and denominated in Baht.

17. Trade and other payables

	(Unit: Thousand Baht)	
	2021	2020
Trade payables - related parties	70,566	54,596
Trade payables - unrelated parties	293,588	283,056
Other payables	20,156	23,383
Accrued expenses	92,151	43,484
Total	<u>476,461</u>	<u>404,519</u>

18. Leases

The Company as a lessee

The Company has lease contracts for various items of property, plant, and equipment used in its operations. Leases generally have lease terms between 3 - 5 years.

a) Right-of-use assets

Movement of right-of-use assets for the year ended 30 September 2021 are summarised below:

	(Unit: Thousand Baht)
	<u>Motor Vehicles</u>
1 October 2020	7,819
Additions	138
Depreciation for the year	<u>(2,918)</u>
30 September 2021	<u>5,039</u>

b) Lease liabilities

	(Unit: Thousand Baht)	
	<u>2021</u>	<u>2020</u>
Lease payments	5,566	769
Less: Deferred interest expenses	<u>(271)</u>	<u>(30)</u>
Total	5,295	739
Less: Portion due within one year	<u>(2,263)</u>	<u>(574)</u>
Lease liabilities - net of current portion	<u>3,032</u>	<u>165</u>

A maturity analysis of lease payments is disclosed in Note 31.1 to the financial statements under the liquidity risk.

c) Expenses relating to leases that are recognised in profit or loss

	(Unit: Thousand Baht)
	<u>For the year ended 30 September 2021</u>
Depreciation expense of right-of-use assets	2,918
Interest expense on lease liabilities	273
Expense relating to short-term leases	678
Expense relating to leases of low-value assets	3,544

d) Others

The Company had total cash outflows for leases for the year ended 30 September 2021 of Baht 7 million, including the cash outflow related to short-term lease and leases of low-value assets. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 0.1 million.

19. Provision for long-term employee benefits

	(Unit: Thousand Baht)		
	Provision for employee retirement benefits	Provision for other long-term employee benefits	Total
Provision for long-term employee benefits			
as at 1 October 2019	61,339	5,739	67,078
Included in profit or loss:			
Current service cost	3,710	1,289	4,999
Interest cost	845	259	1,104
Included in other comprehensive income:			
Actuarial gain arising from			
Financial assumptions changes	(1,778)	-	(1,778)
Experience adjustments	(967)	-	(967)
Benefit paid during the year	(21,896)	(1,860)	(23,756)
Provision for long-term employee benefits			
as at 30 September 2020	41,253	5,427	46,680
Included in profit or loss:			
Current service cost	6,230	760	6,990
Interest cost	966	70	1,036
Actuarial gain	-	(1,043)	(1,043)
Included in other comprehensive income:			
Actuarial (gain) loss arising from			
Demographic assumptions changes	4,078	-	4,078
Financial assumptions changes	(5,079)	-	(5,079)
Experience adjustments	(2,037)	-	(2,037)
Provision for long-term employee benefits			
as at 30 September 2021	45,411	5,214	50,625

During the year 2021 and 2020, the Company expects no long-term employee benefits payment during the next year.

As at 30 September 2021, the weighted average duration of the liabilities for long-term employee benefit is 17 years (2020: 19 years).

Significant actuarial assumptions are summarised below:

	2021	2020
	(% per annum)	(% per annum)
Discount rate	0.51 - 2.82	0.48 - 2.91
Salary increase rate	2.5 - 5.5	2.5 - 6.0
Employee turnover rate (depending on age of employee)	3.0 - 17.0	2.0 - 20.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 30 September 2021 are summarised below:

	(Unit: Thousand Baht)	
	2021	
	Increase 1%	Decrease 1%
Discount rate	(6,473)	7,722
Salary increase rate	8,004	(6,725)
	Increase 10%	Decrease 10%
	depending on age	depending on
	of employee	age of employee
Turnover rate	(2,548)	2,703

	(Unit: Thousand Baht)	
	2020	
	Increase 1%	Decrease 1%
Discount rate	(6,648)	7,983
Salary increase rate	7,433	(6,278)
	Increase 20%	Decrease 20%
	depending on age	depending on
	of employee	age of employee
Turnover rate	(5,643)	6,677

20. Provisions

This provision is provision for product warranty which has movements during the years ended 30 September 2021 and 2020 summarised below.

