

**THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED**

**INTERIM FINANCIAL STATEMENTS (UNAUDITED)**

**30 JUNE 2009**

## **AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

To the Shareholders and the Board of Directors of Thai Stanley Electric Public Company Limited

I have reviewed the accompanying balance sheets in which the equity method is applied and the company only as at 30 June 2009 and the related statements of income, changes in shareholders' equity, and cash flows in which the equity method is applied and the company only for the three-month periods ended 30 June 2009 and 2008 of Thai Stanley Electric Public Company Limited. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these interim financial statements based on my reviews.

I conducted my reviews in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform a review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the interim financial statements referred to in the above paragraph are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have audited the financial statements in which the equity method is applied and the company only for the year ended 31 March 2009 of Thai Stanley Electric Public Company Limited in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements in my report dated 22 May 2009. The balance sheets in which the equity method is applied and the company only as at 31 March 2009, presented herewith for comparative purposes, are part of the financial statements that I have audited, and on which I issued a report thereon as stated above, and I have not performed any other auditing procedures subsequent to the date of that report.

Nangnoi Charoenthaveesub  
Certified Public Accountant (Thailand) No. 3044  
PricewaterhouseCoopers ABAS Limited

Bangkok  
31 July 2009



Thai Stanley Electric Public Company Limited  
 Balance Sheets  
 As at 30 June 2009 and 31 March 2009

|   | Notes | Financial statements in which<br>the equity method is applied |   | The company only                         |   |
|---|-------|---|---|--|---|
|   |       | Unaudited<br>30 June<br>2009<br>Baht'000                      | Audited<br>31 March<br>2009<br>Baht'000 | Unaudited<br>30 June<br>2009<br>Baht'000 | Audited<br>31 March<br>2009<br>Baht'000 |
| <b>Assets</b>                                 |       |   |   |  |   |
| <b>Current assets</b>                         |       |   |   |  |   |
| Cash and cash equivalents                     |       | 1,720,598   | 1,529,911                               | 1,720,598                                | 1,529,911                               |
| Short-term investments with<br>fixed maturity | 4     | 498,746   | 498,746                                 | 498,746                                  | 498,746                                 |
| Trade accounts receivable                     |       |   |   |  |   |
| - other companies                             | 5     | 649,343   | 657,468                                 | 649,343                                  | 657,468                                 |
| - related parties                             | 5, 6  | 82,803  | 78,062                                  | 82,803                                   | 78,062                                  |
| Inventories, net                              |       | 530,095   | 512,652                                 | 530,095                                  | 512,652                                 |
| Other current assets                          |       | 55,826  | 61,077                                  | 55,826                                   | 61,077                                  |
| <b>Total current assets</b>                   |       | <b>3,537,411</b>  | <b>3,337,916</b>                        | <b>3,537,411</b>                         | <b>3,337,916</b>                        |
| <b>Non-current assets</b>                     |       |   |   |  |   |
| Investments in associates                     | 7     | 291,605   | 310,001                                 | 57,176                                   | 57,176                                  |
| Long-term investments, net                    | 8     | 142,479   | 141,639                                 | 142,479                                  | 141,639                                 |
| Property, plant and equipment, net            | 9     | 3,361,895   | 3,367,523                               | 3,361,895                                | 3,367,523                               |
| Intangible assets, net                        | 10    | 327,707   | 320,985                                 | 327,707                                  | 320,985                                 |
| Other non-current assets, net                 |       | 17,962  | 18,402                                  | 17,962                                   | 18,402                                  |
| <b>Total non-current assets</b>               |       | <b>4,141,648</b>  | <b>4,158,550</b>                        | <b>3,907,219</b>                         | <b>3,905,725</b>                        |
| <b>Total assets</b>                           |       | <b>7,679,059</b>  | <b>7,496,466</b>                        | <b>7,444,630</b>                         | <b>7,243,641</b>                        |

Director \_\_\_\_\_ Director \_\_\_\_\_  
 ( Mr. Hiroyuki Nakano ) ( Mr. Apichart Leeissaranukul )

Date \_\_\_\_\_

The notes to the interim financial statements on pages 8 to 17 are an integral part of these interim financial statements.

Thai Stanley Electric Public Company Limited  
Balance Sheets  
As at 30 June 2009 and 31 March 2009

