

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

31 DECEMBER 2012

AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

I have reviewed the accompanying statements of financial position in which the equity method is applied and the Company only as at 31 December 2012, the related statements of income and comprehensive income in which the equity method is applied and the Company only for the three-month and nine-month periods ended 31 December 2012, the related statements of changes in shareholders' equity and cash flows in which the equity method is applied and the Company only for the nine-month period ended 31 December 2012 and condensed notes to the interim financial information of Thai Stanley Electric Public Company Limited. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Statements of financial position as at 31 March 2012 presented for comparative purpose

The financial statements in which the equity method is applied and the Company only for the year ended 31 March 2012 of Thai Stanley Electric Public Company Limited were audited by the other auditor in the same firm as myself, whose report dated 18 May 2012, expressed an unqualified opinion on those statements. The statements of financial position in which the equity method is applied and the Company only as at 31 March 2012, presented for comparative purposes, are part of the financial statements.

Interim financial information for the three-month and nine-month periods ended 31 December 2011 presented for comparative purpose

The statements of income and comprehensive income in which the equity method is applied and the Company only for the three-month and nine-month periods ended 31 December 2011 and the statements of changes in shareholders' equity and cash flows in which the equity method is applied and the Company only for the nine-month period ended 31 December 2011 of Thai Stanley Electric Public Company Limited, presented for comparative purpose, were reviewed by the other auditor in the same firm as myself, whose report dated 10 February 2012, stated that nothing had come to her attention that caused her to believe that the interim financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

Unakorn Phruithithada
Certified Public Accountant (Thailand) No. 3257
PricewaterhouseCoopers ABAS Ltd.

Bangkok
1 February 2013

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

	Notes	Financial information in which the equity method is applied		The Company only	
		Unaudited 31 December 2012 Baht	Audited 31 March 2012 Baht	Unaudited 31 December 2012 Baht	Audited 31 March 2012 Baht
Assets					
Current assets					
Cash and cash equivalents		1,279,437,254	1,707,851,632	1,279,437,254	1,707,851,632
Short-term investments held to maturity	4	84,194,191	198,849,700	84,194,191	198,849,700
Trade and other accounts receivable, net	5, 6	1,946,194,180	1,546,358,261	1,946,194,180	1,546,358,261
Inventories, net		824,023,483	848,394,251	824,023,483	848,394,251
Corporate income tax refundable		35,804,368	35,804,368	35,804,368	35,804,368
Other current assets		6,944,071	11,523,481	6,944,071	11,523,481
Total current assets		4,176,597,547	4,348,781,693	4,176,597,547	4,348,781,693
Non-current assets					
Investments in associates	7	466,750,385	417,868,654	57,176,689	57,176,689
Long-term investments, net	8	138,259,738	146,267,138	138,259,738	146,267,138
Property, plant and equipment, net	9	5,748,758,411	4,574,302,530	5,748,758,411	4,574,302,530
Intangible assets, net	10	451,303,324	437,255,701	451,303,324	437,255,701
Other non-current assets, net	11	20,567,808	100,051,417	20,567,808	100,051,417
Total non-current assets		6,825,639,666	5,675,745,440	6,416,065,970	5,315,053,475
Total assets		11,002,237,213	10,024,527,133	10,592,663,517	9,663,835,168

Director _____
(Mr. Hiroyuki Nakano)

Director _____
(Mr. Apichart Leeissaranukul)

