

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 MARCH 2012

AUDITOR'S REPORT

To the Shareholders of Thai Stanley Electric Public Company Limited

I have audited the accompanying statements of financial position in which the equity method is applied and the Company only as at 31 March 2012 and 2011 and the related statements of income, comprehensive income, changes in shareholders' equity and cash flows in which the equity method is applied and the Company only for the years then ended of Thai Stanley Electric Public Company Limited. The Company's management is responsible for the correctness and completeness of information in these financial statements. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position as at 31 March 2012 and 2011 and the results of its operations and its cash flows for the years then ended of Thai Stanley Electric Public Company Limited in accordance with generally accepted accounting principles.

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

Bangkok
18 May 2012

Thai Stanley Electric Public Company Limited
Statements of Financial Position
As at 31 March 2012 and 2011

	Notes	Financial statements in which the equity method is applied		The Company only	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents	6	1,707,851,632	3,133,889,742	1,707,851,632	3,133,889,742
Short-term investments held to maturity	7	198,849,700	560,985,995	198,849,700	560,985,995
Trade and other accounts receivable, net	8	1,546,358,261	1,462,458,613	1,546,358,261	1,462,458,613
Inventories, net	9	848,394,251	584,334,488	848,394,251	584,334,488
Corporate income tax refundable		35,804,368	-	35,804,368	-
Other current assets		11,523,481	4,799,645	11,523,481	4,799,645
Total current assets		4,348,781,693	5,746,468,483	4,348,781,693	5,746,468,483
Non-current assets					
Investments in associates	10	417,868,654	291,218,231	57,176,689	57,176,689
Long-term investments, net	11	146,267,138	151,667,138	146,267,138	151,667,138
Property, plant and equipment, net	12	4,574,302,530	3,268,205,285	4,574,302,530	3,268,205,285
Intangible assets, net	13	437,255,701	389,393,430	437,255,701	389,393,430
Other non-current assets, net	14	100,051,417	18,361,471	100,051,417	18,361,471
Total non-current assets		5,675,745,440	4,118,845,555	5,315,053,475	3,884,804,013
Total assets		10,024,527,133	9,865,314,038	9,663,835,168	9,631,272,496

Director _____
(Mr. Hiroyuki Nakano)

Director _____
(Mr. Apichart Leeissaranukul)

Date _____

The notes to the financial statements on page 10 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Financial Position
As at 31 March 2012 and 2011

	Notes	Financial statements in which the equity method is applied		The Company only	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - other companies		497,327,992	501,769,591	497,327,992	501,769,591
- related parties	26	156,621,051	191,707,677	156,621,051	191,707,677
Other accounts payable - other companies		321,752,198	205,281,113	321,752,198	205,281,113
- related parties	26	186,129,113	171,195,962	186,129,113	171,195,962
Accrued corporate income tax		-	269,432,571	-	269,432,571
Advances received from customers		62,278,044	85,710,323	62,278,044	85,710,323
Other current liabilities	15	192,185,048	107,543,896	192,185,048	107,543,896
Total current liabilities		1,416,293,446	1,532,641,133	1,416,293,446	1,532,641,133
Non-current liabilities					
Provision for retirement benefits	16	111,670,710	92,290,415	111,670,710	92,290,415
Total non-current liabilities		111,670,710	92,290,415	111,670,710	92,290,415
Total liabilities		1,527,964,156	1,624,931,548	1,527,964,156	1,624,931,548
Shareholders' equity					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each	17	383,125,000	383,125,000	383,125,000	383,125,000
Issued and paid-up share capital					
76,625,000 ordinary shares, par value of Baht 5 each	17	383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital	17	504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve	19	38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		7,678,162,011	7,449,618,260	7,205,963,512	7,076,033,448
Other components of equity		(107,286,534)	(134,923,270)	4,220,000	4,620,000
Total shareholders' equity		8,496,562,977	8,240,382,490	8,135,871,012	8,006,340,948
Total liabilities and shareholders' equity		10,024,527,133	9,865,314,038	9,663,835,168	9,631,272,496

The notes to the financial statements on page 10 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Income
For the years ended 31 March 2012 and 2011

	Notes	Financial statements in which the equity method is applied		The Company only	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Sales	24, 26	7,800,988,244	8,939,609,350	7,800,988,244	8,939,609,350
Cost of sales	22	(6,477,658,518)	(6,576,064,982)	(6,477,658,518)	(6,576,064,982)
Gross profit		1,323,329,726	2,363,544,368	1,323,329,726	2,363,544,368
Other income					
- Dividend income	10, 11	63,488,033	52,603,444	104,596,785	78,516,663
- Gain on exchange rates, net		19,003,330	2,120,492	19,003,330	2,120,492
- Others	20	222,188,418	171,047,520	222,188,418	171,047,520
Profit before expenses		1,628,009,507	2,589,315,824	1,669,118,259	2,615,229,043
Selling expenses	22	(402,787,251)	(423,021,746)	(402,787,251)	(423,021,746)
Administrative expenses	22	(228,739,509)	(238,445,688)	(228,739,509)	(238,445,688)
Expenses arising from floods, net	21, 22	(162,138,468)	-	(162,138,468)	-
Total expenses		(793,665,228)	(661,467,434)	(793,665,228)	(661,467,434)
Operating profit		834,344,279	1,927,848,390	875,453,031	1,953,761,609
Share of profit from investments in associates	10	139,722,439	84,071,783	-	-
Profit before income tax		974,066,718	2,011,920,173	875,453,031	1,953,761,609
Income tax		(247,480,617)	(584,208,576)	(247,480,617)	(584,208,576)
Net profit for the year		726,586,101	1,427,711,597	627,972,414	1,369,553,033
Basic earnings per share	23				
Net profit for the year		9.48	18.63	8.20	17.87

The notes to the financial statements on page 10 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Comprehensive Income
For the years ended 31 March 2012 and 2011

	Financial statements in which		The Company only		
	the equity method is applied		2012	2011	
	Notes	2012	2012	2011	
	Baht	Baht	Baht	Baht	
Net profit for the year		726,586,101	1,427,711,597	627,972,414	1,369,553,033
Other comprehensive income:					
Unrealised loss on change in fair value of available-for-sale investment	11	(400,000)	(240,000)	(400,000)	(240,000)
Exchange differences relating to investments in associates	10	28,036,736	(65,818,471)	-	-
Other comprehensive income (expenses) for the year		<u>27,636,736</u>	<u>(66,058,471)</u>	<u>(400,000)</u>	<u>(240,000)</u>
Total comprehensive income for the year		<u>754,222,837</u>	<u>1,361,653,126</u>	<u>627,572,414</u>	<u>1,369,313,033</u>

The notes to the financial statements on page 10 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Changes in Shareholders' Equity
For the years ended 31 March 2012 and 2011

