

THAI STANLEY ELECTRIC PUBLIC COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

31 DECEMBER 2013

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 2013, 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 2013, 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 2013 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".

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

Bangkok
4 February 2014

Thai Stanley Electric Public Company Limited
 Statements of Financial Position
 As at 31 December 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		(Restated)		(Restated)	
		Unaudited	Audited	Unaudited	Audited
		31 December	31 March	31 December	31 March
		2013	2013	2013	2013
		Baht	Baht	Baht	Baht
Assets					
Current assets					
Cash and cash equivalents		1,788,513,599	1,706,831,055	1,788,513,599	1,706,831,055
Short-term investments held to maturity	4	563,987,417	109,704,902	563,987,417	109,704,902
Trade and other accounts receivable, net	5, 6	1,557,400,556	2,034,445,035	1,557,400,556	2,034,445,035
Inventories, net		742,753,032	844,326,647	742,753,032	844,326,647
Corporate income tax refundable		35,804,368	35,804,368	35,804,368	35,804,368
Other current assets		6,696,862	7,224,223	6,696,862	7,224,223
Total current assets		4,695,155,834	4,738,336,230	4,695,155,834	4,738,336,230
Non-current assets					
Investments in associates	7	563,036,597	475,826,519	57,176,689	57,176,689
Long-term investments, net	8	138,099,738	139,859,738	138,099,738	139,859,738
Property, plant and equipment, net	9	5,943,709,226	5,905,057,348	5,943,709,226	5,905,057,348
Intangible assets, net	10	532,872,364	465,263,346	532,872,364	465,263,346
Deferred tax assets		-	-	63,327,951	57,343,073
Other non-current assets, net		20,891,511	19,840,167	20,891,511	19,840,167
Total non-current assets		7,198,609,436	7,005,847,118	6,756,077,479	6,644,540,361
Total assets		11,893,765,270	11,744,183,348	11,451,233,313	11,382,876,591

Director _____
 (Mr. Apichart Leeissaranukul)

Director _____
 (Mr. Koichi Nagano)

Date _____

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Financial Position
 As at 31 December 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		(Restated)		(Restated)	
		Unaudited	Audited	Unaudited	Audited
		31 December 2013	31 March 2013	31 December 2013	31 March 2013
		Baht	Baht	Baht	Baht
Liabilities and shareholders' equity					
Current liabilities					
Trade accounts payable - other companies		403,999,828	564,389,044	403,999,828	564,389,044
- related parties	6	228,698,476	300,625,020	228,698,476	300,625,020
Other accounts payable - other companies		145,468,680	235,633,141	145,468,680	235,633,141
- related parties	6	124,567,755	130,841,491	124,567,755	130,841,491
Accrued corporate income tax		78,917,342	234,080,227	78,917,342	234,080,227
Advances received from customers		45,407,131	38,639,703	45,407,131	38,639,703
Accrued expenses		250,087,422	246,249,796	250,087,422	246,249,796
Total current liabilities		1,277,146,634	1,750,458,422	1,277,146,634	1,750,458,422
Non-current liabilities					
Deferred tax liabilities		37,844,032	26,386,893	-	-
Provision for post employment benefits		150,912,820	131,762,100	150,912,820	131,762,100
Total non-current liabilities		188,756,852	158,148,993	150,912,820	131,762,100
Total liabilities		1,465,903,486	1,908,607,415	1,428,059,454	1,882,220,522
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		9,588,943,922	9,020,393,751	9,095,390,359	8,571,464,569
Other components of equity		(86,769,638)	(110,505,318)	2,096,000	3,504,000
Total shareholders' equity		10,427,861,784	9,835,575,933	10,023,173,859	9,500,656,069
Total liabilities and shareholders' equity		11,893,765,270	11,744,183,348	11,451,233,313	11,382,876,591