	(Unit: Thousand Baht)
	Provision for product warranty
Balance as at 1 October 2019	6,127
Increase during the year	36,899
Utilised	(1,096)
Reversal of provisions	(2,838)
Balance as at 30 September 2020	39,092
Increase during the year	36,925
Utilised	(1,099)
Reversal of provisions	(1,684)
Balance as at 30 September 2021	73,234

Provisions for product warranty is recognised at a percentage of sales and estimated incurred claims. The rate used in the calculation to the sales is based on historical data of actual expenses.

21. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required set aside a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

22. Revenue from contracts with customers

	(Unit: Thousand Baht)	
	2021	2020
Type of goods		
Automobile control cables	1,815,156	1,373,036
Motorcycle control cables	358,977	353,730
Automobile window regulators	329,719	240,045
Others	93,295	58,631
Total	2,597,147	2,025,442
Less: Consideration payable to a customer	(2,256)	(1,552)
Total revenue from contracts with customers	2,594,891	2,023,890

23. Expenses by nature

Significant expenses classified by nature are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Salaries and wages and other employee benefits	472,628	405,789
Depreciation	115,732	116,862
Amortisation	3,415	5,032
Provision for product warranty	36,925	36,899
Rental expenses from operating lease agreements	6,999	10,268
Raw materials and consumables used	1,360,384	1,036,290
Changes in inventories of finished goods and work in process	(20,572)	29,881
Reduction of inventories to net realisable value (reversal)	1,688	(5,846)
Packaging expenses	10,954	2,673

24. Income tax

Income tax expenses for the years ended 30 September 2021 and 2020 are made up as follows:

	(Unit: Thousand Baht)	
	2021	2020
Current income tax:		
Current income tax charge	9,953	2,311
Deferred tax:		
Relating to origination and reversal of temporary differences	(8,178)	1,914
Income tax expenses reported in profit or loss	1,775	4,225

The amounts of income tax relating to each component of other comprehensive income for the years ended 30 September 2021 and 2020 are as follows:

	(Unit: Thousand Baht)	
	2021	2020
Deferred tax on gain from the change in value of financial assets measured at FVOCI	507	-
Deferred tax relating to actuarial gain	95	58
	602	58

The reconciliation between accounting profit and income tax expense is shown below.

(Unit: Thousand Baht)

	2021	2020
Accounting profit before tax	<u>238,880</u>	<u>86,585</u>
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by income tax rate	47,776	17,317
Recording of previously unrecognised deferred tax assets	(7,876)	-
Reversal of deferred tax	-	1,398
Effects of:		
Promotional privileges (Note 25)	(37,889)	(15,833)
Non-deductible expenses	969	2,176
Additional expense deductions allowed	(1,205)	(833)
Total	<u>(38,125)</u>	<u>(14,490)</u>
Income tax expenses reported in profit or loss	<u>1,775</u>	<u>4,225</u>

The components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Thousand Baht)

	As at 30 September 2021	As at 30 September 2020
Deferred tax assets		
Allowance for diminution in value of inventories	123	89
Provision for long-term employee benefits	8,840	993
Provision for product warranty	97	87
Accrued rebate	-	12
Others	286	100
Accumulated depreciation - investment properties	(556)	(590)
Advance payments tax	(291)	(277)
Lease	(2)	-
Total	<u>8,497</u>	<u>414</u>
Deferred tax liabilities		
Unrealised fair value gain on investments	2,907	-
Total	<u>2,907</u>	<u>-</u>

25. Promotional privileges

The Company was granted investment promotional privileges by the Board of Investment under the Investment Promotion Act B.E. 2520. As at 30 September 2021, important tax privileges granted to the Company are summarised below.