|  | Notes | Financial statements in which<br>the equity method is applied |                              | The company only            |                              |
|--|-------|---|------------------------------|-----------------------------|------------------------------|
|  |       | Unaudited   | Audited                      | Unaudited                   | Audited                      |
|  |       | 30 June<br>2009<br>Baht'000                                   | 31 March<br>2009<br>Baht'000 | 30 June<br>2009<br>Baht'000 | 31 March<br>2009<br>Baht'000 |
| <b>Liabilities and shareholders' equity</b>                        |       |   |                              |                             |                              |
| <b>Current liabilities</b>   |       |   |                              |                             |                              |
| Trade accounts payable - other companies                           |       | 288,577   | 238,918                      | 288,577                     | 238,918                      |
| - related parties  | 6     | 83,110  | 79,235                       | 83,110                      | 79,235                       |
| Other accounts payable - other companies                           |       | 58,327  | 92,254                       | 58,327                      | 92,254                       |
| - related parties  | 6     | 74,504  | 87,525                       | 74,504                      | 87,525                       |
| Foreign currency forward contract<br>payables, net                 |       | 1,636   | 6,940                        | 1,636                       | 6,940                        |
| Accrued income tax   |       | 124,327   | 83,085                       | 124,327                     | 83,085                       |
| Advances received from customers                                   |       | 52,270  | 54,674                       | 52,270                      | 54,674                       |
| Other current liabilities  |       | 122,469   | 76,839                       | 122,469                     | 76,839                       |
| <b>Total current liabilities</b>                                   |       | <b>805,220</b>  | <b>719,470</b>               | <b>805,220</b>              | <b>719,470</b>               |
| <b>Non-current liabilities</b>                                     |       |   |                              |                             |                              |
| Retirement benefits obligation                                     |       | 21,899  | 18,343                       | 21,899                      | 18,343                       |
| <b>Total non-current liabilities</b>                               |       | <b>21,899</b>   | <b>18,343</b>                | <b>21,899</b>               | <b>18,343</b>                |
| <b>Total liabilities</b>   |       | <b>827,119</b>  | <b>737,813</b>               | <b>827,119</b>              | <b>737,813</b>               |
| <b>Shareholders' equity</b>  |       |   |                              |                             |                              |
| <b>Share capital</b>   |       |   |                              |                             |                              |
| Authorised share capital   |       | 383,125   | 383,125                      | 383,125                     | 383,125                      |
| Issued and paid-up share capital                                   |       | 383,125   | 383,125                      | 383,125                     | 383,125                      |
| Premium on share capital   |       | 504,250   | 504,250                      | 504,250                     | 504,250                      |
| Unrealised gain on revaluation of<br>available-for-sale securities |       | 3,120   | 2,280                        | 3,120                       | 2,280                        |
| <b>Retained earnings</b>   |       |   |                              |                             |                              |
| Appropriated   |       |   |                              |                             |                              |
| - Legal reserve  |       | 38,313  | 38,313                       | 38,313                      | 38,313                       |
| Unappropriated   |       | 5,923,132   | 5,830,685                    | 5,688,703                   | 5,577,860                    |
| <b>Total shareholders' equity</b>                                  |       | <b>6,851,940</b>  | <b>6,758,653</b>             | <b>6,617,511</b>            | <b>6,505,828</b>             |
| <b>Total liabilities and shareholders' equity</b>                  |       | <b>7,679,059</b>  | <b>7,496,466</b>             | <b>7,444,630</b>            | <b>7,243,641</b>             |

The notes to the interim financial statements on pages 8 to 17 are an integral part of these interim financial statements.

Thai Stanley Electric Public Company Limited  
 Statements of Income (Unaudited)  
 For the three-month periods ended 30 June 2009 and 2008

|   | Notes | Financial statement in which<br>the equity method is applied |           | The company only |           |
|---|-------|--|-----------|------------------|-----------|
|   |       | 2009   | 2008      | 2009             | 2008      |
|   |       | Baht'000   | Baht'000  | Baht'000         | Baht'000  |
| Sales   | 6     | 1,348,115  | 2,251,400 | 1,348,115        | 2,251,400 |
| Cost of sales   |       | 1,149,588  | 1,710,692 | 1,149,588        | 1,710,692 |
| <b>Gross profit</b>                                     |       | 198,527  | 540,708   | 198,527          | 540,708   |
| Other income  |       |  |           |                  |           |
| - Dividend income                                       | 7,8   | 1,093  | 2,202     | 31,242           | 30,542    |
| - Gain on exchange rates, net                           |       | -  | 12,267    | -                | 12,267    |
| - Others  |       | 33,100   | 57,478    | 33,100           | 57,478    |
| <b>Profit before expenses</b>                           |       | 232,720  | 612,655   | 262,869          | 640,995   |
| Selling expenses  |       | 67,900   | 103,614   | 67,900           | 103,614   |
| Administrative expenses                                 |       | 40,200   | 51,143    | 40,200           | 51,143    |
| Loss on exchange rates, net                             |       | 239  | -         | 239              | -         |
| Directors' remuneration                                 |       | 930  | 930       | 930              | 930       |
| <b>Operating profit</b>                                 |       | 123,451  | 456,968   | 153,600          | 485,308   |
| Share of profit from investments in associates          | 7     | 11,753   | 23,551    | -                | -         |
| <b>Profit before financial costs and<br/>income tax</b> |       | 135,204  | 480,519   | 153,600          | 485,308   |
| Finance costs   |       | -  | 3         | -                | 3         |
| <b>Profit before income tax</b>                         |       | 135,204  | 480,516   | 153,600          | 485,305   |
| Income tax  | 3     | 42,757   | 87,747    | 42,757           | 87,747    |
| <b>Net profit for the period</b>                        |       | 92,447   | 392,769   | 110,843          | 397,558   |
| <b>Basic earnings per share</b>                         | 11    |  |           |                  |           |
| Net profit for the period (Baht)                        |       | 1.21   | 5.13      | 1.45             | 5.19      |

The notes to the interim financial statements on pages 8 to 17 are an integral part of these interim financial statements.