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Income (Unaudited)
 For the three-month period ended 31 December 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		(Restated)		(Restated)	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Sales	6	2,460,499,250	2,942,329,192	2,460,499,250	2,942,329,192
Cost of sales	6	(1,938,970,055)	(2,289,253,154)	(1,938,970,055)	(2,289,253,154)
Gross profit		521,529,195	653,076,038	521,529,195	653,076,038
Other income					
- Gain on exchange rates, net		8,278,894	10,125,716	8,278,894	10,125,716
- Others	6	34,158,299	50,803,843	34,158,299	50,803,843
Profit before expenses		563,966,388	714,005,597	563,966,388	714,005,597
Selling expenses	6	(112,691,287)	(140,796,204)	(112,691,287)	(140,796,204)
Administrative expenses	6	(70,914,089)	(59,777,523)	(70,914,089)	(59,777,523)
Total expenses		(183,605,376)	(200,573,727)	(183,605,376)	(200,573,727)
Operating profit		380,361,012	513,431,870	380,361,012	513,431,870
Share of profit from investments in associates		41,234,449	39,770,976	-	-
Profit before income tax		421,595,461	553,202,846	380,361,012	513,431,870
Income tax		(86,557,286)	(122,302,508)	(78,310,395)	(114,348,313)
Net profit for the period		<u>335,038,175</u>	<u>430,900,338</u>	<u>302,050,617</u>	<u>399,083,557</u>
Basic earnings per share	13				
Net profit for the period		<u>4.37</u>	<u>5.62</u>	<u>3.94</u>	<u>5.21</u>

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month period ended 31 December 2013

	Financial statements in which the equity method is applied		The Company only	
	(Restated)		(Restated)	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Net profit for the period	335,038,175	430,900,338	302,050,617	399,083,557
Other comprehensive income:				
Unrealised gain (loss) on change in fair value of available-for-sale investment	(64,000)	512,000	(64,000)	512,000
Exchange differences relating to investments in associates	(4,174,512)	236,382	-	-
Other comprehensive income (expenses) for the period, net of tax	(4,238,512)	748,382	(64,000)	512,000
Total comprehensive income for the period	<u>330,799,663</u>	<u>431,648,720</u>	<u>301,986,617</u>	<u>399,595,557</u>

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Thai Stanley Electric Public Company Limited
 Statements of Income (Unaudited)
 For the nine-month period ended 31 December 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		(Restated)		(Restated)	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Sales	6	7,876,853,743	8,350,006,194	7,876,853,743	8,350,006,194
Cost of sales	6	(6,220,985,710)	(6,538,686,230)	(6,220,985,710)	(6,538,686,230)
Gross profit		1,655,868,033	1,811,319,964	1,655,868,033	1,811,319,964
Other income					
- Dividend income	6, 7, 8	39,738,273	24,147,142	78,884,321	66,401,983
- Gain on exchange rates, net		7,694,249	11,279,382	7,694,249	11,279,382
- Others	6	139,169,198	161,571,088	139,169,198	161,571,088
Profit before expenses		1,842,469,753	2,008,317,576	1,881,615,801	2,050,572,417
Selling expenses	6	(371,233,762)	(409,429,703)	(371,233,762)	(409,429,703)
Administrative expenses	6	(211,055,092)	(187,075,137)	(211,055,092)	(187,075,137)
Other expenses	12	-	(35,294,401)	-	(35,294,401)
Total expenses		(582,288,854)	(631,799,241)	(582,288,854)	(631,799,241)
Operating profit		1,260,180,899	1,376,518,335	1,299,326,947	1,418,773,176
Share of profit from investments in associates	7	94,926,525	90,294,507	-	-
Profit before income tax		1,355,107,424	1,466,812,842	1,299,326,947	1,418,773,176
Income tax		(269,371,578)	(336,010,034)	(258,215,482)	(326,402,101)
Net profit for the period		<u>1,085,735,846</u>	<u>1,130,802,808</u>	<u>1,041,111,465</u>	<u>1,092,371,075</u>
Basic earnings per share	13				
Net profit for the period		<u>14.17</u>	<u>14.76</u>	<u>13.59</u>	<u>14.26</u>

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Thai Stanley Electric Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the nine-month period ended 31 December 2013

	Financial statements in which the equity method is applied		The Company only	
	(Restated)		(Restated)	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Net profit for the period	1,085,735,846	1,130,802,808	1,041,111,465	1,092,371,075
Other comprehensive income:				
Unrealised gain (loss) on change in fair value of available-for-sale investment	(1,408,000)	1,408,000	(1,408,000)	1,408,000
Exchange differences relating to investments in associates	25,143,680	673,652	-	-
Other comprehensive income (expenses) for the period, net of tax	23,735,680	2,081,652	(1,408,000)	1,408,000
Total comprehensive income for the period	<u>1,109,471,526</u>	<u>1,132,884,460</u>	<u>1,039,703,465</u>	<u>1,093,779,075</u>

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Thai Stanley Electric Public Company Limited
Statements of Changes in Shareholders' Equity (Unaudited)
For the nine-month period ended 31 December 2013