Date _____

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

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

	Note	Financial information in which the equity method is applied		The Company only	
		Unaudited 31 December 2012 Baht	Audited 31 March 2012 Baht	Unaudited 31 December 2012 Baht	Audited 31 March 2012 Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - other companies		541,415,484	497,327,992	541,415,484	497,327,992
- related parties	6	247,332,589	156,621,051	247,332,589	156,621,051
Other accounts payable - other companies		158,697,005	321,752,198	158,697,005	321,752,198
- related parties	6	156,625,601	186,129,113	156,625,601	186,129,113
Accrued corporate income tax		112,641,343	-	112,641,343	-
Advances received from customers		35,435,293	62,278,044	35,435,293	62,278,044
Accrued expenses		216,737,474	192,185,048	216,737,474	192,185,048
Total current liabilities		1,468,884,789	1,416,293,446	1,468,884,789	1,416,293,446
Non-current liabilities					
Provision for post-employment benefits		126,573,240	111,670,710	126,573,240	111,670,710
Total non-current liabilities		126,573,240	111,670,710	126,573,240	111,670,710
Total liabilities		1,595,458,029	1,527,964,156	1,595,458,029	1,527,964,156
Shareholders' equity					
Share capital					
Authorised share capital					
76,625,000 ordinary shares, par value of Baht 5 each		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		383,125,000	383,125,000	383,125,000	383,125,000
Premium on share capital		504,250,000	504,250,000	504,250,000	504,250,000
Retained earnings					
Appropriated					
- Legal reserve		38,312,500	38,312,500	38,312,500	38,312,500
Unappropriated		8,585,776,153	7,678,162,011	8,065,537,988	7,205,963,512
Other components of equity		(104,684,469)	(107,286,534)	5,980,000	4,220,000
Total shareholders' equity		9,406,779,184	8,496,562,977	8,997,205,488	8,135,871,012
Total liabilities and shareholders' equity		11,002,237,213	10,024,527,133	10,592,663,517	9,663,835,168

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Income (Unaudited)
For the three-month periods ended 31 December 2012 and 2011

	Notes	Financial information in which the equity method is applied		The Company only	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Sales	6	2,942,329,192	1,150,594,555	2,942,329,192	1,150,594,555
Cost of sales	6, 13	(2,289,253,154)	(1,304,759,133)	(2,289,253,154)	(1,304,759,133)
Gross profit (loss)		653,076,038	(154,164,578)	653,076,038	(154,164,578)
Other income					
- Gain on exchange rates, net		10,125,716	5,569,008	10,125,716	5,569,008
- Others	6	50,803,843	46,586,710	50,803,843	46,586,710
Profit (loss) before expenses		714,005,597	(102,008,860)	714,005,597	(102,008,860)
Selling expenses	6	(140,796,204)	(73,245,795)	(140,796,204)	(73,245,795)
Administrative expenses	6	(59,777,523)	(55,736,537)	(59,777,523)	(55,736,537)
Other expenses	13	-	(267,303,405)	-	(267,303,405)
Total expenses		(200,573,727)	(396,285,737)	(200,573,727)	(396,285,737)
Operating profit (loss)		513,431,870	(498,294,597)	513,431,870	(498,294,597)
Share of profit from investments in associates		39,770,976	35,632,648	-	-
Profit (loss) before income tax		553,202,846	(462,661,949)	513,431,870	(498,294,597)
Income tax		(110,747,317)	95,746,927	(110,747,317)	95,746,927
Net profit (loss) for the period		<u>442,455,529</u>	<u>(366,915,022)</u>	<u>402,684,553</u>	<u>(402,547,670)</u>
Basic earnings (loss) per share	14				
Net profit (loss) for the period		<u>5.77</u>	<u>(4.79)</u>	<u>5.26</u>	<u>(5.25)</u>

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the three-month periods ended 31 December 2012 and 2011

	Financial information in which the equity method is applied		The Company only	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Net profit (loss) for the period	442,455,529	(366,915,022)	402,684,553	(402,547,670)
Other comprehensive income:				
Unrealised gain on change in fair value of available-for-sale investment	640,000	80,000	640,000	80,000
Exchange differences relating to investments in associates	295,478	(375,923)	-	-
Other comprehensive income (expenses) for the period	<u>935,478</u>	<u>(295,923)</u>	<u>640,000</u>	<u>80,000</u>
Total comprehensive income (expenses) for the period	<u><u>443,391,007</u></u>	<u><u>(367,210,945)</u></u>	<u><u>403,324,553</u></u>	<u><u>(402,467,670)</u></u>

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Income (Unaudited)
For the nine-month periods ended 31 December 2012 and 2011