	Financial statements in which the equity method is applied							
	Other components of equity							
	Other comprehensive income							
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Unrealised gain on change in fair value of available-for-sale investment Baht	Cumulative exchange differences relating to investments in associates Baht	Total other components of equity Baht
Legal reserve Baht				Unappropriated retained earnings Baht				
Opening balance as at 1 April 2011	383,125,000	504,250,000	38,312,500	7,449,618,260	4,620,000	(139,543,270)	(134,923,270)	8,240,382,490
Total comprehensive income for the year	-	-	-	726,586,101	(400,000)	28,036,736	27,636,736	754,222,837
Dividends paid	18	-	-	(498,042,350)	-	-	-	(498,042,350)
Closing balance as at 31 March 2012	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>7,678,162,011</u>	<u>4,220,000</u>	<u>(111,506,534)</u>	<u>(107,286,534)</u>	<u>8,496,562,977</u>
Opening balance as at 1 April 2010	383,125,000	504,250,000	38,312,500	6,405,016,663	4,860,000	(73,724,799)	(68,864,799)	7,261,839,364
Total comprehensive income for the year	-	-	-	1,427,711,597	(240,000)	(65,818,471)	(66,058,471)	1,361,653,126
Dividends paid	18	-	-	(383,110,000)	-	-	-	(383,110,000)
Closing balance as at 31 March 2011	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>7,449,618,260</u>	<u>4,620,000</u>	<u>(139,543,270)</u>	<u>(134,923,270)</u>	<u>8,240,382,490</u>

The notes to the financial statements on page 10 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Changes in Shareholders' Equity
For the years ended 31 March 2012 and 2011

								The Company only	
					Other components of equity				
					Other comprehensive income				
					Unrealised gain on				
					change in fair value	of available-for-sale	investment	Total	Total
					of available-for-sale	investment	of equity	of equity	shareholders'
					investment	of equity	of equity	of equity	equity
Note	Issued and	Premium	Retained earnings		Unrealised gain on	of equity	of equity	of equity	shareholders'
	paid-up	on share	Legal	Unappropriated	change in fair value	of equity	of equity	of equity	equity
	share capital	capital	reserve	retained	of available-for-sale	investment	of equity	of equity	equity
	Baht	Baht	Baht	earnings	investment	of equity	of equity	of equity	equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
	383,125,000	504,250,000	38,312,500	7,076,033,448	4,620,000	4,620,000	8,006,340,948		
	-	-	-	627,972,414	(400,000)	(400,000)	627,572,414		
18	-	-	-	(498,042,350)	-	-	(498,042,350)		
	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>7,205,963,512</u>	<u>4,220,000</u>	<u>4,220,000</u>	<u>8,135,871,012</u>		
	383,125,000	504,250,000	38,312,500	6,089,590,415	4,860,000	4,860,000	7,020,137,915		
	-	-	-	1,369,553,033	(240,000)	(240,000)	1,369,313,033		
18	-	-	-	(383,110,000)	-	-	(383,110,000)		
	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>7,076,033,448</u>	<u>4,620,000</u>	<u>4,620,000</u>	<u>8,006,340,948</u>		

The notes to the financial statements on page 10 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the years ended 31 March 2012 and 2011

	Notes	Financial statements in which the equity method is applied		The Company only	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash flows from operating activities:					
Profit before income tax for the year		974,066,718	2,011,920,173	875,453,031	1,953,761,609
Adjustments to reconcile profit before income tax for the year to net cash provided by operations:					
- Depreciation	12	639,865,452	692,551,030	639,865,452	692,551,030
- Amortisation	13	105,733,614	93,131,697	105,733,614	93,131,697
- Interest income	20	(83,862,656)	(51,324,828)	(83,862,656)	(51,324,828)
- Share of profit from investments in associates	10	(139,722,439)	(84,071,783)	-	-
- Dividend income					
- Investments in associates	10	-	-	(41,108,752)	(25,913,219)
- Long-term investments	11	(63,488,033)	(52,603,444)	(63,488,033)	(52,603,444)
- Gain on disposal of equipment		(4,183,586)	(5,886,332)	(4,183,586)	(5,886,332)
- Impairment of long-term investment	11	5,000,000	-	5,000,000	-
- Allowance for doubtful account	8	4,161,447	-	4,161,447	-
- Loss on write-off of damaged inventories from floods	21	50,476,685	-	50,476,685	-
- Allowance for slow moving inventories and net realisable value lower than cost of inventories	9	16,012,625	(5,335,106)	16,012,625	(5,335,106)
- Provision for retirement benefits	16	19,750,860	45,980,272	19,750,860	45,980,272
- Unrealised loss (gain) on exchange rates		285,579	(558,877)	285,579	(558,877)
Cash flows before changes in operating assets and liabilities		1,524,096,266	2,643,802,802	1,524,096,266	2,643,802,802
Changes in operating assets and liabilities					
- Trade and other accounts receivable		(91,285,848)	(119,498,543)	(91,285,848)	(119,498,543)
- Inventories		(330,549,073)	(159,405,896)	(330,549,073)	(159,405,896)
- Other current assets		(6,723,836)	(1,003,498)	(6,723,836)	(1,003,498)
- Other non-current assets		(6,287,388)	5,289,398	(6,287,388)	5,289,398
- Trade accounts payable - other companies		(4,441,599)	70,866,573	(4,441,599)	70,866,573
- related parties		(35,086,626)	57,071,191	(35,086,626)	57,071,191
- Other accounts payable - other companies		120,221,942	30,426,053	120,221,942	30,426,053
- related parties		26,091,097	43,314,333	26,091,097	43,314,333
- Advances received from customers		(23,432,279)	70,060,255	(23,432,279)	70,060,255
- Other current liabilities		84,641,152	18,238,562	84,641,152	18,238,562
- Payment for retirement benefit obligation	16	(370,565)	(442,970)	(370,565)	(442,970)
Cash generated from operations		1,256,873,243	2,658,718,260	1,256,873,243	2,658,718,260
Interest received		83,073,404	37,998,953	83,073,404	37,998,953
Income tax paid		(552,717,556)	(541,980,370)	(552,717,556)	(541,980,370)
Net cash received from operating activities		787,229,091	2,154,736,843	787,229,091	2,154,736,843

The notes to the financial statements on page 10 to 36 are an integral part of these financial statements.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows
For the years ended 31 March 2012 and 2011