Financial statements in which the equity method is applied								
					Other components of equity			
					Other comprehensive income			
					Cumulative exchange differences relating to investments in associates			
					Unrealised gain on change in fair value of available-for-sale investment			
					Retained earnings			
					Legal reserve			
					Unappropriated retained earnings			
					Issued and paid-up share capital			
					Premium on share capital			
					Total other components of equity			
					Total shareholders' equity			
Notes	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Opening balance as at 1 April 2013 - as previously reported	383,125,000	504,250,000	38,312,500	9,071,206,974	7,580,000	(142,511,648)	(134,931,648)	9,861,962,826
Retrospective adjustments	-	-	-	(50,813,223)	(4,076,000)	28,502,330	24,426,330	(26,386,893)
Opening balance as at 1 April 2013 - as restated	383,125,000	504,250,000	38,312,500	9,020,393,751	3,504,000	(114,009,318)	(110,505,318)	9,835,575,933
Total comprehensive income for the period	-	-	-	1,085,735,846	(1,408,000)	25,143,680	23,735,680	1,109,471,526
Dividends paid	-	-	-	(517,185,675)	-	-	-	(517,185,675)
Closing balance as at 31 December 2013	383,125,000	504,250,000	38,312,500	9,588,943,922	2,096,000	(88,865,638)	(86,769,638)	10,427,861,784
Opening balance as at 1 April 2012 - as previously reported	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
Retrospective adjustments	-	-	-	(34,987,049)	(3,404,000)	22,301,307	18,897,307	(16,089,742)
Opening balance as at 1 April 2012 - as restated	383,125,000	504,250,000	38,312,500	7,643,174,962	816,000	(89,205,227)	(88,389,227)	8,480,473,235
Total comprehensive income for the period - as previously reported	-	-	-	1,137,480,442	1,760,000	842,065	2,602,065	1,140,082,507
Retrospective adjustments	-	-	-	(6,677,634)	(352,000)	(168,413)	(520,413)	(7,198,047)
Total comprehensive income for the period - as restated	-	-	-	1,130,802,808	1,408,000	673,652	2,081,652	1,132,884,460
Dividends paid	-	-	-	(229,866,300)	-	-	-	(229,866,300)
Closing balance as at 31 December 2012	383,125,000	504,250,000	38,312,500	8,544,111,470	2,224,000	(88,531,575)	(86,307,575)	9,383,491,395

The notes to the interim financial information on page 12 to 23 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 period ended 31 December 2013

		The Company only					
		Retained earnings				Other components of equity	
		Unappropriated retained earnings				Other comprehensive income	
		Legal reserve				Unrealised gain on change in fair value of available-for-sale investment	
		Total other components of equity				Total shareholders' equity	
Notes	Issued and paid-up share capital Baht	Premium on share capital Baht	Legal reserve Baht	Unappropriated retained earnings Baht	Unrealised gain on change in fair value of available-for-sale investment Baht	Total other components of equity Baht	Total shareholders' equity Baht
Opening balance as at 1 April 2013 - as previously reported	383,125,000	504,250,000	38,312,500	8,510,045,496	7,580,000	7,580,000	9,443,312,996
Retrospective adjustments	3.1.1 -	-	-	61,419,073	(4,076,000)	(4,076,000)	57,343,073
Opening balance as at 1 April 2013 - as restated	383,125,000	504,250,000	38,312,500	8,571,464,569	3,504,000	3,504,000	9,500,656,069
Total comprehensive income for the period	-	-	-	1,041,111,465	(1,408,000)	(1,408,000)	1,039,703,465
Dividends paid	11 -	-	-	(517,185,675)	-	-	(517,185,675)
Closing balance as at 31 December 2013	<u>383,125,000</u>	<u>504,250,000</u>	<u>38,312,500</u>	<u>9,095,390,359</u>	<u>2,096,000</u>	<u>2,096,000</u>	<u>10,023,173,859</u>
Opening balance as at 1 April 2012 - as previously reported	383,125,000	504,250,000	38,312,500	7,205,963,512	4,220,000	4,220,000	8,135,871,012
Retrospective adjustments	3.1.1 -	-	-	59,452,651	(3,404,000)	(3,404,000)	56,048,651
Opening balance as at 1 April 2012 - as restated	383,125,000	504,250,000	38,312,500	7,265,416,163	816,000	816,000	8,191,919,663
Total comprehensive income for the period - as previously reported	-	-	-	1,089,440,776	1,760,000	1,760,000	1,091,200,776
Retrospective adjustments	3.1.1 -	-	-	2,930,299	(352,000)	(352,000)	2,578,299
Total comprehensive income for the period - as restated	-	-	-	1,092,371,075	1,408,000	1,408,000	1,093,779,075
Dividends paid	11 -	-	-	(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>8,127,920,938</u>	<u>2,224,000</u>	<u>2,224,000</u>	<u>9,055,832,438</u>