Thai Stanley Electric Public Company Limited  
 Statements of Changes in Shareholders' Equity (Unaudited)  
 For the three-month periods ended 30 June 2009 and 2008

|                               | Financial statements in which the equity method is applied |                           |                |          |                |                           |  |                 |          |          |                |           |                   |
|-------------------------------|--|---------------------------|----------------|----------|----------------|---------------------------|--|-----------------|----------|----------|----------------|-----------|-------------------|
|                               | 2009   |                           |                |          |                |                           | 2008   |                 |          |          |                |           |                   |
|                               | Issued and<br>paid-up<br>share capital<br>Baht'000         | Unrealised gain           |                |          | Unappropriated |                           | Issued and<br>paid-up<br>share capital<br>Baht'000 | Unrealised gain |          |          | Unappropriated |           | Total<br>Baht'000 |
|                               |  | Premium on revaluation of | available-for- | Legal    | retained       | Premium on revaluation of |  | available-for-  | Legal    | retained |                |           |                   |
| share capital                 |  | sale-securities           | reserve        | earnings | share capital  | sale-securities           |  | reserve         | earnings |          |                |           |                   |
| Opening balance as at 1 April | 383,125  | 504,250                   | 2,280          | 38,313   | 5,830,685      | 6,758,653                 | 383,125  | 504,250         | 4,820    | 38,313   | 5,128,091      | 6,058,599 |                   |
| Reserve for fair value        | -  | -                         | 840            | -        | -              | 840                       | -  | -               | (280)    | -        | -              | (280)     |                   |
| Net profit for the period     | -  | -                         | -              | -        | 92,447         | 92,447                    | -  | -               | -        | -        | 392,769        | 392,769   |                   |
| Closing balance as at 30 June | 383,125  | 504,250                   | 3,120          | 38,313   | 5,923,132      | 6,851,940                 | 383,125  | 504,250         | 4,540    | 38,313   | 5,520,860      | 6,451,088 |                   |

|                               | The company only                                   |                           |                |          |                |                           |  |                 |          |          |                |           |                   |
|-------------------------------|--|---------------------------|----------------|----------|----------------|---------------------------|--|-----------------|----------|----------|----------------|-----------|-------------------|
|                               | 2009   |                           |                |          |                |                           | 2008   |                 |          |          |                |           |                   |
|                               | Issued and<br>paid-up<br>share capital<br>Baht'000 | Unrealised gain           |                |          | Unappropriated |                           | Issued and<br>paid-up<br>share capital<br>Baht'000 | Unrealised gain |          |          | Unappropriated |           | Total<br>Baht'000 |
|                               |  | Premium on revaluation of | available-for- | Legal    | retained       | Premium on revaluation of |  | available-for-  | Legal    | retained |                |           |                   |
| share capital                 |  | sale-securities           | reserve        | earnings | share capital  | sale-securities           |  | reserve         | earnings |          |                |           |                   |
| Opening balance as at 1 April | 383,125  | 504,250                   | 2,280          | 38,313   | 5,577,860      | 6,505,828                 | 383,125  | 504,250         | 4,820    | 38,313   | 4,910,559      | 5,841,067 |                   |
| Reserve for fair value        | -  | -                         | 840            | -        | -              | 840                       | -  | -               | (280)    | -        | -              | (280)     |                   |
| Net profit for the period     | -  | -                         | -              | -        | 110,843        | 110,843                   | -  | -               | -        | -        | 397,558        | 397,558   |                   |
| Closing balance as at 30 June | 383,125  | 504,250                   | 3,120          | 38,313   | 5,688,703      | 6,617,511                 | 383,125  | 504,250         | 4,540    | 38,313   | 5,308,117      | 6,238,345 |                   |

The notes to the interim financial statements on pages 8 to 17 are an integral part of these interim financial statements.