	Notes	Financial statements in which the equity method is applied		The Company only	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Cash flows from investing activities:					
Purchases of property, plant and equipment		(1,965,825,861)	(862,560,109)	(1,965,825,861)	(862,560,109)
Advance payment for purchase of machines	14	(75,402,558)	-	(75,402,558)	-
Proceeds from disposals of equipment		9,137,947	6,394,607	9,137,947	6,394,607
Interest received on short-term investments held to maturity		4,014,005	10,501,602	4,014,005	10,501,602
Dividends received					
- Investments in associates	10	41,108,752	25,913,219	41,108,752	25,913,219
- Long-term investments	11	63,488,033	52,603,444	63,488,033	52,603,444
Purchases of intangible assets	13	(153,595,885)	(136,843,713)	(153,595,885)	(136,843,713)
Purchase of long-term investment - other company		-	(7,687,883)	-	(7,687,883)
Cash receipts from short-term investments held to maturity	7	560,985,995	2,289,498,398	560,985,995	2,289,498,398
Cash payment on short-term investments held to maturity	7	(198,849,700)	(1,874,905,382)	(198,849,700)	(1,874,905,382)
Net cash used in investing activities		<u>(1,714,939,272)</u>	<u>(497,085,817)</u>	<u>(1,714,939,272)</u>	<u>(497,085,817)</u>
Cash flow from financing activity:					
Dividends paid	18	<u>(498,042,350)</u>	<u>(383,110,000)</u>	<u>(498,042,350)</u>	<u>(383,110,000)</u>
Net cash used in financing activity		<u>(498,042,350)</u>	<u>(383,110,000)</u>	<u>(498,042,350)</u>	<u>(383,110,000)</u>
Net increase (decrease) in cash and cash equivalents					
Cash and cash equivalents at beginning of the year		(1,425,752,531)	1,274,541,026	(1,425,752,531)	1,274,541,026
Effects of exchange rate changes		3,133,889,742	1,858,789,839	3,133,889,742	1,858,789,839
		<u>(285,579)</u>	<u>558,877</u>	<u>(285,579)</u>	<u>558,877</u>
Cash and cash equivalents at end of the year		<u><u>1,707,851,632</u></u>	<u><u>3,133,889,742</u></u>	<u><u>1,707,851,632</u></u>	<u><u>3,133,889,742</u></u>
Non-cash transaction:					
Outstanding liabilities arisen from purchases of plant and equipment		64,574,712	79,483,515	64,574,712	79,483,515

The notes to the financial statements on page 10 to 36 are an integral part of these financial statements.

1 General information

Thai Stanley Electric Public Company Limited ("the Company") is a public limited company, incorporated in Thailand. The address of its registered office is 29/3 Moo 1 Bangpoon-Rungsit Road, Bangklang, Amphur Muang, Pathumthanee, Thailand 12000. The Company is listed on the Stock Exchange of Thailand.

The principal business operation of the Company is the manufacture and sales of automotive bulbs, lighting equipment and molds and dies.

These financial statements have been approved by the Company's Board of directors on 18 May 2012.

2 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements have been 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 Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act B.E. 2535.

The financial statements have been prepared under the historical cost convention except the measurement of available-for-sale investment as explained in the relevant accounting policies.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses in the reported periods. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

Comparative figures have been adjusted to conform with the change in presentation of trade and other accounts receivable in accordance with the Department of Business Development Regulation dated 28 September 2011 in relation to the format of financial statements B.E. 2554 which is mandatory for accounting period beginning on or after 1 January 2011.

An English version of the financial statements has been prepared from the statutory 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 statutory financial statements shall prevail.

2 Accounting policies (Cont'd)

2.2 New accounting standards, new financial reporting standards, new interpretation, and amendments to accounting standards being effective for the periods beginning on or after 1 January 2011

Commencing 1 April 2011, the Company has applied the following new accounting standards, new financial reporting standards, new interpretations, and amendments to accounting standards (collectively "the accounting standards") that are mandatory for the financial year beginning on or after 1 January 2011. However, the application of those accounting standards did not have significant impact to the financial statements being presented, except the following accounting standards.

- TAS 1 (Revised 2009), the revised standard will prohibit the presentation of items of income and expenses in the statement of changes in shareholders' equity. Entities can choose to present the statement of comprehensive income in one statement or two statements (statement of income and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated statement of financial position as at the beginning comparative period in addition to the current requirement to present statement of financial position at the end of the current period and comparative period. However, for the financial statements which period beginning on or after 1 January 2011 and are the first period applying this standard, an entity can choose to present statement of financial position only two statements without the statement of financial position as at the beginning comparative period. The Company chose to present the statement of comprehensive income in two statements (statement of income and statement of comprehensive income).
- TAS 16 (Revised 2009), the revised standard requires the entity to include in cost of property, plant and equipment, an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, when the entity has obligation to do. An entity requires that an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately. The revised standard also requires an entity to review useful life, residual value and depreciation method at least at each financial year-end. However, the revised standard does not have significant impact to the property, plant and equipment of the Company, except for buildings as mentioned in Note 2.9. The Company has changed the useful life of buildings based on the current estimated useful life. The Company's management reviews and considers that the new useful life is more appropriate and reflects the future economic benefits of the buildings. The Company applied prospective adjustment which resulted to a decrease in depreciation expense of building for the year ended 31 March 2012 of Baht 15.56 million.

2 Accounting policies (Cont'd)

2.3 New accounting standards, amendments to accounting standards and new interpretation being effective for the periods beginning on or after 1 January 2013

The following new accounting standards, amendments to accounting standards and new interpretation are mandatory for the accounting periods beginning on or after 1 January 2013, but the Company has not early adopted them.

TAS 12	Income Taxes
TAS 20 (Revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
IFRS 8	Operating Segments
TSiC 10	Government Assistance - No Specific Relation to Operating Activities
TSiC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSiC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Company's management has determined that the new accounting standards, amendments to accounting standards and new interpretation will not significantly impact the financial statements being presented, except for TAS 12 Income Taxes and TFRS 8 Operating Segments.

- TAS 12, this deals with taxes on income, comprising current tax and deferred tax. Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, using tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. Deferred taxes are measured based on the temporary difference between the tax base of an asset or liability and its carrying amount in the financial statements and using the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax law that have been enacted or substantively enacted by the end of the reporting period. The management is currently assessing the impact of applying this standard.
- TFRS 8, the standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The management is currently assessing the impact of applying this standard.

2.4 Foreign currency translation

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rates prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of income.

Statements of income and cash flows of foreign entities are translated into the Company's reporting currency which is Baht at the weighted average exchange rates for the year. The statement of financial position items are translated at the exchange rates ruling on the statement of financial position date. Currency translation differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. On disposal of a foreign entity, accumulated currency translation differences are recognised in the statement of income as part of the gain or loss on sale.

2 Accounting policies (Cont'd)

2.5 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less which are not used as collateral.

2.6 Trade accounts receivable

Trade accounts receivable are recognised initially at original invoice amount and subsequently measured at the remaining amount less allowance for doubtful receivables based on a review of all outstanding amounts at the year end. The amount of the allowance is the difference between the carrying amount of the receivable and the amount expected to be collectible. Bad debts are recognised in the statement of income as part of administrative expenses.

2.7 Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined by the weighted average method. The cost of purchase comprises both the purchase price and costs directly attributable to the acquisition of the inventory, such as import duties and transportation charge, less all attributable discounts and rebates. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads which are allocated based on normal capacity. Net realisable value is the estimate of the selling price in the ordinary course of business, less the costs of completion and selling expenses. Allowance is made, where necessary, for obsolete, slow-moving and defective inventories.

2.8 Investments in associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are initially recognised at cost and accounted for using the equity method in the financial statements in which the equity method is applied.

The Company's shares of its associates' post-acquisition profits or losses are recognised in the statement of income and its shares of post-acquisition movements in reserves are recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investments. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed, where necessary, to ensure consistency with the policies adopted by the Company.

In the Company financial statements, investments in associates are accounted for using the cost method.