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Cash Flows (Unaudited)
 For the nine-month period ended 31 December 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash flows from operating activities:					
Profit before income tax for the period		1,355,107,424	1,466,812,842	1,299,326,947	1,418,773,176
Adjustments to reconcile profit before income tax to net cash provided by operations:					
- Depreciation	9	682,101,414	559,357,593	682,101,414	559,357,593
- Amortisation	10	92,513,947	82,740,967	92,513,947	82,740,967
- Interest income		(34,891,862)	(26,169,034)	(34,891,862)	(26,169,034)
- Share of profit from investments in associates	7	(94,926,525)	(90,294,507)	-	-
- Dividend income					
- Investments in associates	7	-	-	(39,146,048)	(42,254,841)
- Long-term investments	8	(39,738,273)	(24,147,142)	(39,738,273)	(24,147,142)
- Loss (gain) on disposal of equipment		735,327	(5,742,007)	735,327	(5,742,007)
- Loss on write-off of intangible assets	10	77	-	77	-
- Impairment of long-term investment		-	1,613,500	-	1,613,500
- Loss on sale of long-term investment		-	165,535	-	165,535
- Reversal of allowance for doubtful account	5	(114,030)	(684,180)	(114,030)	(684,180)
- Reversal of allowance for slow moving inventories and net realisable value lower than cost of inventories		(1,489,302)	(7,297,468)	(1,489,302)	(7,297,468)
- Provision for post-employment benefits		19,607,400	15,875,730	19,607,400	15,875,730
- Unrealised gain on exchange rates		(3,233,246)	(1,351,733)	(3,233,246)	(1,351,733)
Cash flows before changes in operating assets and liabilities					
		1,975,672,351	1,970,880,096	1,975,672,351	1,970,880,096
Changes in operating assets and liabilities					
- Trade and other accounts receivable		477,659,540	(400,845,039)	477,659,540	(400,845,039)
- Inventories		103,062,917	31,668,236	103,062,917	31,668,236
- Other current assets		527,361	4,579,410	527,361	4,579,410
- Other non-current assets		(1,051,344)	4,081,051	(1,051,344)	4,081,051
- Trade accounts payable - other companies		(160,389,216)	44,087,492	(160,389,216)	44,087,492
- related parties		(71,926,544)	90,711,538	(71,926,544)	90,711,538
- Other accounts payable - other companies		(110,270,618)	(147,088,163)	(110,270,618)	(147,088,163)
- related parties		(6,266,293)	(29,845,657)	(6,266,293)	(29,845,657)
- Advances received from customers		6,767,428	(26,842,751)	6,767,428	(26,842,751)
- Accrued expenses		3,837,626	24,552,426	3,837,626	24,552,426
- Payment for post-employment benefits		(456,680)	(973,200)	(456,680)	(973,200)
Cash generated from operations					
Interest received		31,303,059	26,105,101	31,303,059	26,105,101
Income tax paid		(419,011,246)	(216,691,057)	(419,011,246)	(216,691,057)
Net cash received from operating activities					
		1,829,458,341	1,374,379,483	1,829,458,341	1,374,379,483

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

Thai Stanley Electric Public Company Limited
 Statements of Cash Flows (Unaudited)
 For the nine-month period ended 31 December 2013

	Notes	Financial statements in which the equity method is applied		The Company only	
		2013 Baht	2012 Baht	2013 Baht	2012 Baht
Cash flows from investing activities:					
Purchases of property, plant and equipment		(711,872,258)	(1,674,282,866)	(711,872,258)	(1,674,282,866)
Proceeds from disposals of equipment		7,093,353	5,989,072	7,093,353	5,989,072
Interest received on short-term investments held to maturity		3,087,773	1,757,233	3,087,773	1,757,233
Proceeds from sale of long-term investment		-	7,988,365	-	7,988,365
Dividends received					
- Investments in associates	7	39,146,048	42,254,841	39,146,048	42,254,841
- Long-term investments	8	39,738,273	24,147,142	39,738,273	24,147,142
Purchases of intangible assets		(156,734,042)	(96,788,590)	(156,734,042)	(96,788,590)
Cash receipts from short-term investments held to maturity	4	365,000,000	198,849,700	365,000,000	198,849,700
Cash payments on short-term investments held to maturity	4	(819,282,515)	(84,194,191)	(819,282,515)	(84,194,191)
Net cash used in investing activities		<u>(1,233,823,368)</u>	<u>(1,574,279,294)</u>	<u>(1,233,823,368)</u>	<u>(1,574,279,294)</u>
Cash flow from financing activity:					
Dividends paid	11	(517,185,675)	(229,866,300)	(517,185,675)	(229,866,300)
Net cash used in financing activity		<u>(517,185,675)</u>	<u>(229,866,300)</u>	<u>(517,185,675)</u>	<u>(229,866,300)</u>
Net increase (decrease) in cash and cash equivalents		78,449,298	(429,766,111)	78,449,298	(429,766,111)
Cash and cash equivalents at beginning of the period		1,706,831,055	1,707,851,632	1,706,831,055	1,707,851,632
Effects of exchange rate changes		3,233,246	1,351,733	3,233,246	1,351,733
Cash and cash equivalents at end of the period		<u>1,788,513,599</u>	<u>1,279,437,254</u>	<u>1,788,513,599</u>	<u>1,279,437,254</u>
Non-cash transactions:					
Outstanding liabilities arisen from purchases of plant, equipment and intangible assets		47,833,883	48,949,827	47,833,883	48,949,827