	Notes	Financial information in which the equity method is applied		The Company only	
		2012 Baht	2011 Baht	2012 Baht	2011 Baht
Sales	6	8,350,006,194	5,588,998,187	8,350,006,194	5,588,998,187
Cost of sales	6, 13	(6,538,686,230)	(4,712,486,339)	(6,538,686,230)	(4,712,486,339)
Gross profit		1,811,319,964	876,511,848	1,811,319,964	876,511,848
Other income					
- Dividend income	6,7,8	24,147,142	63,390,593	66,401,983	102,514,984
- Gain on exchange rates, net		11,279,382	-	11,279,382	-
- Others	6	161,571,088	169,251,399	161,571,088	169,251,399
Profit before expenses		2,008,317,576	1,109,153,840	2,050,572,417	1,148,278,231
Selling expenses	6	(409,429,703)	(284,699,804)	(409,429,703)	(284,699,804)
Administrative expenses	6	(187,075,137)	(169,182,118)	(187,075,137)	(169,182,118)
Loss on exchange rates, net		-	(3,873,501)	-	(3,873,501)
Other expenses	13	(35,294,401)	(267,303,405)	(35,294,401)	(267,303,405)
Total expenses		(631,799,241)	(725,058,828)	(631,799,241)	(725,058,828)
Operating profit		1,376,518,335	384,095,012	1,418,773,176	423,219,403
Share of profit from investments in associates	7	90,294,507	99,325,230	-	-
Profit before income tax		1,466,812,842	483,420,242	1,418,773,176	423,219,403
Income tax		(329,332,400)	(174,554,946)	(329,332,400)	(174,554,946)
Net profit for the period		1,137,480,442	308,865,296	1,089,440,776	248,664,457
Basic earnings per share	14				
Net profit for the period		14.84	4.03	14.22	3.25

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the nine-month periods ended 31 December 2012 and 2011

	Notes	Financial information in which the equity method is applied		The Company only	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Net profit for the period		1,137,480,442	308,865,296	1,089,440,776	248,664,457
Other comprehensive income:					
Unrealised gain (loss) on change in fair value of available-for-sale investment	8	1,760,000	(640,000)	1,760,000	(640,000)
Exchange differences relating to investments in associates	7	842,065	27,772,967	-	-
Other comprehensive income (expenses) for the period		2,602,065	27,132,967	1,760,000	(640,000)
Total comprehensive income for the period		<u>1,140,082,507</u>	<u>335,998,263</u>	<u>1,091,200,776</u>	<u>248,024,457</u>

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the nine-month periods ended 31 December 2012 and 2011

	Financial information in which the equity method is applied									
	Note	Issued and paid-up share capital Baht	Premium on share capital Baht	Retained earnings		Other components of equity			Total shareholders' equity Baht	
				Legal reserve Baht	Unappropriated retained earnings Baht	Unrealised gain on change in fair value of available-for-sale investment Baht	Other comprehensive income			Total other components of equity Baht
							Cumulative exchange differences relating to investments in associates Baht			
Opening balance as at 1 April 2012		383,125,000	504,250,000	38,312,500	7,678,162,011	4,220,000	(111,506,534)	(107,286,534)	8,496,562,977	
Total comprehensive income for the period		-	-	-	1,137,480,442	1,760,000	842,065	2,602,065	1,140,082,507	
Dividends paid	12	-	-	-	(229,866,300)	-	-	-	(229,866,300)	
Closing balance as at 31 December 2012		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>8,585,776,153</u>	<u>5,980,000</u>	<u>(110,664,469)</u>	<u>(104,684,469)</u>	<u>9,406,779,184</u>	
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 period		-	-	-	308,865,296	(640,000)	27,772,967	27,132,967	335,998,263	
Dividends paid	12	-	-	-	(498,042,350)	-	-	-	(498,042,350)	
Closing balance as at 31 December 2011		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>7,260,441,206</u>	<u>3,980,000</u>	<u>(111,770,303)</u>	<u>(107,790,303)</u>	<u>8,078,338,403</u>	

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the nine-month periods ended 31 December 2012 and 2011

The Company only							
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity	
				Legal reserve	Unappropriated retained earnings	Unrealised gain on change in fair value of available-for-sale investment	Total other components of equity
		Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2012		383,125,000	504,250,000	38,312,500	7,205,963,512	4,220,000	8,135,871,012
Total comprehensive income for the period		-	-	-	1,089,440,776	1,760,000	1,091,200,776
Dividends paid	12	-	-	-	(229,866,300)	-	(229,866,300)
Closing balance as at 31 December 2012		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>8,065,537,988</u>	<u>5,980,000</u>	<u>8,997,205,488</u>
Opening balance as at 1 April 2011		383,125,000	504,250,000	38,312,500	7,076,033,448	4,620,000	8,006,340,948
Total comprehensive income for the period		-	-	-	248,664,457	(640,000)	248,024,457
Dividends paid	12	-	-	-	(498,042,350)	-	(498,042,350)
Closing balance as at 31 December 2011		<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>6,826,655,555</u>	<u>3,980,000</u>	<u>7,756,323,055</u>