**Thai Stanley Electric Public Company Limited**  
**Statements of Cash Flows (Unaudited)**  
**For the three-month periods ended 30 June 2009 and 2008**

|   | Notes | Financial statements in which<br>the equity method is applied |           | The company only |           |
|---|-------|---|-----------|------------------|-----------|
|   |       | 2009  | 2008      | 2009             | 2008      |
|   |       | Baht'000  | Baht'000  | Baht'000         | Baht'000  |
| <b>Cash flows from operating activities:</b>  |       |   |           |                  |           |
| Profit before income tax for the period   |       | 135,204   | 480,516   | 153,600          | 485,305   |
| Adjustments to reconcile net profit to<br>net cash provided by operations:  |       |   |           |                  |           |
| - Depreciation  | 9     | 198,045   | 201,447   | 198,045          | 201,447   |
| - Amortisation  | 10    | 17,327  | 7,853     | 17,327           | 7,853     |
| - Interest expense  |       | -   | 3         | -                | 3         |
| - Interest income   |       | (5,598)   | (11,095)  | (5,598)          | (11,095)  |
| - Share of profit from investments in<br>associates   | 7     | (11,753)  | (23,551)  | -                | -         |
| - Dividend income from  |       |   |           |                  |           |
| - Investments in associates   | 7     | -   | -         | (30,149)         | (28,340)  |
| - Long-term investments   | 8     | (1,093)   | (2,202)   | (1,093)          | (2,202)   |
| - Gain on disposal of equipment   |       | (3,886)   | (28)      | (3,886)          | (28)      |
| - Reversal of allowance for slow moving<br>inventories and net realisable value<br>lower than cost of inventories |       | (8,000)   | (4,203)   | (8,000)          | (4,203)   |
| - Retirement benefits obligation  |       | 3,556   | 1,119     | 3,556            | 1,119     |
| - Unrealised loss on exchange rates   |       | 988   | 2,114     | 988              | 2,114     |
| Cash flows before changes in operating<br>assets and liabilities  |       | 324,790   | 651,973   | 324,790          | 651,973   |
| Changes in operating assets and liabilities   |       |   |           |                  |           |
| - Trade accounts receivable - other companies   |       | 8,125   | 57,869    | 8,125            | 57,869    |
| - related parties   |       | (4,741)   | 4,584     | (4,741)          | 4,584     |
| - Inventories   |       | (9,443)   | (104,389) | (9,443)          | (104,389) |
| - Other current assets  |       | 7,843   | (2,735)   | 7,843            | (2,735)   |
| - Other non-current assets  |       | 440   | (2,037)   | 440              | (2,037)   |
| - Trade accounts payable - other companies  |       | 49,659  | (72,193)  | 49,659           | (72,193)  |
| - related parties   |       | 3,875   | 9,332     | 3,875            | 9,332     |
| - Other accounts payable - other companies  |       | (42,853)  | (59,666)  | (42,853)         | (59,666)  |
| - related parties   |       | (13,021)  | (9,436)   | (13,021)         | (9,436)   |
| - Advances received from customers  |       | (2,404)   | 25,539    | (2,404)          | 25,539    |
| - Other current liabilities   |       | 39,752  | 50,079    | 39,752           | 50,079    |
| Cash generated from operation   |       | 362,022   | 548,920   | 362,022          | 548,920   |
| Interest paid   |       | -   | (3)       | -                | (3)       |
| Interest received   |       | 3,006   | 11,095    | 3,006            | 11,095    |
| Income tax paid   |       | (1,515)   | (5,368)   | (1,515)          | (5,368)   |
| Net cash generated by operating activities  |       | 363,513   | 554,644   | 363,513          | 554,644   |

The notes to the interim financial statements on pages 8 to 17 are an integral part of these interim financial statements.



Thai Stanley Electric Public Company Limited  
 Statements of Cash Flows (Unaudited)  
 For the three-month periods ended 30 June 2009 and 2008

|   | Notes | Financial statements in which<br>the equity method is applied |                  | The company only |                  |
|---|-------|---|------------------|------------------|------------------|
|   |       | 2009<br>Baht'000  | 2008<br>Baht'000 | 2009<br>Baht'000 | 2008<br>Baht'000 |
| <b>Cash flows from investing activities:</b>                    |       |   |                  |                  |                  |
| Purchases of property, plant and equipment                      |       | (183,963)   | (323,748)        | (183,963)        | (323,748)        |
| Proceeds from disposals of equipment                            |       | 4,025   | 32               | 4,025            | 32               |
| Dividends received from   |       |   |                  |                  |                  |
| - Investments in associates                                     | 7     | 30,149  | 28,340           | 30,149           | 28,340           |
| - Long-term investments   | 8     | 1,093   | 2,202            | 1,093            | 2,202            |
| Purchase of intangible assets                                   |       | (23,716)  | (37,098)         | (23,716)         | (37,098)         |
| Net cash used in investing activities                           |       | (172,412)   | (330,272)        | (172,412)        | (330,272)        |
| <b>Net increase in cash and cash equivalents</b>                |       | 191,101   | 224,372          | 191,101          | 224,372          |
| Cash and cash equivalents at beginning<br>of the period         |       | 1,529,911   | 1,489,337        | 1,529,911        | 1,489,337        |
| Effects of exchange rate changes                                |       | (414)   | (1,659)          | (414)            | (1,659)          |
| Cash and cash equivalents at end of the period                  |       | 1,720,598   | 1,712,050        | 1,720,598        | 1,712,050        |
| <b>Non-cash transactions:</b>                                   |       |   |                  |                  |                  |
| Purchase of plant, equipment and intangible<br>assets by credit |       | 23,557  | 55,221           | 23,557           | 55,221           |

The notes to the interim financial statements on pages 8 to 17 are an integral part of these interim financial statements.