The notes to the interim financial information on page 12 to 23 are an integral part of this interim financial information.

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 Bangpoo Rungsit Road, Bangklang, Amphur Muang, Pathumthane, 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 4 February 2014.

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 2013.

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 2013 except Thai Accounting Standard no. 12 “Income taxes”.

3.1 New/revised accounting standards and new interpretations

3.1.1 New accounting standard that is mandatory for the accounting periods beginning on or after 1 January 2013 and has an effect on the Company’s financial statements

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. This accounting standard is mandatory for the accounting periods beginning on or after 1 January 2013. The Company has adopted this standard from 1 April 2013 with retrospective adjustments. The effects of the adoption of this standard on the statement of financial position, the statement of income and the statement of comprehensive income are as follows:

	Financial statements in which the equity method is applied Baht Million	The Company only Baht Million
Statement of Financial Position as at 31 March 2013		
Increase in deferred tax assets	-	57.34
Increase in deferred tax liabilities	26.39	-
Shareholders’ equity		
Increase (decrease) in unappropriated retained earnings as at 1 April 2012	(34.99)	59.45
Increase (decrease) in unappropriated retained earnings as at 31 March 2013	(50.81)	61.42
Increase (decrease) in other components of equity as at 1 April 2012	18.90	(3.40)
Increase (decrease) in other components of equity as at 31 March 2013	24.43	(4.08)
Statement of Income for the three-month period ended 31 December 2012		
Increase in income tax	11.56	3.60
Decrease in net profit for the period	11.56	3.60
Decrease in basic earnings per share (Baht)	0.15	0.05
Statement of Income for the nine-month period ended 31 December 2012		
Increase (decrease) in income tax	6.68	(2.93)
Increase (decrease) in net profit for the period	(6.68)	2.93
Increase (decrease) in basic earnings per share (Baht)	(0.09)	0.04

3 Accounting policies (Cont'd)

3.1 New/revised accounting standards and new interpretations (Cont'd)

3.1.1 New accounting standard that is mandatory for the accounting periods beginning on or after 1 January 2013 and has an effect on the Company's financial statements (Cont'd)

	Financial statements in which the equity method is applied Baht Million	The Company only Baht Million
Statement of Comprehensive Income for the three-month period ended 31 December 2012		
Decrease in unrealised gain on change in fair value of available-for-sale investment	0.13	0.13
Decrease in exchange differences relating to investments in associates	0.06	-
Decrease in total comprehensive income	11.74	3.73
Statement of Comprehensive Income for the nine-month period ended 31 December 2012		
Decrease in unrealised gain on change in fair value of available-for-sale investment	0.35	0.35
Decrease in exchange differences relating to investments in associates	0.17	-
Increase (decrease) in total comprehensive income	(7.20)	2.58

3.1.2 New/revised accounting standards and new interpretations

New/revised accounting standards and new interpretations that are not yet effective and have not been early adopted by the Company:

a) Revised accounting standards effective for the periods beginning on or after 1 January 2014