A list of the Company's principal associates is disclosed in Note 10.

2 Accounting policies (Cont'd)

2.9 Investments

Investments other than investments in associates are classified into the following three categories which are held-to-maturity, available-for-sale and general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale, and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- Investments in non-marketable equity securities are classified as general investments.

Purchases and sales of investments are recognised on the trade date, which is the date that the Company commits to purchase or sell the investments. Cost of investment includes transaction costs.

Held-to-maturity investments are carried at amortised cost using the effective yield method.

Available-for-sale investments are subsequently carried at fair value. Unrealised gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognised in equity. The fair value of investments is based on the quoted bid price by reference to the Stock Exchange of Thailand. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the statement of income as gains and losses from investment.

General investments are carried at cost less impairment.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of income.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the statement of income. When disposing of part of the Company's holding of a particular investment in equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2 Accounting policies (Cont'd)

2.10 Property, plant and equipment

Property, plant and equipment are initially recorded at cost and subsequently stated at historical cost less accumulated depreciation.

Depreciation is calculated on the straight-line method to write off the cost of each asset, except for land which is considered to have indefinite life, to its residual value over the estimated useful lives.

Since 1 April 2011, the Company has depreciated the significant component of each item separately and changed accounting estimate by reviewing useful lives of property, plant and equipment as the following:

	Years	
	New Useful Life	Old Useful Life
Buildings	30	20
Land and building improvements	5 - 10	5 - 10
Machinery, equipment and factory tools	5 - 10	5 - 10
Molds	4	4
Motor vehicles	5	5
Furniture, fixtures and office equipment	3 - 5	3 - 5

The assets' useful lives, residual values and depreciation method are reviewed, and adjusted if appropriate, at least at the end of each reporting period.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income.

2.11 Intangible assets

Computer software

Acquired computer software licences are capitalised on the basis of the direct costs incurred to acquire and bring to use the specific software. These costs are amortised on the straight-line method over their estimated useful lives of which between 5 and 10 years. Direct costs include staff costs of the software development team and an appropriate portion of relevant overheads.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred.

2 Accounting policies (Cont'd)

2.11 Intangible assets (Cont'd)

Product design costs

Costs incurred on development projects relating to the design of new products are recognised as intangible assets when it is probable that the project will be successful considering its commercial and technological feasibility, and only if the cost can be measured reliably. Product design costs previously recognised as an expense are not recognised as an asset in a subsequent period. Product design costs are amortised from the commencement of the commercial production of the product based on the straight-line method over the period of its expected benefit which is 4 years.

2.12 Impairment of assets

Asset and intangible assets with a definite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Assets that have suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.13 Employee benefits

The Company has post-employment benefits both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. The Company has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

- **Defined contribution plan**

Provident fund

The Company operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Company. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

2 Accounting policies (Cont'd)

2.13 Employee benefits (Cont'd)

- Defined benefit plan

Retirement benefit

Under Labour Laws applicable in Thailand and Company's employment policy, the severance pay will be at the rate according to salary and number of years of service which will happen in the future. The liability recognised in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognised past-service costs. The defined benefit obligation is calculated by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using government bond interest rate that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related liability.

Gain and loss from actuarial estimation for employee benefit is recognised as other comprehensive income (expenses) in the statement of comprehensive income.

2.14 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.15 Revenue recognition

Revenue from sales comprises the fair value of the consideration received or receivable for the sales of goods net of output tax, rebates and discounts. Revenue from sales is recognised when significant risks and rewards of ownership of the goods are transferred to the buyers.

Revenue from rendering services is recognised when services are rendered.

Interest income is recognised on an accrual basis unless collectability is in doubt.

Dividend income is recognised when right to receive payment is established.

2.16 Corporate income tax

The Company calculates corporate income tax in accordance with the Revenue Code and records 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 and their carrying amounts. 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).

2 Accounting policies (Cont'd)

2.17 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders and the Board of Directors.

2.18 Financial instruments

Financial assets carried in the statements of financial position include cash and cash equivalents, short-term investments held to maturity, and trade accounts receivable. Financial liabilities carried in the statements of financial position are trade accounts payable and other accounts payable. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

The Company parties to financial instruments that reduce exposure to fluctuations in exchange rates by using foreign currency forward contracts to protect its exposure from movements in exchange rates. Foreign currency forward contracts established a predetermined exchange rate ("forward rate") at which the Company will receive/ pay foreign currency amounts on a predetermined future date. At the statement of financial position date, the foreign currency amounts receivable under these contracts are translated into Baht at the rates ruling at that date. Unrealised gains or losses that result from the translation are recognised in the statement of income. The foreign currency amounts payable under these contracts are translated into Baht at the forward rates. Any premiums or discounts equal to the difference between the exchange rates and the forward rates at the inception of the contracts are amortised over the lives of the contracts. The foreign currency amounts receivable and payable have been presented net in the statement of financial position.

Disclosures about financial instruments to which the Company is a party are provided in Note 25.

3 Critical accounting estimates, assumptions and judgments

Accounting estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. During the year ended 31 March 2012, the significant accounting estimates of the Company are as follows:

Plant and equipment and intangible assets

Management has determined the estimated useful lives and residual value of plant and equipment and intangible assets of which are principally based on technical information. The management will also review to write down technically obsolete or non-used assets by sales or abandon.

Retirement benefits obligation

The Company provides for post-employment benefits, payable to employees under the Thai Labour Law. The present value of retirement benefits obligation is determined based on various assumptions which include the discount rate, the rate of salary inflation, and employee turnover. Any changes in these assumptions will impact the net periodic cost recorded for provision for retirement benefits.

Thai Stanley Electric Public Company Limited
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4 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

5 Business segment information

The Company currently manufactures and sells auto bulbs, automotive lighting equipment and molds & dies. The business segment information for molds and dies, which is different from auto bulbs and automotive lighting equipment, has not been separately reported as the sales of this segment represent only 2.43% of total sales (2011 : 1.03% of total sales).

6 Cash and cash equivalents

	2012	2011
	Baht	Baht
Cash and cheques on hand	612,418	1,038,163
Current accounts with banks	31,521,999	48,723,322
Savings accounts with banks	110,717,215	35,453,567
Short-term investments in treasury bills and bills of exchange	1,565,000,000	3,048,674,690
	<u>1,707,851,632</u>	<u>3,133,889,742</u>

Savings accounts with banks and short-term investments bear interest at the average rate of 0.01% - 3.15% per annum (2011 : 0.01% - 2.37% per annum).

7 Short-term investments held to maturity

As at 31 March 2012 and 2011, short-term investments held to maturity represent bills of exchange, treasury bills and fixed deposits which have original maturities between 3 and 12 months.

Movement in short-term investments held to maturity are as follows:

	2012	2011
	Baht	Baht
Opening net book amount	560,985,995	975,579,011
Additions during the year	198,849,700	1,874,905,382
Redemptions during the year	(560,985,995)	(2,289,498,398)
Closing net book amount	<u>198,849,700</u>	<u>560,985,995</u>

Short-term investments held to maturity bear interest at the average rate of 3.00% - 3.02% per annum (2011 : 1.10% - 2.28% per annum).