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows (Unaudited)
For the nine-month periods ended 31 December 2012 and 2011

	Notes	Financial information in which the equity method is applied		The Company only	
		2012	2011	2012	2011
		Baht	Baht	Baht	Baht
Cash flows from operating activities:					
Profit before income tax for the period		1,466,812,842	483,420,242	1,418,773,176	423,219,403
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation	9	559,357,593	483,544,588	559,357,593	483,544,588
- Amortisation	10	82,740,967	78,440,600	82,740,967	78,440,600
- Interest income		(26,169,034)	(69,196,219)	(26,169,034)	(69,196,219)
- Share of profit from investments in associates	7	(90,294,507)	(99,325,230)	-	-
- Dividend income					
- Investments in associates	7	-	-	(42,254,841)	(39,124,391)
- Long-term investments	8	(24,147,142)	(63,390,593)	(24,147,142)	(63,390,593)
- Gain on disposals of equipment		(5,742,007)	(5,801,823)	(5,742,007)	(5,801,823)
- Impairment of long-term investment		1,613,500	5,000,000	1,613,500	5,000,000
- Loss on sale of long-term investment	8	165,535	-	165,535	-
- Allowance for doubtful account (reversal)	5	(684,180)	4,261,447	(684,180)	4,261,447
- Loss on write-off of damaged inventories from floods	13	-	74,071,782	-	74,071,782
- Allowance for slow moving inventories and net realisable value lower than cost of inventories (reversal)		(7,297,468)	23,448,937	(7,297,468)	23,448,937
- Provision for post-employment benefits		15,875,730	14,902,890	15,875,730	14,902,890
- Unrealised gain on exchange rates		(1,351,733)	(1,086,731)	(1,351,733)	(1,086,731)
Cash flows before changes in operating assets and liabilities		1,970,880,096	928,289,890	1,970,880,096	928,289,890
Changes in operating assets and liabilities					
- Trade and other accounts receivable		(400,845,039)	366,790,491	(400,845,039)	366,790,491
- Inventories		31,668,236	(392,109,276)	31,668,236	(392,109,276)
- Other current assets		4,579,410	(3,566,121)	4,579,410	(3,566,121)
- Other non-current assets		4,081,051	(8,751,678)	4,081,051	(8,751,678)
- Trade accounts payable - other companies		44,087,492	(167,472,230)	44,087,492	(167,472,230)
- related parties		90,711,538	161,803,154	90,711,538	161,803,154
- Other accounts payable - other companies		(147,088,163)	81,337,473	(147,088,163)	81,337,473
- related parties		(29,845,657)	74,919,004	(29,845,657)	74,919,004
- Advances received from customers		(26,842,751)	(34,150,193)	(26,842,751)	(34,150,193)
- Accrued expenses		24,552,426	67,478,642	24,552,426	67,478,642
- Payment for post-employment benefit obligation		(973,200)	(255,965)	(973,200)	(255,965)
Cash generated from operations		1,564,965,439	1,074,313,191	1,564,965,439	1,074,313,191
Interest received		26,105,101	63,031,798	26,105,101	63,031,798
Income tax paid		(216,691,057)	(289,020,086)	(216,691,057)	(289,020,086)
Net cash received from operating activities		1,374,379,483	848,324,903	1,374,379,483	848,324,903

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Statements of Cash Flows (Unaudited)
For the nine-month periods ended 31 December 2012 and 2011