## **1 Basis of preparation**

These interim financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Profession Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements (i.e. balance sheets, statements of income, changes in shareholders' equity and cash flows) are prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial statements are prepared in a condensed format according to Thai Accounting Standard no. 34, "Interim Financial Reporting" and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

An English version of the interim financial statements has been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

Comparative figures have been adjusted to conform with changes in the presentation in the current period. The statement of income for the three-month period ended 30 June 2009 has been presented by function - multiple step. The changes also include the presentation of financial costs. The changes are made to conform with the minimum requirements announced by the Department of Business Development Regulation dated 30 January 2009 in relation to the format of Financial Statements B.E. 2552. If effects from 1 January 2009. The Company is in consideration to present the management's remuneration in the statement of income. Such expense is induced in cost of sale and administrative expenses.

These interim financial statements were authorised for issue by the Board of Directors on 31 July 2009.

These interim financial statements have been reviewed, not audited.

These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2009.

## **2 Accounting policies**

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 March 2009, except for:

### **2.1 Accounting policy for inventory**

The Company has change the accounting policy for raw material and packaging costs from weighted average method to moving weighted average method. Management has determined that the change in the accounting policy does not significantly impact and has not adjusted comparative figures being presented.

**2 Accounting policies (continued)**

**2.2 Amendments to accounting standards, new financial reporting standard and new accounting standards.**

Thai Accounting Standards were renumbered with an effect on 26 June 2009 following an announcement by the Federation of Accounting Professions.

Revised accounting standards and new financial reporting standard that are effective for the period beginning on or after 1 January 2009.

TAS 36 (revised 2007) Impairment of Assets  
TFRS 5 (revised 2007) Non-current Assets Held for Sale and Discontinued Operations (formerly TAS 54)  
Accounting Framework (revised 2007) (effective 26 June 2009)

The Company has applied the revised accounting standards and new financial reporting standard from 1 April 2009. The Company's management has determined that the revised accounting standards and new financial reporting standard do not significantly impact the financial statements being presented.

The revised accounting standard and new accounting standards which are effective for the period beginning on or after 1 January 2011 and 1 January 2012 and which were not early adopted by the Company are as follows:

Effective for the period beginning on or after 1 January 2011

TAS 24 (revised 2007) Related Party Disclosure (formerly TAS 47)  
TAS 40 Investment Property

Effective for the period beginning on or after 1 January 2012

TAS 20 Accounting for Government Grants and Disclosure for Government Assistance

Costs that incur unevenly during the financial year are anticipated or deferred in the interim report only if it would be also appropriate to anticipate or defer such costs at the end of the financial year.

**3 Corporate income tax**

The Company calculates corporate income tax in accordance with the Revenue Code and records corporate income tax on an accrual basis. The Company does not recognise corporate income tax payable or receivable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts (Deferred income tax). The corporate income tax as shown in the statement of income reflects the exemption of corporate income tax of the promotional privileges from the Board of Investment (BOI) and income derived from NON-BOI activities.

**4 Short-term investments with fixed maturity**

As at 30 June 2009 and 31 March 2009, Investments with fixed maturity represent bills of exchange, treasury bills and fixed deposits which have an original maturity between 3 and 12 months. The weighted average interest rates of investments with fixed maturity were 1.18% - 1.62% per annum.

**Thai Stanley Electric Public Company Limited**  
**Unaudited Condensed Notes to the Interim Financial Statements**  
**For the three-month periods ended 30 June 2009 and 2008**

**5 Trade accounts receivable**

Trade accounts receivable as at 30 June 2009 and 31 March 2009 can be analysed as follows:

|                            | <b>Trade accounts receivable-<br/>other companies</b> |   | <b>Trade accounts receivable-<br/>related parties</b> |   |
|----------------------------|---|---|---|---|
|                            | <b>Unaudited<br/>30 June 2009<br/>Baht'000</b>        | <b>Audited<br/>31 March 2009<br/>Baht'000</b> | <b>Unaudited<br/>30 June 2009<br/>Baht'000</b>        | <b>Audited<br/>31 March 2009<br/>Baht'000</b> |
| Current                    | 629,298   | 643,625                                       | 82,803  | 77,533  |
| Overdue less than 3 months | 20,041  | 12,185  | -   | 529   |
| Overdue more than 3 months | 4   | 1,658   | -   | -   |
|                            | <u>649,343</u>  | <u>657,468</u>                                | <u>82,803</u>   | <u>78,062</u>                                 |

**6 Related party transactions**

The Company has significant transactions with its major shareholder, Stanley Electric Company Limited, incorporated in Japan which holds a 29.95% interest in the Company's share capital. The Company also has significant transactions with a group of individual shareholders who are members of the Company's management and hold a 29.08% interest in the Company's share capital.