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8 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 31 March 2012 and 2011 are as follows:

	2012	2011
	Baht	Baht
Trade accounts receivable - other companies	1,231,280,105	1,319,060,943
<u>Less</u> Allowance for doubtful account	(4,161,447)	-
Trade accounts receivable - other companies, net	1,227,118,658	1,319,060,943
Trade accounts receivable - related parties (Note 26)	132,828,274	79,530,332
Prepaid expenses	43,381,518	29,484,506
Accrued income	14,881,508	22,525,452
Value added tax receivable	95,594,694	-
Other receivables	32,553,609	11,857,380
	<u>1,546,358,261</u>	<u>1,462,458,613</u>

Trade accounts receivable as at 31 March 2012 and 2011 can be analysed as follows:

	Trade accounts receivable-		Trade accounts receivable-	
	other companies		related parties	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Current	1,115,901,330	1,304,993,755	127,121,859	79,241,795
Overdue:				
less than 3 months	34,567,355	7,817,929	1,760,310	56,004
3 - 6 months	75,368,114	2,318,952	3,946,105	88,557
6 - 12 months	1,395,889	3,930,307	-	143,976
more than 1 year	4,047,417	-	-	-
	<u>1,231,280,105</u>	<u>1,319,060,943</u>	<u>132,828,274</u>	<u>79,530,332</u>

9 Inventories, net

	2012	2011
	Baht	Baht
Raw materials and packaging	265,082,239	142,034,304
Work in process	430,038,408	350,017,727
Finished goods	132,872,925	50,327,082
Goods in transit	44,595,066	50,137,137
	<u>872,588,638</u>	<u>592,516,250</u>
<u>Less</u> Allowance for net realisable value lower than cost and slow moving inventories		
- Raw materials and packaging	(8,126,433)	(6,538,433)
- Work in process	(5,500,000)	(1,000,000)
- Finished goods	(10,567,954)	(643,329)
Inventories, net	<u>848,394,251</u>	<u>584,334,488</u>

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10 Investments in associates

The details of investments in associates as at 31 March 2012 and 2011 are as follows:

Name	Business activity	Paid-up share capital	% of holding	Equity method			
				2012		2011	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture automotive lighting equipment	USD 0.25 million	50	11,425,958	4,185,446	12,376,223	973,842
Vietnam Stanley Electric Company Limited	Manufacture automotive lighting equipment	USD 8.30 million	20	406,442,736	36,923,306	278,842,008	24,939,377
				417,868,654	41,108,752	291,218,231	25,913,219
Name	Business activity	Paid-up share capital	% of holding	Cost method			
				2012		2011	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Associates							
Lao Stanley Company Limited	Manufacture automotive lighting equipment	USD 0.25 million	50	3,132,309	4,185,446	3,132,500	973,842
Vietnam Stanley Electric Company Limited	Manufacture automotive lighting equipment	USD 8.30 million	20	54,044,189	36,923,306	54,044,189	24,939,377
				57,176,689	41,108,752	57,176,689	25,913,219

Movements in investments in associates are as follows:

For the years ended 31 March	Equity method		Cost method	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Opening net book amount	291,218,231	298,878,138	57,176,689	57,176,689
Share of profit	139,722,439	84,071,783	-	-
Dividends received	(41,108,752)	(25,913,219)	-	-
Translation adjustments	28,036,736	(65,818,471)	-	-
Closing net book amount	417,868,654	291,218,231	57,176,689	57,176,689

The assets, liabilities, revenues and net profit of its associates according to the percentage of holding are as follows:

	Total assets Baht	Total liabilities Baht	Revenues Baht	Net profit Baht	% Ownership interest
For the year ended 31 March 2012					
Lao Stanley Company Limited	18,896,179	7,470,261	43,200,636	3,392,865	50
Vietnam Stanley Electric Company Limited	497,982,836	91,540,101	713,546,763	136,329,576	20
	516,879,015	99,010,362	756,747,399	139,722,439	
For the year ended 31 March 2011					
Lao Stanley Company Limited	16,596,452	4,220,229	55,410,817	4,178,129	50
Vietnam Stanley Electric Company Limited	361,854,589	83,012,582	483,281,375	79,893,654	20
	378,451,041	87,232,811	538,692,192	84,071,783	

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11 Long-term investments, net

Long-term investments, net as at 31 March 2012 and 2011 are as follows:

As at 31 March 2012	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
- Related parties	4,400,000	114,688,615	119,088,615
- Other companies	-	27,178,523	27,178,523
Long-term investments, net	<u>4,400,000</u>	<u>141,867,138</u>	<u>146,267,138</u>
As at 31 March 2011	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
- Related parties	4,800,000	114,688,615	119,488,615
- Other companies	-	32,178,523	32,178,523
Long-term investments, net	<u>4,800,000</u>	<u>146,867,138</u>	<u>151,667,138</u>

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Notes to the Financial Statements
For the years ended 31 March 2012 and 2011

11 Long-term investments, net (Cont'd)

The details of long-term investments, net as at 31 March 2012 and 2011 are as follows:

Name	Business activity	Paid-up share capital	% of holding	2012		2011	
				Amount Baht	Dividends Baht	Amount Baht	Dividends Baht
Related parties - available-for-sale							
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	3,380,000	97,440	3,380,000	200,000
Change in fair value of investments				1,020,000	-	1,120,000	-
				<u>4,400,000</u>	<u>97,440</u>	<u>4,800,000</u>	<u>200,000</u>
Related parties - general investments (at cost)							
Asia Stanley International Company Limited	Manufacture of small bulbs, LED and electronic components	Baht 300 million	15.0	60,000,000	19,143,358	60,000,000	12,320,692
Sriwit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting	Baht 21 million	15.0	3,000,000	508,359	3,000,000	622,775
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	618,271	8,793,715	330,996
PJ Indonesia Stanley Electric	Manufacture of molds and automotive lighting	USD 7.5 million	10.0	33,127,500	43,120,305	33,127,500	57,128,581
Stanley Electric Engineering India PVT	Design molds and manufacture of lamps and molds	RS 161 million	10.0	16,263,000	-	16,263,000	-
<u>Less Impairment of investments</u>				<u>(6,495,600)</u>	<u>-</u>	<u>(6,495,600)</u>	<u>-</u>
				<u>114,688,615</u>	<u>63,390,593</u>	<u>114,688,615</u>	<u>50,703,044</u>
Other companies - general investments (at cost)							
Sam Hitechi Company Limited	Chrome plating on plastic products	Baht 164 million	16.35	27,178,523	-	27,178,523	1,700,400
Top Hitech (Thailand) Company Limited	Manufacture of plastic products and molds	Baht 35.9 million	13.9	5,000,000	-	5,000,000	-
<u>Less Impairment of investments</u>				<u>(5,000,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
				<u>27,178,523</u>	<u>-</u>	<u>32,178,523</u>	<u>1,700,400</u>
Total long-term investments, net				<u>146,267,138</u>	<u>63,488,933</u>	<u>151,667,138</u>	<u>52,603,444</u>