	Notes	Financial information 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		(1,674,282,866)	(1,489,235,033)	(1,674,282,866)	(1,489,235,033)
Proceeds from disposals of equipment		5,989,072	7,052,825	5,989,072	7,052,825
Interest received on short-term investments held to maturity		1,757,233	4,014,005	1,757,233	4,014,005
Proceeds from sale of long-term investment	8	7,988,365	-	7,988,365	-
Dividends received					
- Investments in associates	7	42,254,841	39,124,391	42,254,841	39,124,391
- Long-term investments	8	24,147,142	63,390,593	24,147,142	63,390,593
Purchases of intangible assets	10	(96,788,590)	(126,165,174)	(96,788,590)	(126,165,174)
Cash receipts from short-term investments held to maturity	4	198,849,700	560,985,995	198,849,700	560,985,995
Cash payment on short-term investments held to maturity	4	(84,194,191)	-	(84,194,191)	-
Net cash used in investing activities		<u>(1,574,279,294)</u>	<u>(940,832,398)</u>	<u>(1,574,279,294)</u>	<u>(940,832,398)</u>
Cash flow from financing activity:					
Dividends paid	12	<u>(229,866,300)</u>	<u>(498,042,350)</u>	<u>(229,866,300)</u>	<u>(498,042,350)</u>
Net cash used in financing activity		<u>(229,866,300)</u>	<u>(498,042,350)</u>	<u>(229,866,300)</u>	<u>(498,042,350)</u>
Net decrease in cash and cash equivalents		(429,766,111)	(590,549,845)	(429,766,111)	(590,549,845)
Cash and cash equivalents at beginning of the period		1,707,851,632	3,133,889,742	1,707,851,632	3,133,889,742
Effects of exchange rate changes		1,351,733	1,086,731	1,351,733	1,086,731
Cash and cash equivalents at end of the period		<u>1,279,437,254</u>	<u>2,544,426,628</u>	<u>1,279,437,254</u>	<u>2,544,426,628</u>
Non-cash transaction:					
Outstanding liabilities arisen from purchases of plant, equipment and intangible assets		48,949,827	53,000,934	48,949,827	53,000,934

The notes to the interim financial information on page 13 to 22 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month periods ended 31 December 2012 and 2011

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.

This interim financial information has been approved by the Company’s Board of directors on 1 February 2013.

This interim financial information has been reviewed, not audited.

2 Basis of preparation

This interim financial information is 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. The primary financial information (i.e. statement of financial position, statement of income, statement of comprehensive income, statement of changes in shareholders’ equity and statement of cash flows) is prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial information 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.

The interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2012.

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

3 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2012.

New accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation

The following new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation are mandatory, but the Company has not early adopted them.

Effective for the periods beginning on or after 1 January 2013

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
TFRS 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

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month periods ended 31 December 2012 and 2011

3 Accounting policies (Cont'd)

New accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation (Cont'd)

Effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSC 29	Service Concession Arrangements: Disclosure

The Company's management has determined that the new accounting standards, amendments to accounting standards, new financial reporting standard and new interpretation will not significantly impact the financial information 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 Company will apply this standard from 1 April 2013 retrospectively. 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 Company will apply this standard from 1 April 2013. The Company's management has determined that this standard will impact on entity-wide disclosures only. For segment information, as the Company currently manufactures and sells auto bulbs, automotive lighting equipment and molds & dies at one establishment. In addition, the sales, assets and profit of mold & die segment, which is different from auto bulbs and automotive lighting equipment, do not meet quantitative thresholds of reportable segment. Moreover, the Company's management allocates resources and assesses the Company's performance as a whole. Therefore, the Company's management has determined that the current disclosure of segment information is sufficient and consistent with this standard's requirements.

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

4 Short-term investments held to maturity

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 is as follows:

For the nine-month period ended 31 December 2012	Unaudited Baht
Opening net book amount	198,849,700
Addition during the period	84,194,191
Settled during the period	<u>(198,849,700)</u>
Closing net book amount	<u>84,194,191</u>

As at 31 December 2012, short-term investments held to maturity bore interest at the average rate at 2.73% per annum (as at 31 March 2012: 3.00% - 3.02% per annum).