TAS 1 (Revised 2012)	Presentation of Financial Statements
TAS 7 (Revised 2012)	Statement of Cash Flows
TAS 12 (Revised 2012)	Income Taxes
TAS 17 (Revised 2012)	Leases
TAS 18 (Revised 2012)	Revenue
TAS 19 (Revised 2012)	Employee Benefits
TAS 21 (Revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (Revised 2012)	Related Party Disclosures
TAS 28 (Revised 2012)	Investments in Associates
TAS 31 (Revised 2012)	Interest in Joint Ventures
TAS 34 (Revised 2012)	Interim Financial Reporting
TAS 38 (Revised 2012)	Intangible Assets
TFRS 2 (Revised 2012)	Share-Based Payment
TFRS 3 (Revised 2012)	Business Combinations
TFRS 5 (Revised 2012)	Non-Current Assets Held for Sale and Discontinued Operations
TFRS 8 (Revised 2012)	Operating Segments

3 Accounting policies (Cont'd)

3.1 New/revised accounting standards and new interpretations (Cont'd)

3.1.2 New/revised accounting standards and new interpretations (Cont'd)

b) Interpretations of Thai Financial Reporting Interpretations Committee (TFRIC) and Thai Standard Interpretations Committee (SIC) effective for the periods beginning on or after 1 January 2014

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement Contains a Lease
TFRIC 5	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-Cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers
TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosure
TSIC 32	Intangible Assets - Web Site Costs

c) New accounting standard effective for the periods beginning on or after 1 January 2016

TFRS 4	Insurance Contracts
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The Company's management has determined that the new/revised accounting standards and the new interpretations will not significantly impact the financial statements being presented, except for TFRIC 4: Determining whether an Arrangement Contains a Lease.

TFRIC 4 requires the determination of whether an arrangement is or contains a lease to be based on the substance of the arrangement. It requires an assessment of whether: (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. The management is currently assessing the impact of this interpretation.

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.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3 Accounting policies (Cont'd)

3.2 New accounting policies

Current and deferred income taxes

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of reporting period in the countries where the Company's associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax is provided on temporary differences arising from investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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 2013	Unaudited Baht
Opening net book amount	109,704,902
Additions during the period	819,282,515
Redemptions during the period	<u>(365,000,000)</u>
Closing net book amount	<u>563,987,417</u>

As at 31 December 2013, short-term investments held to maturity bore interest at the average rate at 2.22% - 3.15% per annum (31 March 2013: 2.65% - 2.73% per annum).

Thai Stanley Electric Public Company Limited
 Unaudited Condensed Notes to the Interim Financial Information
 For the nine-month period ended 31 December 2013

5 Trade and other accounts receivable, net

Trade and other accounts receivable, net as at 31 December 2013 and 31 March 2013 are as follows:

	Unaudited 31 December 2013 Baht	Audited 31 March 2013 Baht
Trade accounts receivable - other companies	1,351,053,197	1,717,846,398
<u>Less</u> Allowance for doubtful account	<u>(3,253,237)</u>	<u>(3,367,267)</u>
Trade accounts receivable - other companies, net	1,347,799,960	1,714,479,131
Trade accounts receivable - related parties (Note 6)	144,955,239	179,626,862
Prepaid expenses	26,323,363	23,987,610
Accrued income	20,040,915	9,920,092
Value added tax receivable	4,674,083	82,473,754
Other receivables	13,606,996	23,957,586
	<u>1,557,400,556</u>	<u>2,034,445,035</u>

Trade accounts receivable as at 31 December 2013 and 31 March 2013 can be analysed as follows:

	Trade accounts receivable- other companies		Trade accounts receivable- related parties	
	Unaudited 31 December 2013 Baht	Audited 31 March 2013 Baht	Unaudited 31 December 2013 Baht	Audited 31 March 2013 Baht
Current	1,313,617,945	1,704,026,595	143,180,236	178,291,785
Overdue				
- less than 3 months	21,084,495	10,440,551	737,528	585,297
- 3 - 6 months	7,735,640	11,985	152,067	139,250
- 6 - 12 months	5,361,880	-	885,408	-
- more than 1 year	3,253,237	3,367,267	-	610,530
	<u>1,351,053,197</u>	<u>1,717,846,398</u>	<u>144,955,239</u>	<u>179,626,862</u>

6 Related party transactions

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 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.