Thai Stanley Electric Public Company Limited
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12 Property, plant and equipment, net

	Land Baht	Land and building improvements Baht	Buildings Baht	Machinery, equipment and factory tools Baht	Molds Baht	Motor vehicles Baht	Furniture, fixtures and office equipment Baht	Machinery under installation and construction in progress Baht	Total Baht
As at 31 March 2010									
Cost	605,128,092	869,453,728	692,050,045	3,952,986,109	2,669,086,018	67,760,368	118,554,114	189,001,774	9,164,020,248
Less Accumulated depreciation	-	(373,042,942)	(363,586,773)	(3,017,113,899)	(2,237,425,422)	(46,352,151)	(95,324,764)	-	(6,132,845,951)
Net book amount	<u>605,128,092</u>	<u>496,410,786</u>	<u>328,463,272</u>	<u>935,872,210</u>	<u>431,660,596</u>	<u>21,408,217</u>	<u>23,229,350</u>	<u>189,001,774</u>	<u>3,031,174,297</u>
For the year ended 31 March 2011									
Opening net book amount	605,128,092	496,410,786	328,463,272	935,872,210	431,660,596	21,408,217	23,229,350	189,001,774	3,031,174,297
Additions	227,876,230	16,095,056	414,676	84,921,514	604,368	12,376,575	2,212,183	585,589,691	930,090,293
Disposals / write-offs, net	-	-	-	(90,646)	-	(12)	(417,617)	-	(508,275)
Transfers	-	64,015,150	44,000,000	77,605,902	156,483,030	-	1,202,479	(343,306,564)	-
Depreciation charge (Note 22)	-	(113,181,944)	(32,030,509)	(315,681,094)	(209,634,523)	(10,285,010)	(11,737,950)	-	(692,551,030)
Closing net book amount	<u>833,004,322</u>	<u>463,339,048</u>	<u>340,847,439</u>	<u>782,627,886</u>	<u>379,113,471</u>	<u>23,499,770</u>	<u>14,488,445</u>	<u>431,284,904</u>	<u>3,268,205,285</u>
As at 31 March 2011									
Cost	833,004,322	949,563,934	736,464,721	4,065,174,967	2,826,173,416	68,862,763	117,867,003	431,284,904	10,028,396,030
Less Accumulated depreciation	-	(486,224,886)	(395,617,282)	(3,282,547,081)	(2,447,059,945)	(45,362,993)	(103,378,558)	-	(6,760,190,745)
Net book amount	<u>833,004,322</u>	<u>463,339,048</u>	<u>340,847,439</u>	<u>782,627,886</u>	<u>379,113,471</u>	<u>23,499,770</u>	<u>14,488,445</u>	<u>431,284,904</u>	<u>3,268,205,285</u>

Thai Stanley Electric Public Company Limited
Notes to the Financial Statements
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12 Property, plant and equipment, net (Cont'd)

	Land Baht	Land and building improvements Baht	Buildings Baht	Machinery, equipment and factory tools Baht	Molds Baht	Motor vehicles Baht	Furniture, fixtures and office equipment Baht	Machinery under installation and construction in progress Baht	Total Baht
For the year ended 31 March 2012									
Opening net book amount	833,004,322	463,339,048	340,847,439	782,627,886	379,113,471	23,499,770	14,488,445	431,284,904	3,268,205,285
Additions	292,082,533	10,882,242	-	122,800,602	9,692,281	15,402,500	7,919,810	1,492,137,090	1,950,917,058
Disposals / write-offs, net	(1,188,000)	(630,171)	(3)	(387,357)	(1,770,165)	(10)	(978,655)	-	(4,954,361)
Transfers	-	81,692,881	3,277,068	254,507,516	174,418,863	-	1,131,833	(515,028,161)	-
Depreciation charge (Note 22)	-	(120,447,574)	(18,193,424)	(279,676,526)	(202,028,048)	(10,229,437)	(9,290,443)	-	(639,865,452)
Closing net book amount	<u>1,123,898,855</u>	<u>434,836,426</u>	<u>325,931,080</u>	<u>879,872,121</u>	<u>359,426,402</u>	<u>28,672,823</u>	<u>13,270,990</u>	<u>1,408,393,833</u>	<u>4,574,302,530</u>
As at 31 March 2012									
Cost	1,123,898,855	1,024,774,229	734,691,820	4,321,128,000	2,994,532,311	77,432,037	118,725,097	1,408,393,833	11,803,576,182
Less Accumulated depreciation	-	(589,937,803)	(408,760,740)	(3,441,255,879)	(2,635,105,909)	(48,759,214)	(105,454,107)	-	(7,229,273,652)
Net book amount	<u>1,123,898,855</u>	<u>434,836,426</u>	<u>325,931,080</u>	<u>879,872,121</u>	<u>359,426,402</u>	<u>28,672,823</u>	<u>13,270,990</u>	<u>1,408,393,833</u>	<u>4,574,302,530</u>

As at 31 March 2012, the gross carrying amount of fully depreciated fixed assets amounted to Baht 5,356 million (2011 : Baht 4,786 million). The fully depreciated fixed assets mostly comprise molds reserved for production and machinery and equipment that are still in use.

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Notes to the Financial Statements
For the years ended 31 March 2012 and 2011

13 Intangible assets, net

	Computer software Baht	Product design cost Baht	Total Baht
As at 31 March 2010			
Cost	137,559,301	394,262,656	531,821,957
<u>Less</u> Accumulated amortisation	<u>(73,829,750)</u>	<u>(112,310,793)</u>	<u>(186,140,543)</u>
Net book amount	<u>63,729,551</u>	<u>281,951,863</u>	<u>345,681,414</u>
For the year ended 31 March 2011			
Opening net book amount	63,729,551	281,951,863	345,681,414
Additions	36,313,172	100,530,541	136,843,713
Amortisation charge (Note 22)	<u>(17,179,189)</u>	<u>(75,952,508)</u>	<u>(93,131,697)</u>
Closing net book amount	<u>82,863,534</u>	<u>306,529,896</u>	<u>389,393,430</u>
As at 31 March 2011			
Cost	173,872,473	494,793,197	668,665,670
<u>Less</u> Accumulated amortisation	<u>(91,008,939)</u>	<u>(188,263,301)</u>	<u>(279,272,240)</u>
Net book amount	<u>82,863,534</u>	<u>306,529,896</u>	<u>389,393,430</u>
For the year ended 31 March 2012			
Opening net book amount	82,863,534	306,529,896	389,393,430
Additions	24,230,265	129,365,620	153,595,885
Amortisation charge (Note 22)	<u>(22,620,819)</u>	<u>(83,112,795)</u>	<u>(105,733,614)</u>
Closing net book amount	<u>84,472,980</u>	<u>352,782,721</u>	<u>437,255,701</u>
As at 31 March 2012			
Cost	198,102,738	624,158,817	822,261,555
<u>Less</u> Accumulated amortisation	<u>(113,629,758)</u>	<u>(271,376,096)</u>	<u>(385,005,854)</u>
Net book amount	<u>84,472,980</u>	<u>352,782,721</u>	<u>437,255,701</u>