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month periods ended 31 December 2012 and 2011

5 Trade and other accounts receivable, net

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

	Unaudited 31 December 2012 Baht	Audited 31 March 2012 Baht
Trade accounts receivable - other companies	1,656,786,840	1,231,280,105
<u>Less Allowance for doubtful account</u>	<u>(3,477,267)</u>	<u>(4,161,447)</u>
Trade accounts receivable - other companies, net	1,653,309,573	1,227,118,658
Trade accounts receivable - related companies (Note 6)	142,809,966	132,828,274
Prepaid expenses	26,496,144	43,381,518
Accrued income	25,210,083	14,881,508
Value added tax receivable	84,384,966	95,594,694
Other receivables	13,983,448	32,553,609
	<u>1,946,194,180</u>	<u>1,546,358,261</u>

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

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	Unaudited 31 December 2012 Baht	Audited 31 March 2012 Baht	Unaudited 31 December 2012 Baht	Audited 31 March 2012 Baht
Current	1,491,780,639	1,115,901,330	138,593,045	127,121,859
Overdue				
- less than 3 months	159,297,155	34,567,355	528,413	1,760,310
- 3 - 6 months	2,192,233	75,368,114	-	3,946,105
- 6 - 12 months	39,546	1,395,889	1,768	-
- more than 1 year	3,477,267	4,047,417	3,686,740	-
	<u>1,656,786,840</u>	<u>1,231,280,105</u>	<u>142,809,966</u>	<u>132,828,274</u>

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month periods ended 31 December 2012 and 2011

6 Related party transactions

The Company has significant transactions with its major shareholder, Stanley Electric Company Limited, incorporated in Japan which holds 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 29.08% interest in the Company's share capital.

Purchases from related parties mainly comprise 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 the amount of sales less imported material cost from the related party in accordance with the agreement.

A design and development fee and other fees are charged in the normal course of business. The outstanding balances are presented as other accounts payable - related parties.

The following significant transactions were carried out with related parties:

	Unaudited			
	For the three-month periods ended 31 December		For the nine-month periods ended 31 December	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Sales				
Stanley Electric Group companies	125,540,487	80,430,891	335,108,252	279,567,522
Companies related by way of the Company's management and directors as shareholders or by way of common directors	36,804,022	33,792,326	131,098,170	121,131,205
Associates	45,467,652	48,196,312	111,817,036	130,931,332
	<u>207,812,161</u>	<u>162,419,529</u>	<u>578,023,458</u>	<u>531,630,059</u>
Dividend income				
Stanley Electric Group companies	-	-	24,147,142	62,882,134
Companies related by way of the Company's management and directors as shareholders or by way of common directors	-	-	-	508,459
Associates	-	-	42,254,841	39,124,391
	<u>-</u>	<u>-</u>	<u>66,401,983</u>	<u>102,514,984</u>
Other income				
Stanley Electric Group companies	-	-	2,020,678	-
Associates	198,950	278,694	466,455	278,694
	<u>198,950</u>	<u>278,694</u>	<u>2,487,133</u>	<u>278,694</u>
Purchases of goods and services				
Stanley Electric Group companies	261,811,990	447,518,695	818,072,177	991,957,510
Companies related by way of the Company's management and directors as shareholders or by way of common directors	82,500,724	37,648,335	240,708,080	171,156,533
Associates	12,341,111	22,146,308	28,367,095	29,618,172
	<u>356,653,825</u>	<u>507,313,338</u>	<u>1,087,147,352</u>	<u>1,192,732,215</u>
Royalty fee				
Stanley Electric Group companies	80,034,057	32,793,545	226,819,498	157,174,847
Design and development fee				
Stanley Electric Group companies	3,007,226	18,750,182	3,543,321	37,779,364

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month periods ended 31 December 2012 and 2011

6 Related party transactions (Cont'd)

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

	Unaudited			
	For the three-month periods ended 31 December		For the nine-month periods ended 31 December	
	2012	2011	2012	2011
	Baht	Baht	Baht	Baht
Technical fee				
Stanley Electric Group companies	1,148,494	3,052,724	8,391,059	11,168,752
Training fee				
Stanley Electric Group companies	6,481,532	-	19,842,653	2,151,060
Commission				
Stanley Electric Group companies	111,114	-	1,152,114	1,020,599
Directors' and managements' remuneration	16,969,601	12,443,879	44,267,372	36,099,816

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 31 December 2012 and 31 March 2012 are as follows:

	Unaudited	Audited
	31 December	31 March
	2012	2012
	Baht	Baht
Trade accounts receivable - related parties (Note 5)		
Stanley Electric Group companies	75,327,066	42,291,766
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	43,024,919	69,717,984
Associates	24,457,981	20,818,524
	<u>142,809,966</u>	<u>132,828,274</u>
Trade accounts payable - related parties		
Stanley Electric Group companies	206,673,615	119,901,154
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	28,311,373	27,717,595
Associates	12,347,601	9,002,302
	<u>247,332,589</u>	<u>156,621,051</u>
Other accounts payable - related parties		
Stanley Electric Group companies	156,625,601	186,129,113

7 Investments in associates

a) Movements in investments in associates are as follows:

	Equity Method	Cost Method
	Unaudited	Unaudited
	Baht	Baht
For the nine-month period ended 31 December 2012		
Opening net book amount	417,868,654	57,176,689
Share of profit	90,294,507	-
Dividends received	(42,254,841)	-
Translation adjustments	842,065	-
Closing net book amount	<u>466,750,385</u>	<u>57,176,689</u>

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month periods ended 31 December 2012 and 2011

7 Investments in associates (Cont'd)

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

Name	Business activity	Paid-up share capital	% of holding	Equity Method			
				Unaudited 31 December 2012		Audited 31 March 2012	
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	14,961,310	-	11,425,918	4,185,446
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	451,789,075	42,254,841	406,442,736	36,923,306
				<u>466,750,385</u>	<u>42,254,841</u>	<u>417,868,654</u>	<u>41,108,752</u>
Cost Method							
Name	Business activity	Paid-up share capital	% of holding	Equity Method			
				Unaudited 31 December 2012		Audited 31 March 2012	
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
Associates							
Lao Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	3,132,500	-	3,132,500	4,185,446
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	54,044,189	42,254,841	54,044,189	36,923,306
				<u>57,176,689</u>	<u>42,254,841</u>	<u>57,176,689</u>	<u>41,108,752</u>

8 Long-term investments, net

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

As at 31 December 2012 (Unaudited)			
	Available-for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
- Related parties	6,160,000	104,921,215	111,081,215
- Other companies	-	27,178,523	27,178,523
Long-term investments, net	<u>6,160,000</u>	<u>132,099,738</u>	<u>138,259,738</u>
As at 31 March 2012 (Audited)			
	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>

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month periods ended 31 December 2012 and 2011

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

The details of long-term investments are as follows:

Name	Business activity	Paid-up share capital	% of holding	Unaudited 31 December 2012		Audited 31 March 2012	
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
Related party - available for sale							
Inoue Rubber (Thailand) Public Company Limited	Manufacture of tyre	Baht 200 million	0.2	3,380,000	-	3,380,000	97,440
	Change in fair value of investment			2,780,000	-	1,020,000	-
				<u>6,160,000</u>	<u>-</u>	<u>4,400,000</u>	<u>97,440</u>
Related parties - general investments (at cost)							
Asian Stanley International Company Limited	Manufacture of small bulbs, LED and electronic components	Baht 400 million	15.0	60,000,000	10,387,294	60,000,000	19,143,458
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting	Baht 21 million	15.0	3,000,000	-	3,000,000	508,459
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	535,081	8,793,715	618,271
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting	USD 7.5 million	10.0	33,127,500	13,224,767	33,127,500	43,120,405
Stanley Electric Engineering India PVT.	Design molds and manufacture of lamps and molds	RS 161 million	10.0	-	-	16,263,000	-
	<u>Less</u> Impairment of investment			-	-	(6,495,600)	-
				<u>104,921,215</u>	<u>24,147,142</u>	<u>114,688,615</u>	<u>63,390,593</u>
Other companies - general investments (at cost)							
Sum Hitechs Company Limited	Chrome plating on plastic products	Baht 104 million	16.35	27,178,523	-	27,178,523	-
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</u> Impairment of investment			(5,000,000)	-	(5,000,000)	-
				<u>27,178,523</u>	<u>-</u>	<u>27,178,523</u>	<u>-</u>
				<u>138,259,738</u>	<u>24,147,142</u>	<u>146,267,138</u>	<u>63,488,033</u>
Total long-term investments, net				<u>138,259,738</u>	<u>24,147,142</u>	<u>146,267,138</u>	<u>63,488,033</u>

On 12 December 2012, the Company sold investment in Stanley Electric Engineering India PVT. that had book value amounting to Baht 8.15 million (cost and allowance for impairment amounting to Baht 16.26 million and Baht 8.11 million, respectively) to Lumax Industries Limited for a consideration of Baht 7.99 million. As a result, the Company had loss on sales of investment amounting to Baht 0.16 million.