	Investment promotion certificate no.	Exemption from import duty on machines	Exemption from corporate income tax for the periods	Commencing from
Manufacture of control cable, window regulator and component	1006(2)/2557	Expired	7 years	9 December 2013
Manufacture of control cable of vehicles and window regulator of automobiles	1539(2)/2557	Expired	7 years	2 March 2016
Manufacture of control cable of vehicles and window regulator of automobiles	60-0797-0-00-1-0	Expire on 19 January 2021	7 years	4 May 2017
Manufacture of control cable of vehicles and component, window regulator of automobiles and component and outer shield	61-1445-1-04-1-0	Expire on 13 December 2021	3 years	2 April 2019
Manufacture of control cable, window regulator and component	63-0564-1-04-1-0	Expire on 27 May 2023	3 years	2 July 2020
Manufacture of control cable of vehicles and window regulator of automobiles	60-0798-0-00-1-0	Expire on 19 January 2022	7 years	Not yet commencing
Manufacture of control cable of vehicles and window regulator of automobiles	60-0799-0-00-1-0	Expire on 19 January 2022	7 years	Not yet commencing

The Company's operating revenues for the years ended 30 September 2021 and 2020, divided between promoted and non-promoted operations, are summarised below.

(Unit: Thousand Baht)

	Promoted operations		Non-promoted operations		Total	
	2021	2020	2021	2020	2021	2020
Sales						
Domestic sales	2,157,203	1,782,829	312,471	168,123	2,469,674	1,950,952
Export sales	48,020	25,941	77,197	46,997	125,217	72,938
Total sales	<u>2,205,223</u>	<u>1,808,770</u>	<u>389,668</u>	<u>215,120</u>	<u>2,594,891</u>	<u>2,023,890</u>

26. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

27. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Company is principally engaged in the manufacture and distribution of control cable of automobiles and motorcycles and window regulator of automobiles. Its operations are carried on only in Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographical area.

Major customers

For the year 2021, the Company has revenues from 4 major customer groups in amount of Baht 476 million, Baht 383 million, Baht 307 million and Baht 253 million (2020: 4 major customer groups in amount of Baht 371 million, Baht 288 million, Baht 261 million and Baht 241 million, respectively).

28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3 - 5 percent of basic salary. The fund, which is managed by AIA Company Limited, will be paid to employees upon termination in accordance with the fund rules. The contributions for the year 2021 amounting to approximately Baht 5 million (2020: Baht 3 million) were recognised as expenses.

29. Dividends

Dividends	Approved by	Total dividends (Thousand Baht)	Dividend per share (Baht)
Dividends for the year ended 30 September 2019	The Annual General Meeting of the Company's shareholders on 21 January 2020	155,880	0.60
Total dividends for year 2020		155,880	0.60
Dividends for the year ended 30 September 2020	The Annual General Meeting of the Company's shareholders on 19 January 2021	129,900	0.50
Interim dividends for the year ended 30 September 2021	The Board of Directors Meeting of the Company on 10 May 2021	103,920	0.40
Total dividends for year 2021		233,820	0.90

30. Commitments and contingent liabilities

30.1 Capital commitments

As at 30 September 2021, the Company had capital commitments of approximately Baht 45 million and USD 0.22 million (2020: Baht 28 million and USD 0.07 million), relating to the purchase of equipment.

30.2 Lease commitments

As at 30 September 2021, the Company has future short-term lease, leases of low-value assets and service agreement payments required under these non-cancellable contracts as follows.

(Unit: Million Baht)

Payable:

Within 1 year	30
Over 1 and up to 5 years	15

30.3 License commitments

The Company has entered into license and technical assistance agreement with an overseas related company for the use of a trademark and the receipt of information related to the manufacture and assembly of control cable of automobiles and motorcycles. Under the conditions of the agreement, the Company is to pay the fee twice a year at a rate as stipulated in the agreement. The fees for the year ended 30 September 2021 amounting to approximately Baht 17 million (2020: Baht 15 million) were recognised as expenses.

30.4 Guarantees

As at 30 September 2021 and 2020, there was outstanding bank guarantee of approximately Baht 3 million issued by a bank on behalf of the Company to guarantee electricity use.

30.5 Litigation

The Customs Department conducted a post clearance audit at the Company, and accused the Company of making incorrect tariff code declarations (with lower duty rates) in import entries between 2003 - 2006 by 3 lots and assessed import duties and VAT shortfalls for Lot 1 and Lot 3 of Baht 17.90 million and Baht 5.67 million, respectively, and capital for Lot 2 of Baht 3.84 million, excluding penalties and surcharges.