14 Other non-current assets, net

	2012 Baht	2011 Baht
Advance payment for purchase of machines	75,402,558	-
Others	24,648,859	18,361,471
	<u>100,051,417</u>	<u>18,361,471</u>

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15 Other current liabilities

	2012	2011
	Baht	Baht
Accrued staff costs	107,318,170	57,764,941
Accrued electricity expense	24,043,558	22,521,129
Accrued flood-prevention and rehabilitation expenses	17,400,000	-
Others	43,423,320	27,257,826
	<u>192,185,048</u>	<u>107,543,896</u>

16 Provision for retirement benefits

The amounts recognised in the statement of financial position are determined as follows:

	2012	2011
	Baht	Baht
Present value of defined benefit obligations	111,670,710	92,290,415
Liability in the statement of financial position	<u>111,670,710</u>	<u>92,290,415</u>

Movements in provision for retirement benefits are as follows:

	2012	2011
	Baht	Baht
Opening balance	92,290,415	46,753,113
Current service cost	16,464,928	43,166,987
Interest cost	3,285,932	2,813,285
Benefits paid	(370,565)	(442,970)
Closing balance	<u>111,670,710</u>	<u>92,290,415</u>

The amounts recognised in the statement of income are as follows:

	2012	2011
	Baht	Baht
Current service cost	16,464,928	43,166,987
Interest cost	3,285,932	2,813,285
	<u>19,750,860</u>	<u>45,980,272</u>

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16 Provision for retirement benefits (Cont'd)

These expenses are included in cost of sales, selling expenses, administrative expenses and other expenses as follows:

	2012	2011
	Baht	Baht
Cost of sales	17,370,143	42,713,191
Selling expenses	490,440	1,431,327
Administrative expenses	1,405,470	1,835,754
Other expenses	484,807	-
	<u>19,750,860</u>	<u>45,980,272</u>

The principal actuarial assumptions used were as follows:

Discount rate	4%
Salary increase rate	5%

17 Share capital and premium on share capital

	Number of	Ordinary	Premium on	Total
	shares	shares	share capital	Baht
		Baht	Baht	Baht
As at 31 March 2012 and 2011	<u>76,625,000</u>	<u>383,125,000</u>	<u>504,250,000</u>	<u>887,375,000</u>

The total authorised number of ordinary shares is 76,625,000 shares with a par value of Baht 5 per share (2011 : 76,625,000 shares with a par value of Baht 5 per share). All shares are issued and fully paid.

18 Dividends

At the Annual General Shareholders' meeting held on 8 July 2011, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2011 for 76,625,000 shares of Baht 6.5 per share, totalling Baht 498,062,500. There are 3,100 shares that were not entitled to receive the dividends, totalling Baht 20,150 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 498,042,350 in the financial statements. The Company paid the dividends to the shareholders on 4 August 2011.

At the Annual General Shareholders' meeting held on 2 July 2010, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2010 for 76,625,000 shares of Baht 5 per share, totalling Baht 383,125,000. There are 3,000 shares that were not entitled to receive the dividends, totalling Baht 15,000 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends paid amounting to Baht 383,110,000 in the financial statements. The Company paid the dividends to the shareholders on 30 July 2010.

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19 Legal reserve

Under the Public Company Limited Act B.E. 2535, the Company is required to set aside a legal reserve at least 5% of its net profit after the accumulated deficit brought forward (if any) until the reserve is not less than 10% of the registered capital. The reserve is non-distributable.

20 Other income - others

	2012	2011
	Baht	Baht
Scrap sales	77,925,679	72,741,248
Interest income	83,862,656	51,324,828
Tax rebate income	13,538,179	17,215,343
Royalty income	17,638,564	12,839,939
Others	29,223,340	16,926,162
	<u>222,188,418</u>	<u>171,047,520</u>

21 Expenses arising from floods, net

The Company was affected by the floods and had to stop production at its factory since 20 October 2011. In November 2011, the Company was able to restart some of its operation and started to resume its normal production. The cost of sales in the statement of income for the year ended 31 March 2012 include expenses relating to the production transfer of some goods to Stanley Electric Group companies' factories and shipping costs for molds and equipment during the period when the Company could not produce these goods. The total amount of these expenses is approximately Baht 184.57 million.

The Company has entered into insurance contracts which cover business interruption, damaged inventories and assets. At present, the Company is still in the process of filing insurance claims with its insurance companies. In March 2012, the Company received the first reimbursement from the insurance companies amounting to Baht 184.67 million.

The details of expenses arising from floods, net in the statement of income for the year ended 31 March 2012 are as follows:

	2012
	Baht
Staff salaries and other fixed expenses during the period when the Company stopped and rehabilitated its operation	108,512,614
Loss on write-off of damaged inventories from floods	50,476,685
Other expenses arising from floods including flood-prevention and rehabilitation expenses	187,822,103
	<u>346,811,402</u>
<u>Less</u> Cash receipt from insurance companies from floods	<u>(184,672,934)</u>
	<u>162,138,468</u>

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22 Expense by nature

The following expenditure items have been charged in arriving at operating profit:

	2012	2011
	Baht	Baht
Changes in finished goods and work in process	(148,141,899)	(159,822,180)
Raw materials and consumables used	3,522,486,754	3,874,541,218
Staff costs	1,082,144,263	961,471,484
Depreciation (Note 12)	639,865,452	692,551,030
Amortisation (Note 13)	105,733,614	93,131,697
Utility expenses	251,346,467	264,752,035
Subcontract service costs	280,563,095	236,070,766
Repairs and maintenance expenses	280,767,754	170,455,046

23 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to shareholders by the weighted average number of ordinary shares issued and paid up during the year.

	Financial statements		The Company only	
	in which the equity method			
	is applied			
	2012	2011	2012	2011
Net profit attributable to shareholders (Baht)	726,586,101	1,427,711,597	627,972,414	1,369,553,033
Weighted average number of ordinary share in issue (Shares)	76,625,000	76,625,000	76,625,000	76,625,000
Basic earnings per share (Baht)	9.48	18.63	8.20	17.87

There are no dilutive potential ordinary shares in issue during the period presented, so no diluted earnings per share is presented.

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24 Promotional privileges

The Company has received promotional privileges from the Office of the Board of Investment for the production of molds and electronic prototype design. Under these privileges, the Company will be exempted from corporate income tax for a period of 8 years from the date of commencement of earning revenue. As a promoted entity, the Company is required to comply with the terms and conditions as specified in the promotional certificates.