Thai Stanley Electric Public Company Limited
 Unaudited Condensed Notes to the Interim Financial Information
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6 Related party transactions (Cont'd)

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	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Sales				
Stanley Electric Group companies	134,969,926	125,540,487	371,432,271	335,108,252
Companies related by way of the Company's management and directors as shareholders or by way of common directors	36,313,700	36,804,022	116,902,267	131,098,170
Associates	54,322,671	45,467,652	108,024,586	111,817,036
	<u>225,606,297</u>	<u>207,812,161</u>	<u>596,359,124</u>	<u>578,023,458</u>
Dividend income				
Stanley Electric Group companies	-	-	39,738,273	24,147,142
Associates	-	-	39,146,048	42,254,841
	<u>-</u>	<u>-</u>	<u>78,884,321</u>	<u>66,401,983</u>
Other income				
Stanley Electric Group companies	236,911	-	3,819,322	2,020,678
Companies related by way of the Company's management and directors as shareholders or by way of common directors	121,300	-	121,300	-
Associates	25,150	198,950	67,190	466,455
	<u>383,361</u>	<u>198,950</u>	<u>4,007,812</u>	<u>2,487,133</u>
Purchases of goods and services				
Stanley Electric Group companies	259,028,999	261,811,990	777,054,486	818,072,177
Companies related by way of the Company's management and directors as shareholders or by way of common directors	63,361,306	82,500,724	213,687,612	240,708,080
Associates	7,092,558	12,341,111	24,023,825	28,367,095
	<u>329,482,863</u>	<u>356,653,825</u>	<u>1,014,765,923</u>	<u>1,087,147,352</u>
Royalty fee				
Stanley Electric Group companies	53,063,545	80,034,057	207,017,138	226,819,498
Design and development fee				
Stanley Electric Group companies	13,741,563	3,007,226	64,785,292	3,543,321

Thai Stanley Electric Public Company Limited
 Unaudited Condensed Notes to the Interim Financial Information
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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	
	2013 Baht	2012 Baht	2013 Baht	2012 Baht
Technical fee				
Stanley Electric Group companies	5,687,187	1,148,494	13,745,280	8,391,059
Training fee				
Stanley Electric Group companies	6,310,000	6,481,532	11,093,302	19,842,653
Commission				
Stanley Electric Group companies	3,223,978	111,114	9,094,351	1,152,114
Directors' and managements' remuneration	12,484,496	16,969,601	39,210,512	44,267,372

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 2013 and 31 March 2013 are as follows:

	Unaudited 31 December 2013 Baht	Audited 31 March 2013 Baht
Trade accounts receivable - related parties		
Stanley Electric Group companies	59,716,302	93,182,313
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	50,379,645	56,636,602
Associates	34,859,292	29,807,947
	144,955,239	179,626,862
Trade accounts payable - related parties		
Stanley Electric Group companies	198,628,167	255,659,601
Companies related by way of the Company's management and directors as shareholders, or by way of common directors	22,784,708	35,416,228
Associates	7,285,601	9,549,191
	228,698,476	300,625,020
Other accounts payable - related parties		
Stanley Electric Group companies	124,567,755	130,841,491

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7 Investments in associates

a) Movements in investments in associates are as follows:

For the nine-month period ended 31 December 2013	Equity Method	Cost Method
	Unaudited Baht	Unaudited Baht
Opening net book amount	475,826,519	57,176,689
Share of profit	94,926,525	-
Dividends received	(39,146,048)	-
Translation adjustments	31,429,601	-
Closing net book amount	<u>563,036,597</u>	<u>57,176,689</u>

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

Name	Business activity	Paid-up share capital	% of holding	Equity Method			
				Unaudited 31 December 2013		Audited 31 March 2013	
				Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
Associates							
Leo Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	21,973,477	-	13,317,919	2,726,202
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	541,063,120	39,146,048	462,508,600	42,254,841
				<u>563,036,597</u>	<u>39,146,048</u>	<u>475,826,519</u>	<u>44,981,043</u>
Cost Method							
				Unaudited 31 December 2013		Audited 31 March 2013	
Name	Business activity	Paid-up share capital	% of holding	Amount Baht	Dividend Baht	Amount Baht	Dividend Baht
Associates							
Leo Stanley Company Limited	Manufacture of automotive lighting equipment	USD 0.25 million	50	3,132,500	-	3,132,500	2,726,202
Vietnam Stanley Electric Company Limited	Manufacture of automotive lighting equipment	USD 8.30 million	20	54,044,189	39,146,048	54,044,189	42,254,841
				<u>57,176,689</u>	<u>39,146,048</u>	<u>57,176,689</u>	<u>44,981,043</u>

Thai Stanley Electric Public Company Limited
 Unaudited Condensed Notes to the Interim Financial Information
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8 Long-term investments, net

Long-term investments, net as at 31 December 2013 and 31 March 2013 are as follows:

As at 31 December 2013 (Unaudited)	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
· Related parties	6,000,000	104,921,215	110,921,215
· Other companies	-	27,178,523	27,178,523
Long-term investments, net	<u>6,000,000</u>	<u>132,099,738</u>	<u>138,099,738</u>