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month periods ended 31 December 2012 and 2011

9 Property, plant and equipment, net

For the nine-month period ended 31 December 2012	Unaudited Baht
Opening net book amount	4,574,302,530
Additions	1,734,060,539
Disposals/write - offs, net	(247,065)
<u>Less</u> Depreciation charge	<u>(559,357,593)</u>
Closing net book amount	<u>5,748,758,411</u>

The additions during the period mainly compose of land, factory building, machines and equipment for production capacity expansion.

As at 31 December 2012, the Company has capital commitments amount of Baht 130 million (31 March 2012: Baht 721 million). The capital commitment mainly comprises machines for production expansion in the future.

10 Intangible assets, net

For the nine-month period ended 31 December 2012	Unaudited Baht
Opening net book amount	437,255,701
Additions	96,788,590
<u>Less</u> Amortisation charge	<u>(82,740,967)</u>
Closing net book amount	<u>451,303,324</u>

11 Other non-current assets, net

	Unaudited 31 December 2012 Baht	Audited 31 March 2012 Baht
Advance payment for construction, purchase of machines and equipment	-	75,402,558
Others	20,567,808	24,648,859
	<u>20,567,808</u>	<u>100,051,417</u>

12 Dividends paid

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 26 June 2012, the shareholders unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2012 for 76,625,000 shares of Baht 3 per share, totalling Baht 229,875,000. There are 2,900 shares that were not entitled to receive the dividends, totalling Baht 8,700 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 229,866,300 in the interim financial information. The Company paid the dividends to the shareholders on 24 July 2012.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited 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 interim financial information. The Company paid the dividends to the shareholders on 4 August 2011.

Thai Stanley Electric Public Company Limited
Unaudited Condensed Notes to the Interim Financial Information
For the nine-month periods ended 31 December 2012 and 2011

13 Expenses arising from floods

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 statements of income for the three-month and nine-month periods ended 31 December 2011 included 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 was approximately Baht 201.60 million.

The details of other expenses in the statements of income for the three-month and nine-month periods ended 31 December 2012 and 2011 are as follows:

	Unaudited			
	For the three-month periods ended 31 December		For the nine-month periods ended 31 December	
	2012 Baht	2011 Baht	2012 Baht	2011 Baht
Staff salaries and other fixed expenses during the period when the Company stopped and rehabilitated its operation	-	108.51	-	108.51
Loss on write-off of damaged inventories from floods	-	74.07	-	74.07
Other expenses arising from floods including flood-prevention and rehabilitation expenses	-	84.72	35.29	84.72
	<u>-</u>	<u>267.30</u>	<u>35.29</u>	<u>267.30</u>

14 Basic earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the net profit (loss) attributable to shareholders by the weighted average number of common shares in issue during the period (31 December 2012: 76,625,000 shares and 31 December 2011: 76,625,000 shares).

There are no dilutive ordinary shares in issue for the nine-month periods ended 31 December 2012 and 2011.

15 Commitments and contingent liabilities

For the nine-month period ended 31 December 2012, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 March 2012, except the capital commitment as mentioned in Note 9 and the following item:

Forward exchange contracts

As at 31 December 2012 and 31 March 2012, the balances of trade accounts receivable net off with trade accounts payable in respect of purchases and sales proceeds due in foreign currencies are as follows:

		Unaudited 31 December 2012	Audited 31 March 2012
Net payables - Yen currency	Yen	122.53 million	594.41 million
- USD currency	USD	0.60 million	4.44 million
Forward exchange contracts - Yen currency	Yen	60 million	100 million
- USD currency	USD	0.60 million	-
Maturity of forward exchange contracts		1 - 2 months	1 - 2 months

16 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, has not been separately reported as the sales of this segment represent only 4.44% and 2.46% of total sales for the three-month and nine-month periods ended 31 December 2012, respectively (for the three-month and nine-month periods ended 31 December 2011: 4.51% and 3.08% of total sales, respectively).