Purchases from related parties are specific materials or materials which are manufactured on a large scale at one source for cost saving benefits. Sales to related parties mainly represent export sales, and selling price is determined based on manufacturing cost plus a certain margin. A royalty fee is charged at 3% of sales less materials cost imported from a related party in accordance with the agreement. A design and development fee and other fees are charged in the normal course of business and are presented as other payable - related parties.

The following significant transactions were carried out with related parties.

| <b>For the three-month periods ended 30 June</b>  | <b>Unaudited</b>         |                          |
|---|--------------------------|--------------------------|
|   | <b>2009<br/>Baht'000</b> | <b>2008<br/>Baht'000</b> |
| <b>Sales</b>  |                          |                          |
| Stanley Electric Group companies  | 102,097                  | 142,956                  |
| Companies related by way of the<br>Company's management and directors<br>as shareholders, or by way of common directors | 48,341                   | 49,134                   |
| Associates  | 23,516                   | 43,804                   |
|   | <u>173,954</u>           | <u>235,894</u>           |
| <b>Dividend income</b>  |                          |                          |
| Companies related by way of the<br>Company's management and directors<br>as shareholders, or by way of common directors | 1,093                    | 2,202                    |
| Associates  | 30,149                   | 28,340                   |
|   | <u>31,242</u>            | <u>30,542</u>            |

**Thai Stanley Electric Public Company Limited**  
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**6 Related party transactions (continued)**

The following significant transactions were carried out with related parties. (continued)

| <b>For the three-month periods ended 30 June</b>  | <b>Unaudited</b> |                 |
|---|------------------|-----------------|
|   | <b>2009</b>      | <b>2008</b>     |
|   | <b>Baht'000</b>  | <b>Baht'000</b> |
| <b>Other income</b>   |                  |                 |
| Stanley Electric Group companies  | 117              | 81              |
| Companies related by way of the<br>Company's management and directors<br>as shareholders, or by way of common directors | -                | 6               |
| Associates  | 14               | -               |
|   | <u>131</u>       | <u>87</u>       |
| <b>Purchases of goods and services</b>  |                  |                 |
| Stanley Electric Group companies  | 82,766           | 195,148         |
| Companies related by way of the<br>Company's management and directors<br>as shareholders, or by way of common directors | 46,412           | 72,652          |
| Associates  | 2,437            | 5,841           |
|   | <u>131,615</u>   | <u>273,641</u>  |
| <b>Royalty fees</b>   |                  |                 |
| Stanley Electric Group companies  | <u>38,697</u>    | <u>61,865</u>   |
| <b>Design and development fee</b>   |                  |                 |
| Stanley Electric Group companies  | <u>4,697</u>     | <u>14,121</u>   |
| <b>Technical fee</b>  |                  |                 |
| Stanley Electric Group companies  | <u>11,273</u>    | <u>2,524</u>    |
| <b>Training fee</b>   |                  |                 |
| Stanley Electric Group companies  | <u>-</u>         | <u>312</u>      |

**Thai Stanley Electric Public Company Limited**  
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**6 Related party transactions (continued)**

The amounts due to/from related parties are mainly denominated in foreign currencies and relate to purchases and sales transactions. The outstanding balances as at 30 June 2009 and 31 March 2009 are as follows:

|  | <b>Unaudited<br/>30 June 2009<br/>Baht'000</b> | <b>Audited<br/>31 March 2009<br/>Baht'000</b> |
|--|--|---|
| <b>Trade accounts receivable - related parties</b>   |  |   |
| Stanley Electric Group companies   | 34,896   | 30,392  |
| Companies related by way of the Company's management<br>and directors as shareholders, or by way of common directors<br>Associates | 33,457<br>14,450                               | 30,554<br>17,116                              |
|  | <u>82,803</u>                                  | <u>78,062</u>                                 |
| <b>Trade accounts payable - related parties</b>  |  |   |
| Stanley Electric Group companies   | 71,250   | 69,423  |
| Companies related by way of the Company's management<br>and directors as shareholders, or by way of common directors<br>Associates | 9,452<br>2,408                                 | 8,194<br>1,618                                |
|  | <u>83,110</u>                                  | <u>79,235</u>                                 |
| <b>Other accounts payable - related parties</b>  |  |   |
| Stanley Electric Group companies   | <u>74,504</u>                                  | <u>87,525</u>                                 |

**7 Investments in associates**

a) Movements in investments in associates are as follows:

**For the three-month period ended 30 June 2009**

|                                      | <b>Equity Method<br/>Unaudited<br/>Baht' 000</b> | <b>Cost Method<br/>Unaudited<br/>Baht' 000</b> |
|--------------------------------------|--|--|
| Opening net book value               | 310,001  | 57,716   |
| Share of net profit from investments | 11,753   | -  |
| Dividends received                   | (30,149)   | -  |
|                                      | <u>291,605</u>                                   | <u>57,716</u>                                  |