As at 31 March 2013 (Audited)	Available- for-sale investments Baht	General investments Baht	Total Baht
Equity securities			
· Related parties	7,760,000	104,921,215	112,681,215
· Other companies	-	27,178,523	27,178,523
Long-term investments, net	<u>7,760,000</u>	<u>132,099,738</u>	<u>139,859,738</u>

The details of long-term investments are as follows:

Name	Business activity	Paid-up share capital	% of holding	Unaudited 31 December 2013		Audited 31 March 2013	
				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	82,040
Change in fair value of investment				<u>2,620,000</u>	<u>-</u>	<u>4,380,000</u>	<u>-</u>
				6,000,000	-	7,760,000	82,040
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	28,589,723	60,000,000	10,387,294
Sirivit Stanley Company Limited	Manufacture of electronic equipment and automotive lighting	Baht 21 million	15.0	3,000,000	-	3,000,000	-
Lumax Industries Limited	Manufacture of automotive lighting equipment and auto parts	RS 93.5 million	1.73	8,793,715	355,793	8,793,715	535,081
PT. Indonesia Stanley Electric	Manufacture of molds and automotive lighting	USD 7.5 million	10.0	33,127,500	10,792,757	33,127,500	13,224,767
				<u>104,921,215</u>	<u>39,738,273</u>	<u>104,921,215</u>	<u>24,147,142</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	-
Less Impairment of investment				<u>(5,000,000)</u>	<u>-</u>	<u>(5,000,000)</u>	<u>-</u>
				27,178,523	-	27,178,523	-
Total long-term investments, net				<u>138,099,738</u>	<u>39,738,273</u>	<u>139,859,738</u>	<u>24,229,182</u>

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 Unaudited Condensed Notes to the Interim Financial Information
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9 Property, plant and equipment, net

For the nine-month period ended 31 December 2013	Unaudited Baht
Opening net book amount	5,905,057,348
Additions	728,581,972
Disposals/write-offs, net	(7,828,680)
<u>Less</u> Depreciation charge	<u>(682,101,414)</u>
Closing net book amount	<u>5,943,709,226</u>

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

As at 31 December 2013, the Company has capital commitments amount of Baht 269 million (31 March 2013: Baht 84 million). The capital commitment mainly comprises construction and machines for production expansion in the future.

10 Intangible assets, net

For the nine-month period ended 31 December 2013	Unaudited Baht
Opening net book amount	465,263,346
Additions	160,123,042
Disposals/write-offs, net	(77)
<u>Less</u> Amortisation charge	<u>(92,513,947)</u>
Closing net book amount	<u>532,872,364</u>

11 Dividends paid

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 5 July 2013, the shareholders were unanimously resolved to pay dividends in respect of the operating results for the year ended 31 March 2013 for 76,625,000 shares of Baht 6.75 per share, totalling Baht 517,218,750. There are 4,900 shares that were not entitled to receive the dividends, totalling Baht 33,075 as the depository terms were not in compliance with practices of the Thailand Security Depository Co., Ltd. The Company recorded actual dividends that were paid amounting to Baht 517,185,675 in the financial statements. The Company paid the dividends to the shareholders on 31 July 2013.

At the Annual General Shareholders' meeting of Thai Stanley Electric Public Company Limited held on 26 June 2012, the shareholders were 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 that were paid amounting to Baht 229,866,300 in the financial statements. The Company paid the dividends to the shareholders on 24 July 2012.

12 Other expenses

The other expenses in the statement of income for the nine-month period ended 31 December 2012 were related to expenses arising from floods which mainly comprised repair and rehabilitation expenses.

13 Basic earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of common shares in issue during the period (31 December 2013: 76,625,000 shares and 31 December 2012: 76,625,000 shares).

There are no dilutive ordinary shares in issue for the nine-month periods ended 31 December 2013 and 2012.

14 Commitments and contingent liabilities

For the nine-month period ended 31 December 2013, there were no significant changes in commitments and contingent liabilities and other agreements from the year ended 31 March 2013, except the capital commitment as mentioned in Note 9 and the following item:

Forward exchange contracts

As at 31 December 2013 and 31 March 2013, 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 2013	Audited 31 March 2013
- Net payables	Yen	159.05 million	178.25 million
- Net assets	USD	4.73 million	0.62 million
Forward exchange contracts	USD	1.5 million	0.8 million
Maturity of forward exchange contracts		1 - 3 months	1 - 2 months

15 Business segment information

The Company currently manufactures and sells auto bulbs, automotive lighting equipment and molds & dies at one establishment in Thailand. The sales, assets and profit of molds & dies, which are 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.