Lot 1: In September 2017, the Central Tax Court delivered a judgment to revoke the assessment of import duty and surcharges. The Company has no authority to file a lawsuit against the Revenue Department demanding the revocation of the VAT assessment because the Company has not yet exercised its right to appeal to the Board of Appeals in accordance with Section 30 of the Revenue Code. Subsequently, on 3 December 2018, the special court of appeal upheld the judgment of the Central Tax Court. On 18 January 2021, 8 February 2021, 22 March 2021 and 7 June 2021, the Central Tax Court has read the judgement of the Supreme Court for all 14 cases of which the judgement was to revoke the assessment of import duty and VAT assessment on those import duties.

Lot 2: In December 2018, the Central Tax Court delivered a judgment to revoke only the assessment of import duty and surcharges. The Company has no authority to file a lawsuit against the Revenue Department demanding the revocation of the VAT assessment because the Company has not yet exercised its right to appeal to the Board of Appeals in accordance with Section 30 of the Revenue Code. On 30 September 2019, the special court of appeal upheld the judgment of the Central Tax Court. The Supreme Court permitted the Custom Department to file its appeal. On 18 February 2021, the Company submitted an amendment to the Supreme Court. As at 30 September 2021, the cases are in consideration of the Supreme Court.

Lot 3: In December 2019, the Central Tax Court delivered a judgment to revoke only the assessment of import duty and surcharges. The Company has no authority to file a lawsuit against the Revenue Department demanding the revocation of the VAT assessment because the Company has not yet exercised its right to appeal to the Board of Appeals in accordance with Section 30 of the Revenue Code. On 21 September 2020, the special court of appeal upheld the judgment of the Central Tax Court. The Supreme Court permitted the Custom Department to file its appeal. On 9 July 2021, the Company submitted an amendment to the Supreme Court. As at 30 September 2021, the cases are in consideration of the Supreme Court.

The Company's management has assessed the cases and believes that the Company is not liable for the import duty and VAT shortfalls, including penalties and surcharges, because the Company correctly paid import duty in accordance with the Customs Tariffs Decree B.E. 2530. Considering legal opinions and the opinions of customs tariff experts, the imported products are classified according to the product definitions specified in the customs tariff schedule. The Company therefore did not record a provision for the contingent liabilities as a result of this litigation in the financial statements.

31. Financial instruments

31.1 Financial risk management objectives and policies

The Company's financial instruments principally comprise cash and cash equivalents, trade and other receivables, financial assets, investments in equity, short-term loans and trade and other payables. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

The Company is exposed to credit risk primarily with respect to trade and other receivables. The maximum exposure to credit risk is limited to the carrying amounts as stated in the statement of financial position.

Trade receivables

The Company manages the risk by adopting appropriate credit control policies and procedures and therefore does not expect to incur material financial losses. Outstanding trade receivables are regularly monitored and any shipments to major customers are generally covered by letters of credit or other forms of credit insurance obtained from reputable banks and other financial institutions. In addition, the Company does not have high concentrations of credit risk since it has a large customer base.

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar credit risks. The Company classifies customer segments by customer type. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written-off if past due for more than one year and not subject to enforcement activity.

Financial instruments and cash deposits

The Company manages the credit risk from balances with banks and financial institutions by making investments only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors and may be subject to approval of the Company's Executive Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments.

Market risk

There are two types of market risk comprising currency risk and interest rate risk.

Foreign currency risk

The Company's exposure to the foreign currency risk relates primarily to its trading transactions that are denominated in foreign currencies.

As at 30 September 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies are summarised below.

<u>Foreign currency</u>	<u>Financial assets</u>	<u>Financial liabilities</u>	<u>Average exchange rate</u>
-------------------------	-------------------------	------------------------------	------------------------------

	2021	2020	2021	2020	2021	2020
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.9	0.5	0.6	0.5	33.92	31.66
Japanese yen	4.3	1.9	104.3	58.7	0.30	0.30

The following tables demonstrate the sensitivity of the Company's profit before tax to a reasonably possible change in US dollar and Japanese yen exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives as at 30 September 2021.