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**7 Investments in associates** (continued)

b) The details of investments in associates are as follows:

| Name                                     | Business activity                         | Paid-up share capital | % of holding | Equity Method             |                      |                          |                      |
|--|---|-----------------------|--------------|---------------------------|----------------------|--------------------------|----------------------|
|  |   |                       |              | Unaudited<br>30 June 2009 |                      | Audited<br>31 March 2009 |                      |
|  |   |                       |              | Amount<br>Baht'000        | Dividend<br>Baht'000 | Amount<br>Baht'000       | Dividend<br>Baht'000 |
| <b>Associates</b>                        |   |                       |              |                           |                      |                          |                      |
| Lao Stanley Company Limited              | Manufacture automotive lighting equipment | USD 0.25 million      | 50           | 10,955                    | 1,174                | 11,823                   | 1,000                |
| Vietnam Stanley Electric Company Limited | Manufacture automotive lighting equipment | USD 8.3 million       | 20           | 280,650                   | 28,975               | 298,178                  | 27,340               |
|  |   |                       |              | <u>291,605</u>            | <u>30,149</u>        | <u>310,001</u>           | <u>28,340</u>        |
| Name                                     | Business activity                         | Paid-up share capital | % of holding | Cost Method               |                      |                          |                      |
|  |   |                       |              | Unaudited<br>30 June 2009 |                      | Audited<br>31 March 2009 |                      |
|  |   |                       |              | Amount<br>Baht'000        | Dividend<br>Baht'000 | Amount<br>Baht'000       | Dividend<br>Baht'000 |
| <b>Associates</b>                        |   |                       |              |                           |                      |                          |                      |
| Lao Stanley Company Limited              | Manufacture automotive lighting equipment | USD 0.25 million      | 50           | 3,132                     | 1,174                | 3,132                    | 1,000                |
| Vietnam Stanley Electric Company Limited | Manufacture automotive lighting equipment | USD 8.3 million       | 20           | 54,044                    | 28,975               | 54,044                   | 27,340               |
|  |   |                       |              | <u>57,176</u>             | <u>30,149</u>        | <u>57,176</u>            | <u>28,340</u>        |

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**For the three-month periods ended 30 June 2009 and 2008**

**8 Long-term investments, net**

a) Movements in long-term investments are as follows:

**For the three-month period ended 30 June 2009**

|                                       | <b>Available<br/>for sale<br/>Unaudited<br/>Baht'000</b> | <b>General<br/>investments<br/>Unaudited<br/>Baht'000</b> | <b>Total<br/>Unaudited<br/>Baht'000</b> |
|---------------------------------------|--|---|---|
| <b>Equity securities</b>              |  |   |   |
| - Related companies                   | 2,460  | 121,184   | 123,644                                 |
| - Other companies                     | -  | 24,491  | 24,491                                  |
|                                       | 2,460  | 145,675   | 148,135                                 |
| <u>Less</u> Impairment of investments | -  | (6,496)   | (6,496)                                 |
| Opening net book value                | 2,460  | 139,179   | 141,639                                 |
| Change in fair value of investments   | 840  | -   | 840                                     |
| Closing net book value                | 3,300  | 139,179   | 142,479                                 |

b) The details of long-term investments are as follows:

| Name   | Business activity   | Paid-up<br>share<br>capital | % of<br>holding | Unaudited          |                      | Audited            |                      |
|--|---------------------|-----------------------------|-----------------|--------------------|----------------------|--------------------|----------------------|
|  |                     |                             |                 | 30 June 2009       | 31 March 2009        | 30 June 2009       | 31 March 2009        |
|  |                     |                             |                 | Amount<br>Baht'000 | Dividend<br>Baht'000 | Amount<br>Baht'000 | Dividend<br>Baht'000 |
| <b>Related party</b>                                 |                     |                             |                 |                    |                      |                    |                      |
| - available for sale                                 |                     |                             |                 |                    |                      |                    |                      |
| Inoue Rubber<br>(Thailand) Public<br>Company Limited | Manufacture of tyre | Baht 200<br>million         | 0.2             | 2,460              | -                    | 5,000              | 180                  |
| Change in fair value<br>of investments               |                     |                             |                 | 840                | -                    | (2,540)            | -                    |
|  |                     |                             |                 | 3,300              | -                    | 2,460              | 180                  |



**Thai Stanley Electric Public Company Limited**  
**Unaudited Condensed Notes to the Interim Financial Statements**  
**For the three-month periods ended 30 June 2009 and 2008**