	2012		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	80,892,676	2,055,036,761	2,135,929,437
Domestic sales	108,968,000	5,556,090,807	5,665,058,807
	<u>189,860,676</u>	<u>7,611,127,568</u>	<u>7,800,988,244</u>
Domestic service income			
- mold repairs	4,327,934	-	4,327,934
	<u>4,327,934</u>	<u>-</u>	<u>4,327,934</u>
	2011		
	BOI promoted activities Baht	Non-BOI promoted activities Baht	Total Baht
Export sales	40,565,037	1,512,124,999	1,552,690,036
Domestic sales	51,817,000	7,335,102,314	7,386,919,314
	<u>92,382,037</u>	<u>8,847,227,313</u>	<u>8,939,609,350</u>
Domestic service income			
- mold repairs	1,684,000	-	1,684,000
	<u>1,684,000</u>	<u>-</u>	<u>1,684,000</u>

25 Financial instruments

The principal financial risks faced by the Company are foreign currency exchange rate risk and credit risk. Foreign currency exposure relates to raw materials imported in foreign currencies and certain export sales in foreign currencies. The business transactions are generally on a short-term period which are between 1 and 3 month terms. The foreign currency exchange rate risk of the Company occurs mostly in Japanese Yen and US dollars. Credit risk arises when sales are made on credit terms.

The objectives of using financial instruments are to reduce the uncertainty over future cash flows arising from movements in exchange rates, and to manage the liquidity of the cash resources. Foreign currency forward contracts are entered into to manage the currency risks. Decisions on the level of risk undertaken are confined to the management which has established limits by transaction type and by counterparty. The current policy established by the management is unchanged from that of the prior year of which the Company enters into foreign currency forward contracts for approximately 50% of net foreign currency liabilities.

Trading for speculative purposes is not allowed. Derivative transactions are subject to approval by the Company's Board of directors.

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25 Financial instruments (Cont'd)

a) Financial assets and liabilities

As at 31 March 2012 and 2011, the Company has outstanding foreign currency assets and liabilities as details below.

	2012		2011	
	Currency Million	Thousand Baht	Currency Million	Thousand Baht
Assets				
Japanese Yen	30.63	11,388	30.42	11,019
US Dollars	5.16	158,508	2.59	78,203
		<u>169,896</u>		<u>89,222</u>
Liabilities				
Japanese Yen	625.04	237,023	639.98	238,146
US Dollars	7.28	22,555	0.86	26,034
		<u>259,578</u>		<u>264,180</u>

Objectives and significant terms and conditions

The Company enters into financial instruments which are foreign currency forward contracts to manage the risks arising from fluctuations in foreign currency exchange rates.

Foreign currency forward contracts

Foreign currency forward contracts are entered into to manage exposure to fluctuations in foreign currency exchange rates on specific transactions.

At 31 March 2012 and 2011, the settlement dates on foreign currency forward contracts were ranged between 1 and 2 months from the statement of financial position date. The equivalent Thai Baht to be received at the contractual exchange rates of the outstanding contracts were:

	2012 Baht	2011 Baht
Yen 100 million at average rate Baht 37.18 = Yen 100 (2011 : Yen 70 million at average rate Baht 36.65 = Yen 100)	37,183,100	25,655,000

Fair values

The fair values of the derivative financial instruments at the statement of financial position date were:

	2012 Baht	2011 Baht
Forward foreign exchange contracts - liabilities	183,505	47,450

The fair values of forward foreign exchange contracts have been calculated using rates quoted by the Company's banks as if the contracts are terminated at the statement of financial position date.

25 Financial instruments (Cont'd)

b) Credit risk

The Company has no significant concentrations of credit risk. The Company has policy in place to ensure that sales of products and services are made to customers with an appropriate credit history. Derivative counterparties and cash transactions are limited to high credit quality financial institution.

c) Fair values

The carrying amounts of the following financial assets and financial liabilities approximate their fair values: cash and cash equivalents, short-term investments held to maturity, trade accounts receivable, trade accounts payable and other accounts payable due to short maturities of these investments.

26 Related party transactions

Individuals or enterprises that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the Company, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

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

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 accounts payable - related parties.

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26 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties:

For the years ended 31 March	2012 Baht	2011 Baht
Sales		
Stanley Electric Group companies	365,324,042	419,208,314
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	172,485,189	136,289,127
Associates	<u>186,205,063</u>	<u>138,485,800</u>
	<u>724,014,294</u>	<u>693,983,241</u>
Technical assistance income (other income)		
Stanley Electric Group companies	1,140,182	-
Associates	<u>18,400</u>	<u>-</u>
	<u>1,158,582</u>	<u>-</u>
Royalty income (other income)		
Associates	<u>278,981</u>	<u>284,282</u>
Dividend income		
Stanley Electric Group companies	62,882,134	50,080,269
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	605,899	822,775
Associates	<u>41,108,752</u>	<u>25,913,219</u>
	<u>104,596,785</u>	<u>76,816,263</u>
Other income		
Stanley Electric Group companies	1,596,069	1,437,909
Associates	<u>22,760</u>	<u>43,349</u>
	<u>1,618,829</u>	<u>1,481,258</u>
Purchases of goods and services		
Stanley Electric Group companies	1,166,121,648	805,440,313
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	239,597,423	275,192,665
Associates	<u>40,109,715</u>	<u>21,341,453</u>
	<u>1,445,828,786</u>	<u>1,101,974,431</u>

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Notes to the Financial Statements
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26 Related party transactions (Cont'd)

The following significant transactions were carried out with related parties: (Cont'd)

For the years ended 31 March	2012	2011
	Baht	Baht
Royalty fees		
Stanley Electric Group companies	216,871,149	243,180,357
Design and development fee		
Stanley Electric Group companies	45,006,700	49,853,307
Technical fee		
Stanley Electric Group companies	9,117,411	8,006,538
Training fee		
Stanley Electric Group companies	1,668,647	24,436,247
Commission		
Stanley Electric Group companies	6,886,708	528,559
Directors' and managements' remuneration		
Short-term benefits	48,714,381	47,361,153

Short-term benefits comprise salary, bonus and other welfares.

The amounts due to and from related parties are mainly denominated in foreign currencies and relate to purchases and sales transactions. The outstanding balances as at 31 March 2012 and 2011 are as follows:

	2012	2011
	Baht	Baht
Trade accounts receivable - related parties		
Stanley Electric Group companies	42,291,766	29,501,236
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	69,717,984	35,105,287
Associates	20,818,524	14,923,809
	<u>132,828,274</u>	<u>79,530,332</u>
Trade accounts payable - related parties		
Stanley Electric Group companies	119,901,154	158,963,719
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	27,717,595	27,813,373
Associates	9,002,302	4,930,585
	<u>156,621,051</u>	<u>191,707,677</u>
Other accounts payable - related parties		
Stanley Electric Group companies	186,129,113	171,195,962

27 Significant commitments

a) Bank guarantees

As at 31 March 2012, the Company has bank guarantees with respect to electricity supply from banks of Baht 40 million (2011 : Baht 40 million).

b) Capital commitments

As at 31 March 2012, the Company has capital commitments of Baht 721 million (2011 : Baht 281 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

28 Subsequent event after the reporting period

At the Board of Directors' meeting held on 18 May 2012, the Board of Directors approved to propose the dividends payment in respect of the operating results for the year ended 31 March 2012 for a total 76,625,000 shares of Baht 3 per share totaling Baht 229.88 million to the Annual General Shareholders' meeting which will be held on 26 June 2012.