Currency	Change in FX rate	Effect on profit before tax
	(%)	(Thousand Baht)
US dollar	+12	0.8
	-12	(0.8)
Japanese yen	+7	(3.6)
	-7	3.6

This information is not a forecast or prediction of future market conditions and should be used with care.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its cash at banks and short-term borrowings. Most of the Company's financial assets and liabilities bear floating interest rates or fixed interest rates which are close to the market rate.

As at 30 September 2021 and 2020, significant financial assets and liabilities classified by type of interest rate are summarised in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Million Baht)

	2021					
	Fixed interest rates				Total	Effective interest rate (% per annum)
	Within 1 year	1 - 5 years	Floating interest rate	Non - interest bearing		
<u>Financial assets</u>						
Cash and cash equivalent	-	-	113.7	63.8	177.5	0.05 - 0.75
Trade and other receivables	-	-	-	427.8	427.8	-
Other current financial assets	358.6	-	-	-	358.6	0.55 - 0.95
Investment in equity instrument of a non-listed company	-	-	-	40.2	40.2	-

(Unit: Million Baht)

	2021					Effective interest rate (% per annum)
	Fixed interest rates		Floating interest rate	Non - interest bearing	Total	
	Within 1 year	1 - 5 years				
Financial liabilities						
Short-term loan from a bank	100.0	-	-	-	100.0	1.10 and 1.45
Trade and other payables	-	-	-	476.5	476.5	-
	100.0	-	-	476.5	576.5	

(Unit: Million Baht)

	2020					Effective interest rate (% per annum)
	Fixed interest rates		Floating interest rate	Non - interest bearing	Total	
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalent	-	-	469.7	6.2	475.9	0.05 - 0.75
Current investments	15.0	-	-	-	15.0	1.20
Trade and other receivables	-	-	-	377.7	377.7	-
Long-term investment	-	-	-	25.7	25.7	-
	15.0	-	469.7	409.6	894.3	
Financial liabilities						
Trade and other payables	-	-	-	404.5	404.5	-
Liabilities under finance lease agreements	0.6	0.1	-	-	0.7	2.46 - 6.17
	0.6	0.1	-	404.5	405.2	

Liquidity risk

The Company monitors liquidity risks and maintains levels of cash and cash equivalents. The management considers that it is sufficient to finance its operation. The Company has sufficient access to a variety of sources of funds to reduce the impact of cash flow fluctuations.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities as at 30 September 2021 based on contractual undiscounted cash flows:

	(Unit: Thousand Baht)			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Non-derivatives				
Short-term loans from financial institutions	100,000	-	-	100,000

Trade and other payables	476,461	-	-	476,461
Lease liabilities	<u>2,418</u>	<u>3,148</u>	<u>-</u>	<u>5,566</u>
Total non-derivatives	<u><u>578,879</u></u>	<u><u>3,148</u></u>	<u><u>-</u></u>	<u><u>582,027</u></u>

31.2 Fair values of financial instruments

Since the majority of the Company's financial instruments are short-term in nature or carrying interest at rates close to the market interest rates, their fair value is not expected to be materially different from the amounts presented in the statement of financial position.

The estimated fair value of financial instrument, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Million Baht)

	As at 30 September 2021		As at 30 September 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investment in equity instrument of a non-listed company	26	40	26	38

The method used in estimating the fair value of non-quoted equity investments is adjusted net book value. Its fair value hierarchy is categorised within Level 3.

During the current year, there were no changes in the methods and assumptions used by the Company estimating the fair value of financial instruments and no transfers within the fair value hierarchy.

32. Capital management

The primary objective of the Company's capital management is to ensure that it has appropriate capital structure in order to support its business and maximise shareholder value. As at 30 September 2021, the Company's debt-to-equity ratio was 0.46:1 (2020: 0.38:1).

33. Event after the reporting period

The meeting of Company's Board of Directors, held on 23 November 2021 passed the resolution to propose the payment of a dividend for the year 2021 at Baht 0.60 per share, or a total of Baht 155.9 million. The Board of Directors will propose the dividend payment for approval by the Annual General Meeting of the Company's Shareholders for the year 2022.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 23 November 2021.