**8 Long-term investments, net** (continued)

b) The details of long-term investments can be summarised as follows: (continued)

| Name  | Business activity   | Paid-up share capital | % of holding | Unaudited      |                   | Audited        |                   |
|---|---|-----------------------|--------------|----------------|-------------------|----------------|-------------------|
|   |   |                       |              | 30 June 2009   | Dividend Baht'000 | 31 March 2009  | Dividend Baht'000 |
| <b>Related parties</b>                      |   |                       |              |                |                   |                |                   |
| <b>- general investments</b>                |   |                       |              |                |                   |                |                   |
| <b>(at cost)</b>                            |   |                       |              |                |                   |                |                   |
| Asian Stanley International Company Limited | Manufacture of small bulbs, LED and electronic components   | Baht 400 million      | 15.0         | 60,000         | -                 | 60,000         | 56,942            |
| Sirivit Stanley Company Limited             | Manufacture of electronic equipment and automotive lighting | Baht 21 million       | 15.0         | 3,000          | 1,093             | 3,000          | 2,202             |
| Lumax Industries Limited                    | Manufacture of automotive lighting equipment and auto parts | RS 93.5 million       | 1.73         | 8,794          | -                 | 8,794          | 484               |
| PT. Indonesia Stanley Electric              | Manufacture of molds automotive lighting                    | USD 7.5 million       | 10.0         | 33,127         | -                 | 33,127         | 53,795            |
| Stanley Electric Engineering India PVT.     | Design molds and Manufacture of lamps and molds             | RS 161 million        | 100          | 16,263         | -                 | 16,263         | -                 |
| <b>Less Impairment of investments</b>       |   |                       |              | (6,496)        | -                 | (6,496)        | -                 |
|   |   |                       |              | <b>114,688</b> | <b>1,093</b>      | <b>114,688</b> | <b>113,423</b>    |
| <b>Other companies</b>                      |   |                       |              |                |                   |                |                   |
| <b>- general investments</b>                |   |                       |              |                |                   |                |                   |
| <b>(at cost)</b>                            |   |                       |              |                |                   |                |                   |
| Sum Hitechs Company Limited                 | Chrome plating on plastic products                          | Baht 104 million      | 15.0         | 19,491         | -                 | 19,491         | 1,560             |
| Top Hitech (Thailand) Company Limited       | Manufacture of plastic products                             | Baht 35.9 million     | 13.9         | 5,000          | -                 | 5,000          | -                 |
|   |   |                       |              | <b>24,491</b>  | <b>-</b>          | <b>24,491</b>  | <b>1,560</b>      |
| <b>Total long-term investment, net</b>      |   |                       |              | <b>142,479</b> | <b>1,093</b>      | <b>141,639</b> | <b>115,163</b>    |

**9 Capital expenditure and commitments**

**For the three-month period ended 30 June 2009**

|                            | <b>Property, plant<br/>and equipment<br/>Unaudited<br/>Baht'000</b> |
|----------------------------|---|
|                            | <u>                    </u>   |
| Opening net book amount    | 3,367,523   |
| Additions/ transfer, net   | 192,556   |
| Disposals, net/written off | (139)   |
| Depreciation               | <u>(198,045)</u>  |
| Closing net book amount    | <u>3,361,895</u>  |

As at 30 June 2009, the Company has capital commitments amount of Baht 36.22 million.

**10 Intangible assets, net**

**For the three-month period ended 30 June 2009**

|                                  | <b>Unaudited<br/>Baht'000</b> |
|----------------------------------|-------------------------------|
|                                  | <u>                    </u>   |
| Opening net book amount          | 320,985                       |
| Additions                        | 24,049                        |
| <u>Less</u> Amortisation charged | <u>(17,327)</u>               |
| Closing net book amount          | <u>327,707</u>                |

**11 Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of common shares in issue during the period 30 June 2009 : 76,625,000 shares and 30 June 2008 : 76,625,000 shares.

There are no dilutive ordinary shares in issue for the three-month ended 30 June 2009 and 2008.

**12 Commitments and contingent liabilities**

For the three-month period ended 30 June 2009, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 March 2009, except the following:

Forward exchange contracts

As at 30 June 2009, trade accounts receivable and payable included aggregate net payable of Japanese Yen 213.42 million and Euro 0.10 million and net receivable of US dollar 1.34 million in respect of sales proceeds and purchases due in foreign currencies. There were forward exchange contracts to cover this in the amount of Japanese Yen 92 million (31 March 2009: aggregate net payables of Japanese Yen 168 million, Euro 0.08 million and Rupee 0.51 million and net receivable of US dollar 1.42 million in respect of sales proceeds and purchase due in foreign currencies with forward exchange contracts to cover this amount of Japanese Yen 320 million).

As at 30 June 2009 and 31 March 2009, the maturity of forward foreign exchange contracts is between 1 to 4 months.

**13 Business segment information**

The Company currently manufactures and markets auto bulbs, automotive lighting equipment and molds and dies. The business segment information for molds and dies, which is different from auto bulbs and automotive lighting, has not been separately reported as the sales of this segment represent only 1.73% of total sales for the three-month period ended 30 June 2009 (for the three-month period ended 30 June 2008 : 2.20% of total sales).

**14 Subsequent event after the balance sheet date**

At the annual shareholders' meeting held on 3 July 2009, the shareholders approved a payment of dividends from the operating results for the year ended 31 March 2009 at Baht 5 per share for 76,625,000 shares, totalling of Baht 383.13 million. The dividends were paid to the shareholders on 30 July 2009.

